WE ARE GREEN LIGHT

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WE GENERATED MORE THAN USD 900 MILLION IN VALUE FOR OUR TERRITORIES
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INTEGRATED REPORT 2023

A periodic end-of-year report of Cementos Argos S.A.

City of principal domicile: Barranquilla
Address of principal domicile: Carrera 53 #106-280, piso 17, Centro Empresarial Buenavista

ARGOS

The GRUPO ARGOS Cement Company

WE ARE

GREEN LIGHT

INTEGRATED REPORT 2023

The GRUPO ARGOS Cement Company

ARGOS

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Cartagena Plant in Colombia

In Argos we produce and market cement, concrete, and aggregates. Throughout almost ninety years, **we have written a history framed by sustainability, innovation, environmental care, and commitment to creating value for the company and society.** With a vision oriented towards the future, we continue with our purpose of making possible the construction of housing and infrastructure dreams in around sixteen countries and territories in the Americas.

Our human talent, made up of nearly 7,000 employees at the end of 2023 **with their genuine commitment, audacity and ability to adapt to the challenges of the environment,** materializes **actions** that contribute to the consolidation of a more sustainable, thriving and inclusive society.

Delivering extraordinary solutions to our clients and strengthening bonds of trust with our stakeholders is our obsession! This is why we continue to advance with concrete and safe steps to chart new paths, transform realities and generate opportunities that transcend real change.

WHERE WE OPERATE

DIRECT PRESENCE IN **16 COUNTRIES AND TERRITORIES**

1. Antigua
2. Colombia
3. Curacao
4. Dominica
5. USA
6. Guatemala
7. French Guiana
8. Haiti
9. Honduras
10. Panama
11. Puerto Rico
12. Dominican Republic
13. Saint Martin
14. Saint Thomas
15. Surinam
16. Venezuela*

WE EXPORT **TO 28 DESTINATIONS**

INSTALLED CAPACITY

24

MILLION OF TONNES

of cement

** Cementos Argos S. A. has a presence in Venezuela through its subsidiary Corporación de Cemento Andino C. A., which is currently part of a judicial process regarding the expropriation of the Venezuelan Government.*

ASSETS

11 cement plants

179 concrete plants

6 aggregates plants

9 clinker grinding

63 dispatch centers

29 port terminals

4 time charter ships

1,641 mixer trucks

+1,500 train wagons

FINANCIAL RESULTS

15.7
MILLIONS OF TONNES of cement shipped

6.7
MILLIONS OF M³ of concrete shipped

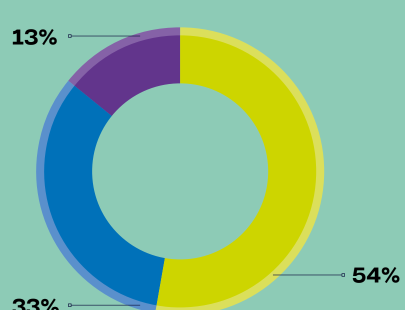
2.7
TRILLION OF PESOS in operating EBITDA

TALENT

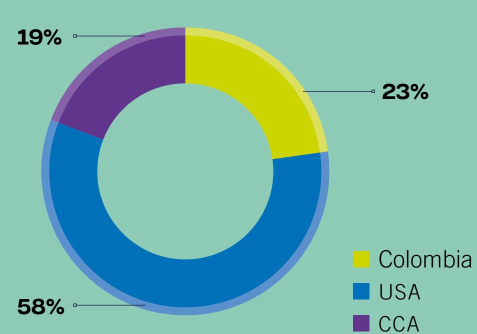
6,784 employees

84% | 5,724 men

16% | 1.060 women



INCOME
BY REGIONAL



COLOMBIA REGIONAL

6 cement plants

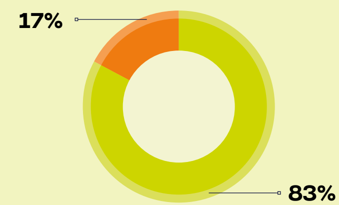
40 concrete plants

1 port terminal

5 aggregates plants

24 dispatch centers

3 trillion of pesos in income



3,641 employees

3,029 Men

612 Women

CENTRAL AMERICA AND CARIBBEAN REGIONAL

1 cement plant

6 concrete plants

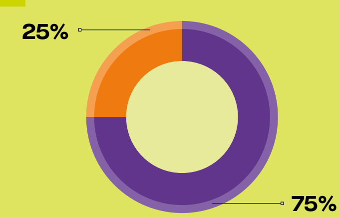
7 clinker grindings

1 aggregates plant

10 port terminals

13 dispatch centers

2.3 trillions of pesos in income



870 employees

651 Men

219 Women

USA REGIONAL

4 cement plants

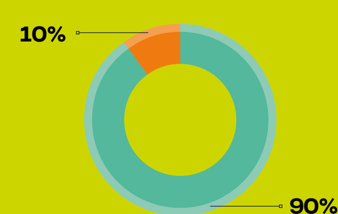
133 concrete plants

18 port terminals

2 clinker grindings

26 dispatch centers

7.4 trillions of pesos in income



2,273 employees

2,044 Men

229 Women

SPRINT

Share Price Recovery Initiative

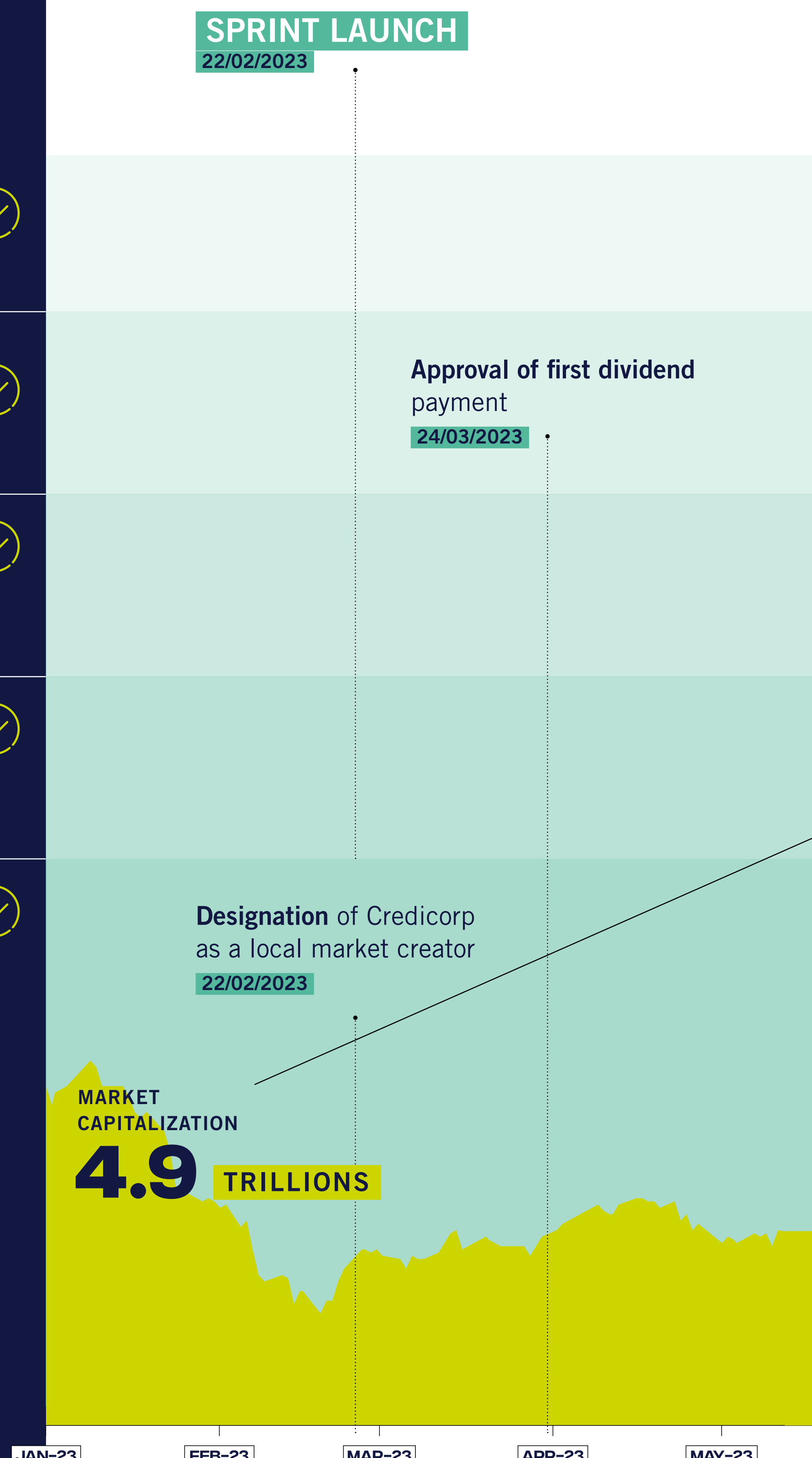
1. **Focus on improving operational results**

2. **+15% in dividends**

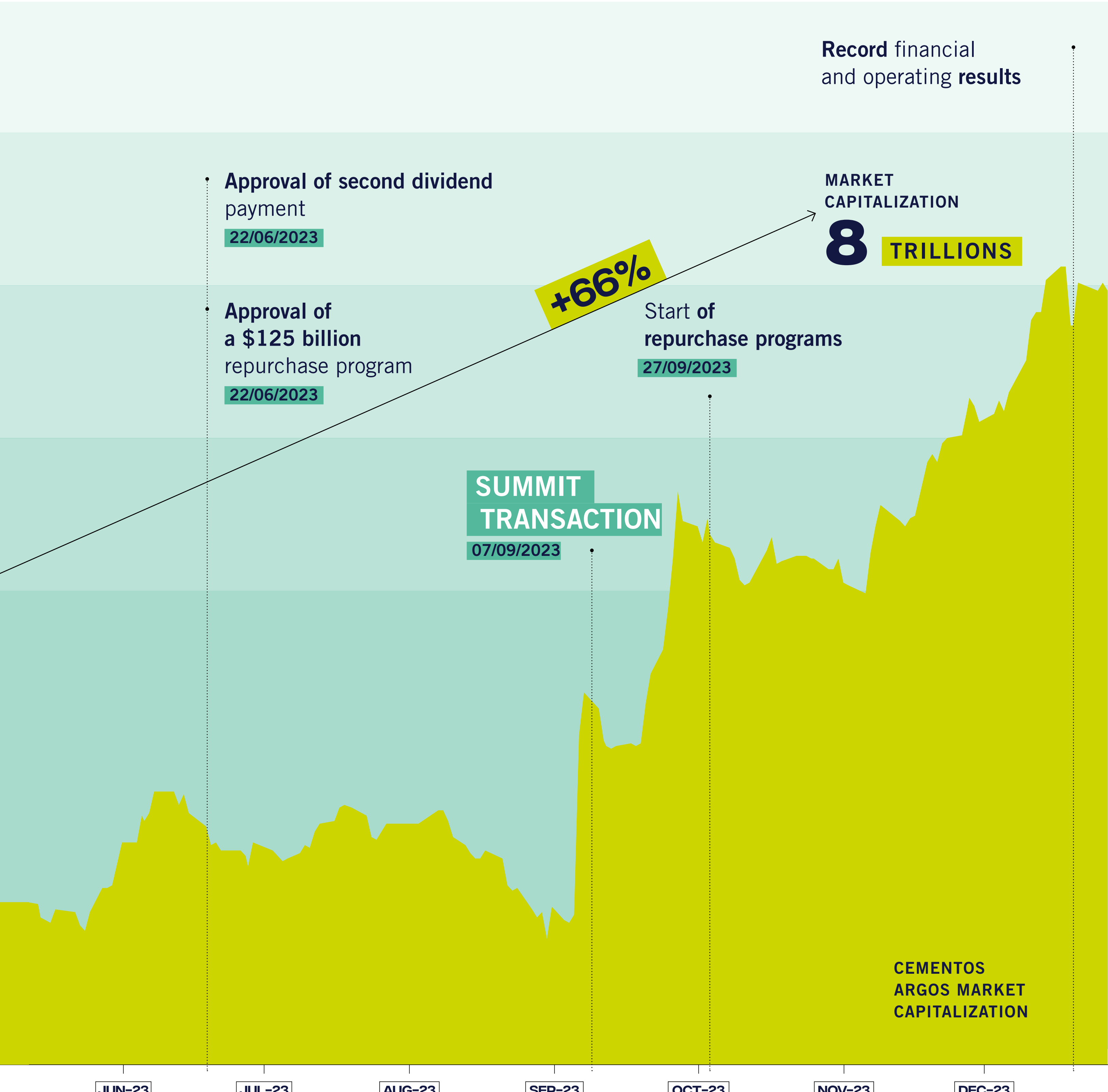
3. **Repurchase of shares for $250 billion**

4. **List our USA business on the New York Stock Exchange**

5. **Improve stock liquidity with the appointment of a market maker**



The achievement of all SPRINT program milestones resulted in a **66% increase in market capitalization** during the year.



OUR COMMITMENTS

Climate change

Specific CO_2 emissions ($kgCO_2$ /t cementitious material)

☐ Base line ■ Performance ■ Goal

Company - Scope 1 and 2

2021	2023	2030
715	690	565
		Reduction of **21%**

SCIENCE BASED TARGETS

In 2022 we validated our scope 1 and 2 reduction objectives by **SBTi.**

Cement - Scope 1

2006	2023	2030
735	609	523
		Reduction of **29%**

Cement - Scope 2

2021	2023	2030
30.1	28	23
		Reduction of **24%**

Concrete

GOAL

2050

We will produce and commercialize **carbon-neutral concrete**

Aligned with:

gcca

Occupational Health & Safety

Serious injuries among employees and contractors

2019	6
2023	0
2025	0

Supply chain

Suppliers evaluated in sustainability in the last three years

2020	20%
2023	55%
2030	61%

Talent

Women in leadership positions

2017	29%
2023	30.4%
2030	35%

In progress Completed

☐ Base line ■ Performance ■ Goal

In progress Completed

Materials

Supplementary cementitious material in concrete

2023	14.6% (in progress)
2030	18%

Alternative raw materials in cement production

2023	10.1% (in progress)
2030	15%

Biodiversity

Active and inactive quarries with high biodiversity value that have a biodiversity management plan

2017	59%
2023	77% (in progress)
2030	85%

Released areas rehabilitated in active and inactive quarries

2017	80%
2023	69% (in progress)
2030	90%

Water

Specific water consumption

Cement: (l/t cement)

2015	350
2023	227 (completed)
2030	245

Concrete: (l/m³)

2015	249
2023	219 (completed)
2030	216

Aggregates: (l/t aggregates)

2020	109
2023	85 (completed)
2030	94

Emissions

Specific NOx emissions (gNOx/t clinker)

2023	1,179 (completed)
2030	1,205

Specific SO_2 emissions (gSO_2 /t clinker)

2023	185 (completed)
2030	205

OTHER NOTABLE ACHIEVEMENTS

USD 900M
Net value added to society

USD 258M
Retained benefits

We deliver to society
3.5
TIMES
the value retained by the company

S&P Global

S&P Global highlighted us in its yearbook among the 5% of the **most sustainable companies in the world.**

ABOUT THIS REPORT

Piedras Azules Plant in Honduras

In Cementos Argos, we work daily to create value for the company and society. This report, approved by the company's Steering Committee, aims to communicate to all our stakeholders how in 2023 we were able to create value in each of the financial, social, environmental, economic and corporate governance (ESG) areas.

Since 2012 we have communicated our performance through Integrated Reports. **See them here.**

How do we report

STANDARDS

SASB GRI (SEE P. 348)

You can find details of our SASB, GRI and other standards indicators in the 2023 indicators and annexes section.

OUR GUIDES

Global Cement and Concrete Association

TCFD Task Force on Climate-related Financial Disclosure (TCFD)

WHO EVALUATES US

S&P Global Corporate Sustainability Assessment (CSA)

SUSTAINALYTICS

MSCI

ALAS20

CDP

merco

IISP

OUR COMMITMENTS

SCIENCE BASED TARGETS Science Based Targets Initiative (SBTi)

CECODES

Colombian Business Council for Sustainable Development

SUSTAINABLE DEVELOPMENT GOALS

We are committed to the principles of **Global Compact.**

How we structure our content and data in this report

STRATEGIC PILLARS

- Company value
- Road to a low carbon economy
- Customer Centricity
- Smart growth
- People Revolution
- Social Value Creation

MATERIAL ISSUES (SEE P . 74)

- Profitable growth and fundamental value of the company
- Business ethics, compliance and integrity
- Mitigation and adaptation to climate change
- Environmental management
- Customer experience
- Sustainable products and solutions
- Resilient supply chain
- Talent management and inclusion
- Safety, health and personal well-being
- Social value
- Human rights

PRIORITIZED SDGS

- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 13 CLIMATE ACTION

What is the information coverage

The 2023 report covers the activities of the companies whose figures are consolidated in the financial statements of the cement, concrete and aggregates businesses of the Colombia, United States, and Central America and Caribbean regions.

From 2024, with the completion of the transaction between Argos USA and Summit Materials, Cementos Argos will no longer consolidate the U.S. operation, which will generate significant changes in the financial statements and ESG reporting. This will include reviewing the redefinition of goals, sustainability commitments and the reporting scope, which will focus on the operations in Colombia, Central America and the Caribbean.

Moving average rate

COP 4,330.14*

** Unless otherwise indicated in a specific section.*

What currency do we report in

COP: for the figures of the Colombia regional operations and corporate results.

USD: to present the results of operations in the United States, Central America and the Caribbean.

BDO

Independent reviewer of this report. See the report at P. 359

Glossary

Know the terms used in this report that, due to their specialty, require a definition. P. 355

Contact

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US:
María Isabel Echeverri, Corporate Affairs Vice President, **mecheverri@argos.com.co,** or María Isabel Cárdenas, ESG Director, **mcardenasb@argos.com.co**

https://argos.co/en/strategies-and-risk-management/
@Cementos_Argos
Cementos Argos
@Argosluzverde

LETTER FROM THE PRESIDENT OF THE BOARD OF DIRECTORS


Jorge Mario Velásquez

Dear shareholders:

Thanks to the trust you have placed in Cementos Argos, today this company is a Green Light for development in the sixteen countries and territories where we are present, making possible the construction of dreams of housing and infrastructure that enable a more sustainable, thriving, and inclusive society.

By 2023, the company recorded the best financial and operating results in its entire history, which faithfully and unequivocally reflects the capabilities of wonderful talent, the company's understanding of market dynamics, its adaptability and resilience to overcome industry challenges, a business vision that for ninety years has emphasized wealth creation leveraged on the generation of positive externalities for society and the environment, and the deep strategic coherence to lay the foundations for the future and create long-term value for the different stakeholders.

The consolidated EBITDA with adjusted figures reached 2.7 trillion pesos, the highest in its history and 30% higher than the previous year, expanding the consolidated EBITDA margin by nearly 329 points, which stood at 21.1%.
At the same time, the net debt to EBITDA ratio decreased to 2.6 times, which constitutes the lowest leverage ratio in the last 10 years and gives the company significant financial flexibility to advance in building the future.

Additionally, during the year, Cementos Argos reached a transformational milestone with the combination of its operations in the United States with Summit Materials. The transaction immediately unlocked value through cash consideration and a 31% stake in the combined entity, which is an investment with real-time valuation as it is listed on the New York Stock Exchange. Additionally, it signed complementary agreements with Summit to provide cement from Cartagena, licensing intellectual property and optimizing the solid logistics network, while continuing to advance the deployment of its strategy in all operating geographies, taking advantage of the vertical integration of the business in the region, strengthening its export trajectory and capitalizing on the unique advantages of having a presence in diverse markets with growing needs.

In the same way, the organization deployed all its strength in the execution of a share price recovery program, the impact of which materialized in a total shareholder return (TSR) of the company's common and preferred shares of 138% and 159%, respectively, from the launch of the program until December 31, 2023.

Roberta Plant in Alabama, United States

We are proud of the fact that the company continues to be at the forefront of the industry in climate commitment, with the commitment to allocate close to US$130 million in long-term investments (*capex*) by 2030, for the structuring and implementation of initiatives associated with a gradual energy transition, mitigation and the adequate use of resources.

We also emphasize innovation around solutions that promote customer competitiveness and digital transformation to put technology at the service of more efficient processes and closer interactions. These bets were consolidated in 2023 as levers for strengthening the value proposition and the deployment of the strategy, with initiatives, among others, of augmented reality and digital twins, aimed at strengthening decision-making and obtaining improvements in productivity with simulation of scenarios and data analysis.

Based on these facts and all the achievements and advances that you will learn about as you read the pages of this report, it will be evident why Cementos Argos is a company with solid fundamentals, with a wonderful present and a promising future that advances in its strategy.

With excitement and enthusiasm for the future, we thank you for your support and reiterate our full commitment to work tirelessly and with determination to grow intelligently, increase company value and the return on your investment, move towards carbon neutrality, maintain customer preference, create social value and consolidate a healthy, respectful and transformative work environment.

Jorge Mario Velasquez
President of the Board of Directors

CORPORATE GOVERNANCE

In Argos we have a governance scheme that enables compliance with the business strategy through the establishment of transparent and efficient management structures, which seek to honour the trust placed in us by our shareholders and investors to promote the sustainability of the organization.

Our corporate governance model includes all governance bodies in the company, which clearly and precisely defines the functions and responsibilities of the administrative bodies based on a structure that includes:

The Government Civic Center in Tegucigalpa, Honduras

Shareholders' Assembly

↓

Board of Directors → **President** → **Steering Committee** → **Employees**

↓

Board of Directors Committees

- Audit, Finance and Risk Committee
- Sustainability and Corporate Governance Committee
- Appointments and Remuneration Committee

Our self-regulatory framework contains transparent administration mechanisms with shareholders, the market and society in general. This framework is mainly made up of:

- Corporate Bylaws
- Corporate Governance Code
- Code of Business Conduct
- Appointment, Remuneration and Succession of the Board of Directors policy
- Policy on Operations between Related Companies
- Policy on Relationships between Related Companies of Grupo Empresarial Argos

These documents are available in the Corporate Governance section of ir.argos.co

RELEVANT EVENTS 2023

Update of corporate governance policies

To strengthen good governance standards, a diversity policy was adopted in the Corporate Governance Code and Appointment, Remuneration and Succession of the Board of Directors policy, which seeks to form a Board of Directors with a wide range of perspectives and approaches that enrich the decision making and strategic vision of the company.

Additionally, and in line with international practices on corporate governance, the retirement age for directors was established at 75 years.

Share repurchase program

To close the gap between the share price on the Colombian Stock Exchange and the fundamental value of the company, in February 2023 we launched SPRINT, which stands for Share Price Recovery Initiative. This initiative was developed to answer the call of our shareholders after demonstrating how, despite the company's good operating results, an improvement in its share price was not generated.

This is how, within the framework of SPRINT, we advanced the share repurchase program in 2023 to provide liquidity alternatives for the company's shares. The program started to be implemented on September 27, 2023 through direct purchases in the market and, complementarily, 3 bids were made through the independent mechanism. At the end of the year, we purchased close to 7,170,809 common shares and 1,027,454 preferred shares, equivalent to 45.3 billion COP, achieving an advance of 36% of the 125 billion COP approved by the Assembly for the program.

The reacquisition program was regulated by the Board of Directors, which appointed a committee composed of members of the Board and Management to define the program's execution and implementation strategy.

Carolina Soto

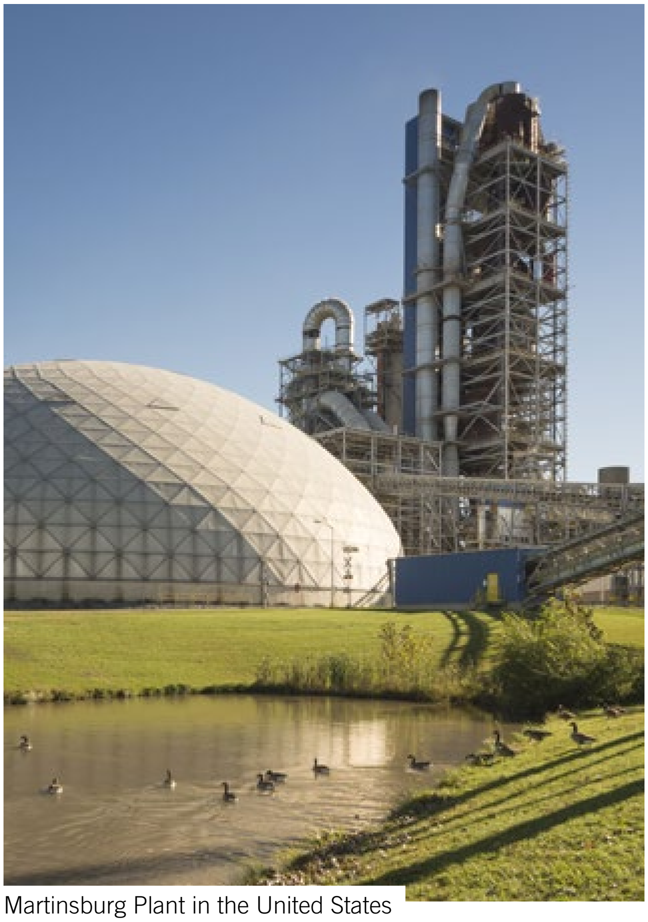
With the appointment of Carolina Soto as an independent member **the presence of women on the company's Board of Directors is increased**.

Amendment in the composition of the Board of Directors

In an ordinary session, the Shareholder's Assembly elected the Board of Directors for the period 2023-2024, presenting the entry of Carolina Soto as an independent member, replacing Esteban Piedrahita. With this appointment, the presence of women on the company's Board of Directors expands.

Authorization regarding potential conflicts of interest

In compliance with the provisions of Law 222 of 1995 and Decree 1925 of 2009 and applying the company's corporate governance standards, the Shareholder's Assembly ratified the decisions made and authorized the legal representatives of the company to vote at ordinary and extraordinary meetings of the Shareholder's Assembly of Grupo Sura S. A. in matters related to the election of the Board of Directors of this company, as well as any other decision submitted to the consideration of the Shareholder's Assembly of Grupo Sura S. A., to guarantee the exercise of the political rights of the organization.



Martinsburg Plant in the United States

Disclosure of financial and non-financial information

In compliance with the provisions of Decree 151 of 2021 and External Circular 012 of 2022 of the Financial Superintendence of Colombia, we timely publish quarterly and year-end periodic reports containing financial, risk and corporate governance information. Likewise, and in advance, we comply with the requirements of External Circular 031 of 2021 of the Financial Superintendency of Colombia regarding the disclosure of year-end information on social and environmental matters, including climate matters.

Furthermore, we have different mechanisms for the disclosure of information that provide full transparency to the market and allow for informed investment decisions, among which the following stand out: the publication of a report under GRI, Integrated Report and SASB standards, which is presented to the Shareholders' Assembly and contains information on the company's performance in its material issues; a TCFD report related to climate issues; the annual corporate governance report and the Country Code Survey, through which we report the standards and practices adopted on the matter; the disclosure of relevant information of those events that, according to current regulations, must be disclosed through this mechanism.

Recognitions in corporate governance

For the tenth consecutive year, Argos was included in the 2023 edition of the Dow Jones Sustainability Global Index, with a score of 86 points out of 100, occupying the second position worldwide within the construction materials industry included in this measurement. The result achieved in the economic and government dimensions is highlighted, in which we obtained 82 points. The company will continue working to implement good governance measures that add value to our shareholders and will concentrate efforts on searching for mechanisms that allow for greater diversity in the composition of the Board of Directors.

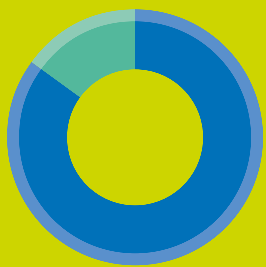
On the other hand, for the eleventh consecutive year, and with a score of 83.3 out of 100, we obtained the IR recognition, delivered by the Colombian Stock Exchange, which recognizes the best standards in terms of information disclosure and relations with investors of securities issuers in Colombia.

OWNERSHIP STRUCTURE

Authorized, subscribed and paid capital of Cementos Argos at the end of 2023

Authorized capital	**COP 624,000,000,000** represented by 1,500,000,000 shares with a par value of COP 416 each.
Subscribed and paid capital	**COP 600,392,901,472** represented by 1,443,252,167 shares with a par value of COP 416 each.

Types of shares



Repurchased shares:
68,846,729

Outstanding ordinary shares:
1,166,031,523
12,856 shareholders
85% of the social capital

Outstanding preferred shares:
208,373,915
9,382 shareholders
15% of the social capital

Main shareholders

Holders of the company's common stock as of December 31, 2023:

- **60.53%** Grupo Argos S. A.
  705,813,624 shares
- **4.48%** Protección Moderate Obligatory Pension Fund
  52,277,472 shares
- **4.08%** Porvenir Moderate Obligatory Pension Fund
  47,586,314 shares
- **30.90%** Other shareholders
  360,354,113 shares

The operations we carry out with our parent company Grupo Argos S. A. are reported in the Special Report of the Grupo Empresarial under the terms of article 29 of Law 222 of 1995.

Share ownership by directors and senior management

In 2023, the directors did not carry out negotiations in the company's shares.

The following directors hold ownership of ordinary shares in the company:

	Shares	Percentage
Leon Teicher	**31,487**	**0.0027%**
Carlos Gustavo Arrieta	**12,000**	**0.0010%**
Cecilia Rodriguez	**7,860**	**0.0007%**

The guidelines for trading Argos shares by directors, administrators and employees are regulated in the Corporate Governance Code. **Check it here.**

SHAREHOLDER'S ASSEMBLY

During 2023 we held three Shareholder Assemblies. During these sessions, the guarantees and rights of the shareholders were preserved, which are contemplated in the Law, the company's Bylaws, the Corporate Governance Code, the Regulations of the General Shareholder's Assembly and other internal corporate governance rules approved by the company.

Shareholders have the following rights:

- Receive fair and equitable treatment.
- Know the relevant information comprehensively and promptly.
- Participate in decisions within their competence.
- Evaluate the company's management and formulate proposals for its better performance.
- The Shareholder's Assembly meets on an ordinary basis every year; this session is one of the principal means of presenting the organization's management and strengthening the relationship between Argos and its shareholders.

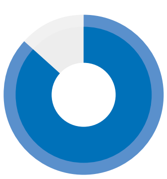
During the year, through the company's website and in advance of the Shareholder's Assembly, we ensured that our shareholders received timely, accurate and sufficient information.

Click here to check the Rights of the Shareholder's Assembly.

Shareholder's Assembly in Barranquilla 2023

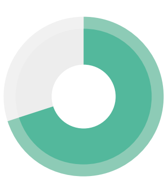
Attendance data at Shareholder's Assembly sessions

Quorum



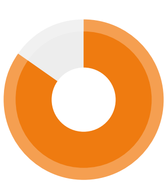
Ordinary Assembly
March 24, 2023 **86.71%**

Number of registered common shares:
1,014,914,233



Extraordinary Assembly
March 31, 2023 **70.14%**

Number of registered common shares:
820,915,734



Extraordinary Assembly
June 22, 2023 **84.83%**

Number of registered common shares:
992,888,148

Main decisions of the Shareholder's Assembly

In its ordinary session, the Shareholder's Assembly approved, among other regulatory issues, the distribution of profits for the period 2022, the election and setting of the fees of the Board of Directors and the fiscal auditor for the period 2023-2024, as well as a modification of the Policy on Appointment, Compensation and Succession of the Board of Directors.

In said session and subject to compliance with a suspensive condition, it was approved to include transitional articles to the Bylaws, which would allow, only for 2023, the conducting of an additional fiscal year and to submit to the consideration of shareholders the distribution of profits at the close of that period. Considering that the condition precedent to which the inclusion of these articles was subject was not met, the Bylaws were not modified.

The Shareholder's Assembly, in an extraordinary meeting held on March 31, 2023, ratified and authorized the legal representatives of the company to vote on any decision that was submitted for consideration by the Grupo Sura S. A. Shareholder's Assembly and guarantee the exercise of the company's political rights.

At an extraordinary meeting that took place on June 22, 2023, the Shareholder's Assembly approved the distribution of an extraordinary dividend from retained earnings of prior periods available and at the disposal of the shareholders, and the execution of a share repurchase program in the amount of 125 billion COP.

Information related to dividends approved by the Shareholder's Assembly can be **consulted here.**

Operation against the legal regime and the measures adopted during the year to encourage shareholder participation

In addition to complying with the applicable legal regime, we have adopted the following good governance practices in the development of the Shareholder's Assembly:

- The call for ordinary meetings is made no less than twenty-five regular days in advance. In 2023, this call was made twenty-seven regular days in advance.
- During the term of the call, shareholders may consult the Assembly documents on the website and in the offices of the company's registered office.
- The proposals that will be submitted for consideration by shareholders are published in advance.
- Under no circumstances are points such as "Various" or "Other matters" or similar included in the call that prevent prior knowledge of all the topics to be discussed.
- When the Assembly is intended to deal with a substantial change in the corporate purpose, a waiver of preemptive rights on the subscription of common shares, a change in the registered office, an early dissolution or a spin-off of the company, these matters must be expressly stated in the notice of the meeting, which must be issued no less than twenty-five regular days in advance.
- When the election of members of the Board of Directors is foreseen in a meeting, the information available to the shareholders must contain the proposal of candidates to be members of the Board of Directors.

In 2023 we carry out the following measures to encourage shareholder participation in Shareholder's Assembly meetings:

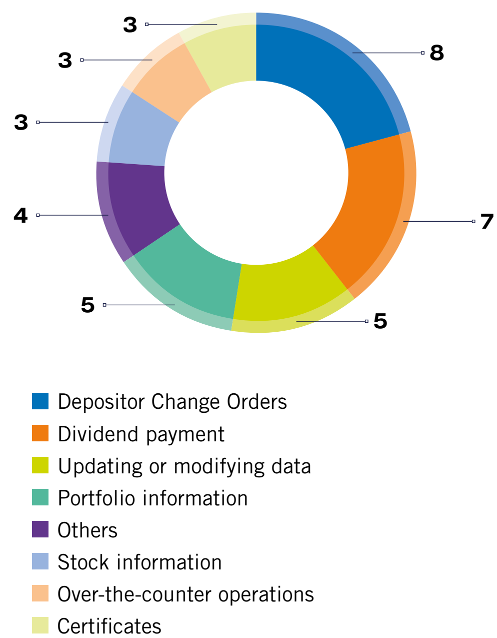
- The ordinary and extraordinary meeting that took place on March 31 was held in person at the Company's registered office, and the extraordinary meeting on June 22 was held in a non-face-to-face manner through a virtual platform that allowed shareholders to verify their identity, make their interventions via chat and exercise their right to vote.
- The calls made for the extraordinary and ordinary meetings of the Shareholder's Assembly were published in the newspaper of the registered office, as relevant information in the mechanism provided by the Financial Superintendency of Colombia, as well as in the Shareholder's Assembly and Relevant Information section on the corporate website.
- We implemented, in coordination with Deceval, administrator of the company's shareholder book, strategies to promote shareholder attendance through a pre-registration mechanism before the meeting and confirmation of attendance.
- We provided shareholders with an instruction manual for participation in the extraordinary non-face-to-face meeting, which contained step-by-step instructions for pre-registration, access to the virtual room and voting on the day of the meeting.
- We provided a proxy format to shareholders who would like to be represented, in which the points to be discussed on the agenda were included.
- We publish, for the information of our shareholders, the information of the candidates to join the Board of Directors.
- We held more than one hundred meetings with investors, 20% more than the previous year.
- We participated in five in-person events with investors in the United States, Mexico, Peru and Chile.
- We strengthened the public disclosure of the company's results, through short videos published on the company's social media platforms and on the investor's website, which accumulated more than 1,600 views during the year.

- We strengthened the digital strategy for disseminating messages to investors, with different initiatives that reached more than 26,000 views during the year.
- We redesigned the Why Invest in Argos message on the website, to reach a greater number of people through this tool.
- We disclosed to the market, through the relevant information mechanism, 51 events related to the company's financial situation, the decisions of the Shareholder's Assembly, the appointments of administrators and statutory auditor, and changes in the control situation, among other matters.

Additionally, we have various information mechanisms and service channels for our shareholders and interest groups that seek to encourage their participation and the exercise of their rights:

- The Argos website in English and Spanish with information of interest on the company's performance, structure, results, governance and control (www.argos.co).
- Conferences and results reports, quarterly conferences, Integrated Reports and periodic reports on the environmental, economic and social management of Argos.
- Relevant information that is published to the market through the company's and the Financial Superintendence of Colombia's websites.
- Transparency Line, which is operated by an independent third party for the anonymous reporting of actions contrary to our conduct and corporate governance guidelines.
- Shareholder's Assembly meetings are called with sufficient notice so that they can exercise their rights and actively participate.
- Meetings with direct attention to analysts from commission firms, pension and investment funds, foreigners and other shareholders.
- Direct communication with the Investor Relations team through your contact (601) 3139000 - ir@argos.com.co, located at Carrera 43A #1A Sur 143, Torre Norte, Medellín.
- Investor Service Center, which is managed by Deceval. In 2023 we responded to 38 shareholder requests.

Shareholder requests



All of these actions allowed us to guarantee equitable treatment to our shareholders, enabling and encouraging the exercise of their rights.

Shareholder agreements

There are no shareholder agreements deposited in the General Secretariat of Argos.

Board of Directors

ADMINISTRATION SCHEME

Board of Directors

Our Board of Directors is the management body to which the Shareholder's Assembly delegates the company's orientation, conferring upon it within its functions the permanent review of the strategy, the adoption of the company's policies in economic, social and environmental matters, the formulation of actions in sustainability matters, the follow-up of strategic risks, the monitoring of the internal control system, among others.

- The Board of Directors is made up of seven (7) main members, without substitutes, of which four (4) meet the independence criteria indicated in Law 964 of 2005 and the Corporate Governance Code.
- The Board of Directors is elected annually by the Shareholder's Assembly.
- No Argos employee is a member of the company's Board of Directors.
- No member of the Board of Directors of our parent company Grupo Argos S. A. is part of the Board of Directors of Argos or holds executive positions in the company. Jorge Mario Velásquez, Rafael Olivella and Alejandro Piedrahita, members of the Board of Directors of Argos, are president, vice president of Legal Affairs and vice president of Strategy and Corporate Finance of Grupo Argos S. A., respectively.
- To be elected and remain in office, directors may not find themselves in any of the circumstances of incompatibility or inability established in the Corporate Governance Code.
- The Board meets the election criteria, including the fulfilment of personal qualities, knowledge relevant to the company's activity, basic analytical skills, management, strategic business vision, risk management, diversity and experience in sustainability, which allow them to adequately perform their duties.
- The appointment of the Argos Board of Directors is regulated by the Bylaws, the Corporate Governance Code and the Policy on Appointment, Compensation and Succession of the Board of Directors

These documents
can be **consulted here.**

Board of Directors

Our Board of Directors is made up of a diverse team that has the personal qualities, knowledge and experience to properly direct the company. Below are the profiles of its members elected for the period 2023-2024:

Committees

Appointments and Remuneration Committee

Sustainability and Corporate Governance Committee

Audit, Finance and Risk Committee



	Jorge Mario Velásquez	Rafael Olivella	Alejandro Piedrahita
	President of Grupo Argos S. A.	Vice President of Legal Affairs of Grupo Argos S. A.	Vice President of Strategy and Corporate Finance of Grupo Argos S. A.
	Patrimonial Appointment 2016	Patrimonial Appointment 2020	Patrimonial Appointment 2018
Board Participation	16/16	14/16	16/16
Participation in boards of directors of other companies*	Celsia S. A. Odinsa S. A. Grupo Sura S. A.	Celsia S. A. Odinsa S. A.	Odinsa S. A. Pactia S. A. Celsia S. A.
Committee to which it is a member	Assistance 4/4	Assistance 2/4 Assistance 4/4	Assistance 2/4
Experience	Strategy Corporate finance Business affairs Construction materials Industry - infrastructure Crisis Management Sustainability Government International public policy	Risks Strategy Internal control Construction materials industry - infrastructure Crisis management Legal issues Sustainability Government International public policy	Strategy Risks Internal control Corporate finance Commercial issues Building materials industry - infrastructure Crisis management Government International public policy

Committees

Appointments and Remuneration Committee

Sustainability and Corporate Governance Committee

Audit, Finance and Risk Committee

** This information corresponds to the participation in the board of directors of corporations.*

Directors' resumes can be consulted **here** .

			
Cecilia Rodriguez President of Corporación Bioparque	**Carlos Gustavo Arrieta** Partner Arrieta y Mantilla Asociados	**Carolina Soto** Senior Associate Dattis Comunicaciones	**León Teicher** Independent consultor
Independent Appointment 2012	Independent Appointment 2012	Independent Appointment 2023	Independent Appointment 2012
15/16	15/16	14/14	16/16
	AMYA Inversiones S. A.	Enel Colombia S. A. ESP Grupo Bolívar S. A.	Seissa S. A.
Assistance 4/4 Assistance 4/4	Assistance 4/4 Assistance 4/4	Assistance 3/3 (period attendance)	Assistance 4/4
Building materials industry - infrastructure Crisis management Sustainability Government International public policy	Sustainability Crisis management Legal issues Risks Building materials industry - infrastructure Government International public policy	Risks Strategy Corporate finance Taxes Energy sector - infrastructure Crisis management Sustainability Government International public policy	Risks Internal control Corporate finance Commercial issues Building materials industry - infrastructure Crisis management Sustainability Government International public policy

Main functions of the Board of Directors

Our Board of Directors is mainly oriented to making decisions regarding corporate strategic objectives, supervising the activities of senior managers, identifying relevant risks and monitoring their management, always in search of the best interest of the company and its shareholders. The Board of Directors is responsible for directing and supporting senior managers in the management and monitoring of the company's strategic plan and the risks and opportunities that arise in economic, environmental and social matters.

The operating regulations of the Board of Directors are found in Chapter III of the Corporate Governance Code, available on the website.

During 2023, in the performance of its duties, our Board of Directors:

- Promoted the execution of the SPRINT program, through which we positively impacted the price of shares in the Colombian market.
- Supervised projects and business initiatives that contributed to extraordinary results.
- Promoted the combination of assets in the United States with Summit Materials, through which the company would become the largest shareholder of a vertically integrated company, a market leader, with a national scale and multiple growth opportunities.
- Promoted the execution of new businesses, such as the creation of the aggregates platform and the potential of the trading business and initiatives with social impact and climate change mitigation.
- Monitored the risk management program, legal issues, cyber security, sustainability, environmental strategy and occupational health and safety of the company.

During 2023, this governing body made use of technological tools and legal provisions and internal policies to comply with the previously established meeting schedule. Likewise, it held extraordinary meetings, which were called with the terms of the statutes.

16 **BOARD SESSIONS**

(13 face-to-face and 3 non-face-to-face)

Sessions of each committee held during the year:

Audit, Finance and Risk Committee: **4**

Sustainability and Corporate Governance Committee: **4**

Appointment and Remuneration Committee: **4**

During 2023, the Board of Directors approved an amendment to the IFRS Accounting Practices Manual to clarify the effects that may arise in the separate financial statements when reclassifying of profits from a financial asset derecognized in a transaction with third parties or related parties.

President of the Board of Directors

The president of the Board of Directors is Jorge Mario Velásquez, who is responsible for, among others, the following functions: (i) facilitating the Board of Directors to set and efficiently implement the strategic direction of the company, (ii) coordinating and planning the operation of the Board of Directors through the establishment of an annual work plan, (iii) call the meetings, directly or through the secretary of the Board of Directors, (iv) chair the meetings and manage the debates and (v) monitor the active participation of members of the Board of Directors.

Secretary of the Board of Directors

The general secretary of the company is María Isabel Echeverri, who is in charge, among others, of the following functions: (i) delivering the information promptly to the directors, (ii) duly reflecting the proceedings of the meetings in the minutes books, (iii) ensure that the actions of the Board of Directors comply with the applicable standards, (iv) provide legal advice to the Board of Directors and (v) communicate the decisions of the Board of Directors to the different areas and Argos officials.

Visit to the Cartagena plant

Relations of the Board of Directors with the statutory auditor, financial analysts, investment banks and rating agencies

During 2023, the representative of the statutory auditor attended all sessions of the company's Audit, Finance and Risk Committee as a guest. The Board of Directors was informed, through this Committee, about the reports and progress of its work plan.

J.P. Morgan was consulted for the evaluation and structuring of the project for the possible listing of the U.S. operation and, subsequently, for the business combination with Summit Materials.

In the first half of 2023, Fitch Ratings published its technical document through the relevant information mechanism, in which it affirmed Argos's AA rating with a positive outlook for long-term bond issues.

The concept issued by said agency can be **consulted here,** in relevant information, on the website of the Financial Superintendence of Colombia.

Remuneration schemes for the Board of Directors, senior management and the statutory auditor

In compliance with the Policy on Appointment, Compensation and Succession of the Board of Directors, the directors' fees are defined annually by the Shareholder's Assembly following the structure, responsibilities and obligations of the Board of Directors.

At the Assembly that took place on March 24, 2023, the fees for the members of the Board of Directors were established for the period from April 2023 to March 2024 and were set at COP 8,500,000 per month for the Board Committee members The directors Jorge Mario Velásquez, Alejandro Piedrahita and Rafael Olivella, being linked to Grupo Argos, did not receive fees for their participation in the Board Committees in accordance with what was approved by the Shareholder's Assembly.

Additionally, the Shareholder's Assembly approved paying COP 8,500,000 in fees for independent members designated for temporary committees created to analyse projects or special matters.

Concerning remuneration schemes for senior management, we have adopted the highest market standards to ensure the attraction and retention of the best talent, with the skills, competencies and leadership necessary to develop the strategy, achieve superior results and build long-term sustainable value.

The compensation philosophy considers the principles of internal equity, external competitiveness and business sustainability. These fundamentals are seen across all elements of compensation, evaluated in light of best practices; among them, the HAY assessment methodology, which carefully analyzes each position in terms of knowledge, level of responsibility and problem-solving, and thus generates internal and external comparison criteria.

Top management's variable compensation is performance-based, to motivate superior results; this ensures a correlation between rewards and company performance and, thus, alignment with Shareholder's interests.

The organizational results premium (PRO) stands out, an essential component of variable compensation, which represents between 30% and 40% of the total compensation of senior management. This program is composed of a long-term system and a short-term system, in which indicators that leverage the strategy, our commitment to sustainability in all dimensions and organizational objectives are evaluated, considering financial and non-financial aspects, such as external perception, operational, climate change and environmental management and performance in occupational health and safety management, among others.

The short-term component is made up of a combination of indicators such as EBITDA, net profit, primary surplus, net debt/EBITDA and occupational health and safety. The long-term is evaluated annually, but is consolidated after three years. This benefit is obtained through a fund that invests in ordinary shares of Argos and other companies and can only be received once this consolidation period that we have defined has passed. This system encourages decision-making with a long-term vision to sustainably achieve and exceed objectives and links variable compensation of senior management to organizational performance. It is worth highlighting that this program has an action framework that seeks to protect the value that the company delivers to shareholders, based on the payment of the results bonus not exceeding 10% of the net profit before minorities.

Additionally, and following the Bylaws, the Shareholder's Assembly has to assign the remuneration of the statutory auditor, which was established for the period between April 2023 - March 2024 in an annual allocation of COP 1,193,616,000 plus VAT, payable in four quarterly instalments.

In 2023, the Board of Directors of Argos, as a collegiate body, **conducted its external performance evaluation.**

Board of Directors Evaluation

In line with best practices in corporate governance, assessments alternate between internal and external evaluations. In 2023, the Board of Directors of Argos, as a collegiate body, carried out its external performance evaluation with the support of Governance Consultants, an independent firm with more than fifteen years of experience in evaluating boards of directors of leading companies in Latin America. This exercise aimed to monitor its operation and obtain information on the perception of each of the members regarding the knowledge, dynamics and contribution of the company's Board of Directors and its members.

The results of this exercise were positive and it was highlighted that the current composition of the Board has a level of diversity and complementarity in terms of professions, with an effective dynamic and support committees that contribute to its management.

Check here the results of the evaluation of the Board of Directors in the period 2023.

Board of Directors Training

Directors received training on the U.S. construction industry and regulations associated with NYSE-listed companies and, through the Sustainability and Corporate Governance Committee, on industry trends, best practices and regulations in ESG and climate change, mainly in greenhouse gas management through CO_2 capture, use and storage.

Support Committees of the Board of Directors

The Board of Directors has three committees to assist them in their work, composed exclusively of Board members. Its main activities during the period were:

Committee	Purpose	Activities to highlight
Sustainability and Corporate Governance Committee 4 sessions	The purpose of this Committee is to recommend to the Board of Directors systems for the adoption, monitoring and improvement of sustainability, ethics, business conduct and corporate governance practices in society.	- Monitoring of occupational safety & health, CO_2 and other key sustainability indicators for the company. - Monitoring of the climate change strategy and the roadmap to achieve our goal of carbon neutrality in concrete production by 2050. - Validation of the materiality analysis of key sustainability issues for the company. - Approval of the Statement for Nature. - Review of the results of the Statement of Value Added to Society (VAS). - Socialization of the IFRS sustainability standards issued by the International Sustainability Standards Board (ISSB). - Review of the proposal to modify the Bylaws and the Corporate Governance Code. - Results of the evaluation of the Board of Directors. - Monitoring performance in terms of sustainability, corporate governance, ethics and compliance.
Appointments and Remuneration Committee 4 sessions	This Committee has the special function of determining the policies and standards for the hiring, compensation and development of members of the Board of Directors and senior management. It will continually monitor the goals of the different compensation programs concerning the performance of employees.	- Definition of goals and review of the results of the PRO variable remuneration system. - Review of the senior management compensation model and aspects for strengthening diversity in the organization. - Review of the results of the work environment and psychosocial risk.
Audit, Finance and Risk Committee 4 sessions	The Committee's main purpose is to evaluate the accounting procedures, manage the relationship with the statutory auditor and supervise the effectiveness of the control architecture and the Comprehensive Risk Management System (SGIR, in Spanish).	- Review of financial information, monitoring of strategic risks and the company's insurance scheme. - Monitoring of the annual plan of the internal audit and the statutory auditor and the implementation of the action plans defined to strengthen internal control. - Follow-up of the Compliance program, in terms of Argos USA competition, and cyber security strategy.

ESG Governance

To promote the sustainable growth of our organization, we have an ESG governance structure that allows us to leverage value generation.

Board of Directors

The Board of Directors, through the Sustainability and Corporate Governance Committee, permanently monitors social, environmental, economic and governance issues not only within the company but also global trends, to adjust the strategy and guide and monitor Argos' objectives. The highest body with direct responsibility for sustainability matters is the Sustainability and Corporate Governance Committee, which supports the Board of Directors.

President

The president defines the competitive strategy of the organization and its activities to ensure the growing and profitable participation of the business, aligned with the corporate mission and vision, focused on the creation of value for stakeholders.

It also represents the organization and its subsidiaries before different public and private organizations, building relationships that allow the positioning, sustainability of the organization and the management of its reputation.

Steering Committee

The administration of the company is in charge of the president and his first line of reporting, who follow the guidelines set by the Shareholder's Assembly and the Board of Directors. This includes the analysis, formulation of guidelines and monitoring of the company's management in economic, social and environmental aspects.

Financial Vice Presidency
Risk Management

Argos has an Comprehensive Risk Management System (SGIR, in Spanish). that is managed by Risk Management and supervised by the Audit, Finance and Risk Committee. This management is responsible for guiding the analysis of sustainability risks, which includes the review and updating of our risk matrix, including sustainability issues.

Vice Presidency of Corporate Affairs
ESG Direction

The ESG Direction is responsible for formulating strategies and designing and directing sustainability initiatives framed in the economic, social and environmental dimensions, leading the formulation of work plans and goals following best practices, local and international standards and norms, to develop the Corporate Sustainability Policy.

Future Vice Presidency
Sustainability Management

Sustainability Management is responsible, at the corporate level, for developing, applying, supervising and adjusting the company's strategy in the areas of health and safety, environment, communities and climate change.

Business' units

Additionally, Argos has general directors who report to the president and who supervise the implementation of strategies and action plans in each country. Each of these directors determines the actions necessary to carry out the implementation with a local sustainability team and, thus, meet the objectives established by the company.

Relationship between related parties

Operations between companies linked to the Grupo Empresarial Argos are regulated in the Bylaws and in the Policy on Operations between Related Companies

According to these guidelines, the operations carried out between companies that are part of different businesses of the Grupo Empresarial Argos will be considered material when they are not within the ordinary course of each company, are carried out under conditions different from those of the market, give rise to publishing relevant information or require authorization from the Board of Directors according to the Bylaws.

When operations are intended to be carried out between different businesses of the Grupo Empresarial Argos, the respective companies must present them to the Strategic Committee of each business, to analyze whether they are material operations.

If they are material operations or there is doubt about them, the president of each company must consult with their Audit, Finance and Risk Committee. If the committee classifies the transactions as material, it shall prepare a report to the respective Board of Directors, which shall analyze the report and decide on the approval of the material transactions submitted for its consideration.

If these are not material transactions, each company will proceed to negotiate, celebrate and execute them following its applicable internal regulations.

The details of the operations carried out between the related companies are found in the Special Report prepared under article 29 of Law 222 of 1995, which is part of the information that is made available to shareholders, before the holding of the ordinary meeting of the Shareholder's Assembly.

Conflicts of interest of senior management and the Board of Directors

The directors must reveal the potential conflicts in which they may be immersed during the sessions of the Board of Directors, in which they identify any situation that could give rise to it regarding the topics to be discussed or through the Annual Declaration of Potential Sources of Conflicts of Interest. If there are conflicts that may affect its independence or objectivity, the necessary measures are established for its correct administration as established in the Corporate Governance Code and the Code of Business Conduct.

The potential conflicts declared by the directors for the period correspond to their participation in the boards of directors of other companies, the existence of personal relationships with Argos's stakeholders and the shareholding that some of the directors hold in the company.

As indicated in the decisions section of the Shareholder's Assembly, at the extraordinary meeting held on March 31, 2023, the Shareholder's Assembly ratified the decisions made by the legal representatives at the Shareholder's Assemblies of Grupo Sura S. A. and authorized them to vote in the ordinary and extraordinary meetings of the Shareholder's Assembly of Grupo Sura S. A. in matters related to the election of the Board of Directors of this company, as well as any other decision submitted to the consideration of the Shareholder's Assembly of Grupo Sura S. A., to guarantee the exercise of the company's political rights.

The obligation to disclose conflicts of interest also extends to senior management and all employees of the organization, who must do so through the Annual Declaration of Potential Sources of Conflicts of Interest or directly to the Business Conduct officer.

Bulk truck in Puerto Rico

INTERNAL CONTROL

Control system

In Argos we strive for the existence of an effective internal control system through the promotion of a culture based on corporate values and oriented towards active risk management and the execution and improvement of a variety of internal controls at all levels. Likewise, we have defined guidelines, roles and responsibilities, favouring adequate segregation of functions, and the evaluation, follow-up and monitoring of matters that may affect the achievement of the strategy, compliance with applicable regulations and the safeguarding of the assets. The Argos Internal Control System is based on a methodological framework developed from international standards, such as COSO and Cobit and quality standards related to internal control and risk management practices, whose purpose is to unify the control culture and ensure its efficiency and effectiveness in all our operations.

Our Internal Control System has a structure in which the Administration, the Risk area, the Compliance area, the Internal Audit, the Statutory Auditor and the Board of Directors with their support committees participate in the supervision, management and evaluation of said internal system following their roles and responsibilities, under the Corporate Governance Code, the Bylaws, the policies and other procedures of the company. About the Internal Audit function, it prepares its annual work plan independently and objectively, considering the most relevant risks and critical business processes, and presents it to the Audit, Finance and Risk Committee for validation, formal approval and periodic monitoring of execution through reporting of the most relevant results of their work, at least four times a year.

Elements of the Internal Control System

CONTROL ACTIVITIES

- Management and supervisory committees
- Roles and responsibilities
- Performance indicators
- Second line of defense roles
- Segregation of functions
- IT and cybersecurity controls
- Process controls
- Documented procedures

RISK MANAGEMENT

- Risk Management Policy
- Audit, Finance and Risk Committee
- Risk management methodology
- Quantification of impacts
- Escalation

CONTROL ENVIRONMENT

- Organizational structure
- Supervision committees
- Corporate Governance and Ethics Code
- Politics and procedures
- Compliance system

INFORMATION

- Organizational structure
- Supervision committees
- Corporate Governance and Ethics Code
- Politics and procedures
- Compliance system

MONITORING

- Boards of Directors and support committees
- Management and supervisory committees
- Internal audit
- Controlling
- Compliance
- Statutory auditor

Employees in Panama

During 2023, senior management, the Risk Management area, Internal Audit, the statutory auditor and the Board of Directors, through its Audit, Finance and Risk Committee, supervised and evaluated, following their work plans, the design and effectiveness of the internal control system. Based on their respective scopes, they concluded that it works adequately and that the identified improvement opportunities have been managed, thus allowing the continuous improvement of said system.

Additionally, Management reported that no significant or material deficiencies were observed in the design and operation of internal controls, which would have prevented the company from adequately recording, processing, summarizing and presenting financial and non-financial information. Likewise, it indicates that no changes were made in the methodology for evaluating financial information nor were there any frauds that affected its condition, quality and integrity.

STEERING COMMITTEE

The administration of the company is in charge of the president, vice presidents and general directors, who follow the guidelines established by the General Shareholder's Assembly and the Board of Directors. This includes the analysis, formulation of guidelines and monitoring of the company's management in economic, social and environmental aspects.

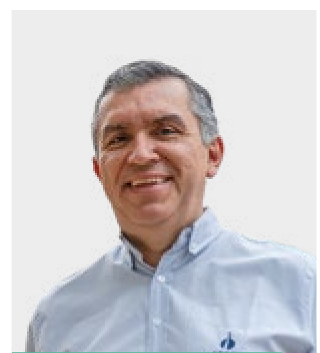
Get to know the resumes of the management team.

Juan Esteban Calle
President

Thomas Restrepo
Future Vice President

María Isabel Echeverri
Corporate Affairs Vice President

Felipe Aristizábal
Corporate Finance Vice President



Carlos Horacio Yusty
Colombia Regional Vice President

Simon Bates
CEO Argos USA and Argos North America Corp

Gustavo Uribe
Central America General Director

Gary de la Rosa
Caribbean General Director

Gabriel Ballestas
Trading General Director

The Steering Committee is responsible for the execution, monitoring and control of the sustainability strategy. Furthermore, it permanently reviews global and local trends to identify risks and opportunities derived from trends, market conditions, industry realities and relevant issues in the environments in which we operate. Based on these reviews, and with the help of the Corporate Risks area, it defines action plans in the event of a potential scenario of risk materialization, its transfer and/or the capitalization of the opportunities derived from it.

Its main functions are:

- Present progress and apply improvements and recommendations made by the Board of Directors on the different processes of the organization.
- Lead the implementation of corporate strategy.
- Deploy guidelines, accompany and monitor the management of the company comprehensively, ensuring compliance with the commitments acquired with the Board of Directors and shareholders.
- Provide feedback and guide employees for decision making.

Yumbo Plant employee, Colombia

Continuous monitoring of results

During 2023, the Steering Committee had a continuous focus on the year's results, with ongoing discussions on results and projections and the implementation of a detailed analysis of the price/cost balance, a key issue due to the inflation of these aspects, which affected the operation in that period. Additionally, monitoring was carried out on:

- The capital structure of the company. Based on this, different initiatives focused on debt management and financial expenses were presented.
- **The identification of alternatives to close the gap between the share value and the fundamental value of the company. Highlighting the importance of the SPRINT program, Share Price Recovery Initiative, in its five pillars.** For more information, see Management Report, the chapter on profitable growth and fundamental value of the company, and the main results of the program, on PAGES 38, 94 AND 8 respectively.
- Accompaniment to the organizational transformation based on the fundamental principles of action, which seek to strengthen operations, with greater autonomy and flexibility, supported by transversal corporate areas and the Shared Services Center of Grupo Empresarial, which has been growing consistently and is an unconditional ally that leverages the growth strategy, value development and operational support into support processes.
- Finally, we are proud to highlight the participation of the entire Steering Committee in achieving the combination agreement between Argos USA and Summit Materials. This negotiation not only enhances the value of our operations in the United States but also lays the foundation for additional avenues of growth and leverages the strategic decision to develop an export platform for cement, aggregates and pozzolans from Colombia and Central America. Without a doubt, this is the most important transformational milestone in the recent history of Cementos Argos.

WE ARE GREEN LIGHT

TOGETHER WE LEARN TO GROW AND GO FORWARD

MANAGEMENT REPORT

01

CEMENTOS ARGOS MANAGEMENT REPORT 2023

Dear shareholders:

For Cementos Argos, 2023 was an extraordinary year, in which, despite the context of uncertainty and the challenges for the economy of countries and industries around the world, we made significant progress in the deployment of our strategy, we had the best financial and operational results of the company in its entire history and we celebrate a transcendental milestone in our presence in the United States that leaves us positioned as the construction materials company with the most growth potential in Latin America and the Caribbean.

Among the highlights of the year, we achieved the best industrial safety and occupational health indicators of our operations since our inception, with a world-class frequency index of 0.44; **we registered historic values in terms of expansion of the company's consolidated EBITDA margin**, which reached 21%, an increase of 329 basis points, and we took extraordinary steps in our commitment to add value to shareholders through the successful execution of the SPRINT program, the Share Price Recovery Initiative, in its five pillars.

Committed to our founding values of hard work and honesty, proud of the determined and bold entrepreneurial vision of the leaders who have marked our history, motivated by the vocation for growth that has accompanied us since 1934 and thanks to the purposeful work of a wonderful human talent, we are pleased to present the concrete facts that are evidence of a leading company in the industry, competitive, prepared for the opportunities of the future and with largely positive fundamentals.

Juan Esteban Calle, President

SUCCESSFUL SPRINT EXECUTION

By focusing on maintaining **solid financial and operating results with a special emphasis on profitability,** we achieved a consolidated EBITDA of COP 2.7 trillion*, the highest in our history, with a 30% year-over-year increase, leveraged on solid pricing dynamics in all regions, cost efficiencies and productivity improvements. With the EBITDA margin of 21% at the end of the year, we exceeded the goal of 20% that we had set for ourselves in the medium term.

Revealing the fundamental value **of our U.S. operations** and continuing to increase our exposure to the U.S. market, we highlight the combination agreement of Argos USA with Summit Materials, a NYSE-listed company since 2015, **as the most important transformational milestone in the recent history of Cementos Argos.** With this transaction we capitalize on the results of the visionary business decision to enter to compete directly in that country since 2005 and the nearly twenty years of rigorous, disciplined, organized and ambitious work of growth and consolidation of an irreplicable trajectory of success in twenty states of the American union, to deliver a superior return to our shareholders and repay their trust throughout this time.

** Adjusted result excluding non-recurring expenses for advisor payments for Argos USA's transformation processes.*

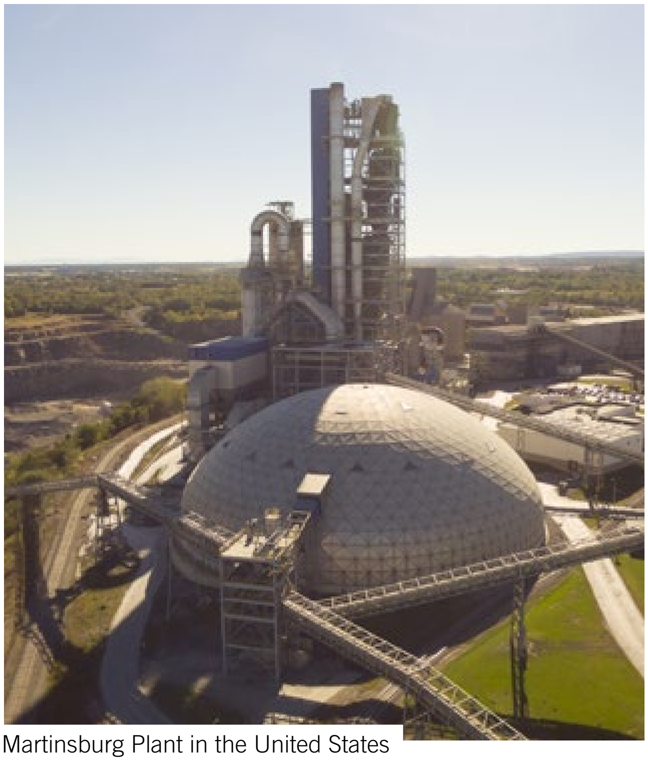
This agreement was announced on September 7, 2023 and the transaction closed on January 12, 2024, after Summit Materials shareholders, in a special meeting, approved the transaction with a favorable support of 99% of the votes. The combination creates a leading nationwide building materials platform in the United States, with a total enterprise value of approximately US 9 billion.

As a result of the transaction, Cementos Argos received US 1.2 billion in cash, subject to customary adjustments, and 54.7 million shares of Summit Materials, equivalent to 31% ownership in the combined entity, with three representatives on the Board of directors of the combined company, which can have up to eleven members.

The valuation of Argos operations in the United States was **USD 3.2 billion, which was 1.5 times more** than the market value of the entire company on the Colombian Stock Exchange at the time of the closing of the transaction.

The entity resulting from the combination of Argos USA and Summit Materials will have a presence in thirty states in the United States and one province in Canada and will be consolidated as:

- The **fourth largest cement producer** in the United States, with an approximate capacity of 11.8 million tons
- The **sixth largest aggregates platform,** with more than 5.5 trillion short tons of reserves, and annual sales of nearly 70 million short tons
- One of the **major concrete producers in North America,** with more than 220 plants and 1,800 mixer trucks


Martinsburg Plant in the United States

The successful closing of this transaction not only enhances the value of our operations in the United States but also **lays the foundation for additional avenues for growth and leverages strategic decision-making** to develop an export platform for cement, aggregates and pozzolans from Colombia and Central America.

The materialization of this transaction will create important changes for Cementos Argos in the company's financial statements from 2024, given that we will no longer consolidate the business in the United States:

- Revenue will be around COP 1.2 billion, instead of COP 3 billion, and EBITDA will be around COP 300 million, compared to the 2023 result of around COP 600 million.
- Considering that the US$1.2 billion cash received in the transaction will largely be used to pay down debt, the company's indebtedness will be reduced by 70%. This will also directly affect financial expenses, which will decrease significantly as the debt is paid.
- The combination of these effects, plus 31% of the combined entity's net earnings, which will be accounted for under the equity method from 2024, means net earnings will be close to COP 200 million, nearly three times the 2022 result.

Mixer trucks in the United States

The transaction immediately releases value from the cash received and the 31% investment in the combined entity, which has a real-time valuation because it is listed on the New York Stock Exchange, and creates future growth opportunities for Cementos Argos, through complementary agreements with the combined entity, we are strategically positioned to supply cement from Cartagena, license intellectual property and optimize the strong logistics network, while continuing to advance our strategy of generating value in all of our operating geographies: Colombia, Central America, and the Caribbean, which, at year-end 2023, accounted for 45% of our consolidated EBITDA.

We expect to continue to leverage the vertical integration of our business in the region and **capitalize on the unique advantages of being present in sixteen diverse markets with growing needs.**

Another resounding benefit of this combination is the international projection of Summa, a shared services company of the Grupo Empresarial Argos, which, as a result of the agreement, will offer professional and technical support with high levels of quality and competitiveness, from Sabaneta, Antioquia, to different key processes. of a North American company listed on the NYSE.

Regarding the other pillars of SPRINT, we are pleased to share that **we increased the payment of dividends to shareholders** by 15%, reaching COP 445 billion paid between April and December 2023. Additionally, we initiated the share repurchase program for COP 125 billion, which allowed the company to increase its distributions to shareholders by nearly 50% in 2023 due to the solid operating performance and cash flow generation.

The **share repurchase program began** in September 2023, through direct purchases in the market. Subsequently, in November 2023, the Board of Directors approved share repurchases through the stand-alone mechanism, to boost the results obtained with the transactional mechanism and significantly expand share repurchase volumes. At the end of the year, repurchases were carried out through the transactional mechanism to the maximum extent permitted by the regulations of the Stock Exchange and three offers through the independent mechanism, for a total repurchase of 7.1 million common shares and 1 million shares preferential, with a value greater than COP 45 billion which represents an advance of 36% of what was approved for the first phase.

In addition, we complied with the appointment of a local market maker to **improve the liquidity of our common stock. Thanks to this instrument, the trading volume since announcing the transaction with Summit and until the end of 2023 reached a daily average 185% higher than in 2022,** worth approximately COP 4.8 billion. In addition, since April, our common shares have again been eligible for repo transactions, allowing shareholders to access financing through this channel, based on the concepts of the Colombian Central Counterparty Risk Chamber and the Colombian Stock Exchange.

Since the implementation of SPRINT began, the price of the common share went from **COP 2,744** on February 20, 2023, to **COP 6,110 on** December 31, 2023, which, together with capital distributions to shareholders, **represents a total shareholder return (TSR) of 138%, while the preferred share had a TSR of 159% over the same period.**

Despite considerable progress in closing the value gap, we still believe there is some way to go in terms of value recognition, and we are determined to continue to align our strategy and capital structure forward to meet this goal.

STRATEGY DEPLOYMENT

In addition to compliance with SPRINT, other facts show progress in the strategic route that we have outlined based on these objectives:

1. **Closing the share value gap.**
2. **Capitalize on the transition to a low carbon economy.**
3. **Innovate in solutions that promote the competitiveness of our clients.**
4. **Use technology to build valuable relationships with all stakeholders.**

Always trying to build and strengthen our culture, which aims to make it possible to live in the best environment to work, grow and fulfil ourselves as professionals and as people.

PROGRESS IN THE MODERNIZATION AND EXPANSION OF THE HOUSTON TERMINAL

To increase the Port of Houston's storage capacity, in 2022 we initiated Phase 1 of the expansion work, with a series of improvements, such as a new unloading silo, two new truck loading stations and a new transfer system from the warehouse to the silo. In phase 2, during 2023, we began the construction of a storage dome with a capacity for 50,000 tons of cement and a new state-of-the-art unloading system, which allows the unloading of **800** tons per hour, **190%** more than the previous one. The Houston Dome plays a crucial role in the operation of our supply chain in the USA division, as it allows us to increase the unloading speed of the port and transport the cargo to the silo for more efficient storage and thus reach the market in a more agile and timely manner.

Cement terminal dome project in Houston

CONSTRUCTION OF NEW DOME FOR CEMENT EXPORTS IN THE PORT OF CARTAGENA

At the end of 2023, we registered 67% progress in this work, which has an approximate investment of 18 million dollars and will have a storage capacity of 20,000 tons of cement, with a discharge rate of 1,200 tons per hour that, in combination with existing silos, **will allow loading ships of up to 33,000 tons capacity** and optimize port operation. We expect the work to be completed in the third quarter of 2024, with the mechanical assembly of equipment for splicing with the tubular belt that will allow the dome to be filled directly from the vertical mills on line 4 of the plant. We estimate that the first shipment of cement from the dome will occur in the second half of 2024.

EXPANSION OF EXPORTS FROM PANAMA

We recently renewed for twenty additional years the concession of the Bahía Las Minas maritime terminal in Panama, which we have had for more than two decades. We invested approximately 3.5 billion dollars in adaptations and improvements to port infrastructure, which **will allow us to double the capacity of the ships we receive,** and we ship with substantially lower handling costs. This investment will make it possible to receive 40,000-ton clinker ships and export aggregates and cementitious materials from Panama, taking advantage of near shoring trends and the country's connection to the Argos platform around the Caribbean, which will undoubtedly improve our competitiveness in the region.

DIVERSIFICATION IN INCOME SOURCES WITH AGGREGATES

In Costa Rica we took the first step of our growth plan to advance the opportunity to export aggregates and pozzolan to the Caribbean and the United States, which **constitutes a milestone for the start of Argos operations in that country,** to consolidate a materials supply platform for the region.

HYDROGEN PROJECT IN HONDURAS

We implemented an innovative process with hydrogen injection in our kiln in Honduras to have a more sustainable operation. This **revolutionary and scalable technology allows us to reduce the use of fossil fuels, CO_2 emission levels and energy consumption**, while achieving an increase in production. The pilot test, with the assistance of an external firm of Portuguese origin, evidenced among the benefits the increase in clinker production and the reduction of pet coke consumption and, therefore, of caloric consumption.

RÍO BLANQUITO SOLAR FARM

We inaugurated our second solar farm in Honduras, developed with the help of Celsia. Located in the Río Blanquito mill, this farm had an investment of US 1.2 billion and can generate around 1.6 billion kWh/year. Thus, **we will be able to replace up to 25% of the electricity consumption** demand of this operation, reducing CO_2 emissions in the mill by 23%, which is equivalent to the oxygen produced by 55,510 mature trees.

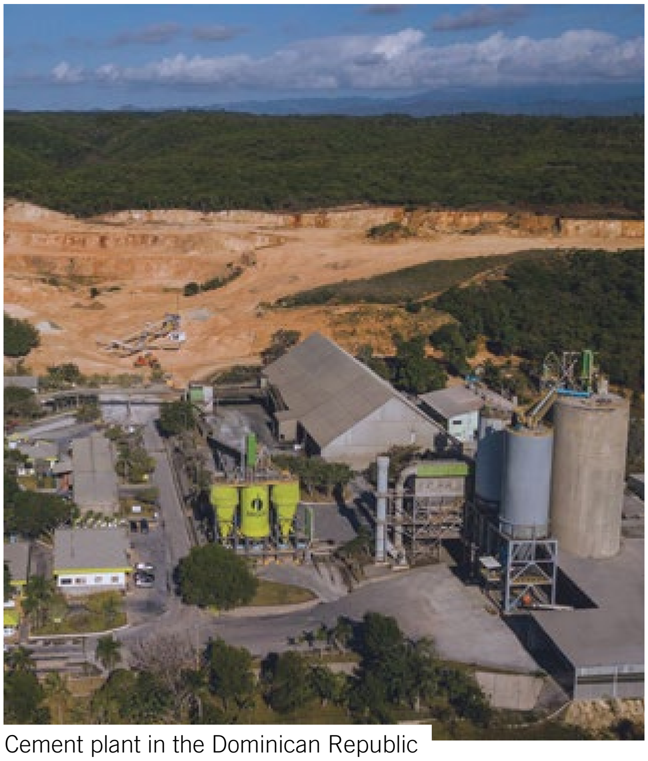
EXPANSION OF THE DOMINICAN REPUBLIC

In 2023 we started the project **expansion of our cement production capacity by about 25%** to serve our clients more effectively and increase our market share, taking advantage of the good demand dynamics that the country has shown in recent years.

CONFIRMATION OF OUR EXPORT PLATFORM THESIS

In the context of Argos USA's combination with Summit Materials, the cement supply agreement with Cartagena, coupled with the reality of a U.S. market with a deficit in its local cement supply versus its demand, is an important opportunity to analyze the possibility of doubling our export capacity in the medium to long term. Additionally, **the logistics services agreement will create opportunities** to take advantage of our unique experience in the commercial business and the consolidation of the aggregates export platform, in which we are advancing in the region.

Solar farm in Honduras



Cement plant in the Dominican Republic

FACTS THAT LEVERAGE THE FUTURE AND THE PATH TO A LOW-CARBON ECONOMY

In 2023 we continue to confirm that Cementos Argos is a cutting-edge company, with recognized leadership in innovation and development initiatives that are key to the present and future transformation of the industry and its adaptation to global challenges.

Our commitment to climate change is concrete and, therefore, by 2030 we will allocate a figure close to US 130 million in long-term investments (capex) for the structuring and implementation of initiatives associated with the gradual energy transition, mitigation and appropriate use of resources.

The focus of these projects will be on the use of raw materials with a lower carbon footprint, fuel optimization, the use of alternative fuels (such as, for example, municipal solid waste and other industries) and energy efficiency.

Argos' goals, associated with climate change, are:

- Reduce 29% of direct CO_2 emissions in the cement business by 2030.
- Offer carbon neutral concrete by 2050.

In the use of calcined clays we remain as **undisputed industry leaders** and we also continue to explore options for new sources of supplementary cementitious materials.

In the constant implementation of innovative actions on this route, we have harnessed the energy of more than **105,000 tons** of urban waste and other industries, reducing the use of coal and other fossil fuels. In addition, we remain leaders in research into the use of micro-algae to capture CO_2 with our pilot at the Cartagena Plant.

We have a **portfolio of sustainable products and solutions** that, together with design and construction strategies, contribute to the development of more environmentally friendly projects and allow our clients to obtain sustainable construction certifications and other benefits.

Among the low-carbon products, which aim to mitigate climate change, **Green Cement** stands out, arising from measures such as the use of alternative fuels and renewable energy and the replacement of part of the clinker with supplementary cementitious materials such as **calcined clays,** slag, natural pozzolans, or fly ash. This generates a reduction of up to 45% in CO_2 emissions, in the case of General Purpose Cement, and up to 25% in the case of Max Structural Cement, compared to Portland Type I cement, the industry's benchmark product. In the use of calcined clays, we remain the undisputed industry leaders, and we also continue to explore options for new sources of supplemental cementitious materials. During 2023, we tested the potential of this material on an industrial scale and were able to replace up to 5% of the clinker in cement. We also have **Green Concrete,** in which carbon emissions are reduced by more than 20%.

Other sustainable products and solutions are: high-performance products that solve problems associated with the construction, repair and maintenance phases of projects; products that optimize the consumption of non-renewable materials and resources; services that facilitate adaptability, the circular economy and the environmental management of works, such as the Green Bags program; finally, construction solutions tailored to the client, in which we combine our products with more sustainable and efficient construction systems.

Based on our inventions to contribute to the environment, the company **currently has seven valid patents in Colombia, three in the United States and one in Panama.** Among them, one related to calcined clays, a patent that protects and increases the value of the technology and generates an exclusive property right for twenty years. This patent is pending in the United States, Honduras and Panama. The most recent, in the United States, related to the production of biofuels from biomass, strengthens our technological platform for the capture and conversion of CO_2 with microalgae.

As we continue to explore CO_2 capture technologies to identify the best options once implementation is feasible, a project to test an **innovative CO_2 capture technology on a pilot scale at the Harleyville, South Carolina** cement plant by Membrane Technology and Research, Inc. received **federal funding** from the U.S. Department of Energy (DOE).

Calcined clays at the Rioclaro Plant

Argos Modular Solutions Project

In addition, **we are pioneers in obtaining carbon credits,** thanks to the certification delivered in 2023 by Cercarbono, an international standard that guarantees the registration of climate change mitigation projects. We received close to 20,000 bonds for the reduction of a similar number of tons in CO_2 emissions, achieved from the co-processing (waste recovery) of 30,000 tons of urban and industrial waste at the Cartagena Plant, between 2019 and 2021. These tons are equivalent to managing all the waste generated in a year in a municipality like Cajicá, Cundinamarca. The bonds can be used to offset the value of the carbon tax in the purchase of fuel required by operations and represent operational savings of around COP 460 million.

We achieved an important milestone in our climate change roadmap with the signing of an alliance with the main waste manager in Colombia to **increase the use of alternative fuels at our Cartagena plant** and offer a joint solution for the use of oily sludge derived from hydrocarbon refining processes. These sludge are transformed into a fuel derived from waste that replaces approximately 5% of the fossil fuel used in our plant, thus closing the material cycle. The alliance has an initial duration of five years and will take advantage of more than **7,000 tons** of waste each year.

We are committed to modular, efficient and sustainable construction with our company **Soluciones Modulares Argos**, keeping us at the forefront of off-site construction projects, with a unique plant in Colombia that has a carousel-type production line of eleven stations, in which all kinds of modular concrete elements are manufactured, such as walls, slabs, stairs and beams, adaptable to the needs of our customers. This technology makes it possible to reduce construction times, improve efficiency, precision in execution and contribute to the sustainability of works, providing solutions to productivity problems in the construction sector, especially in the buildings and housing segment. One of the first projects in 2023, led by our ally Constructora Prodesa, is Andaríos, which is part of the Ciudadela Foresta macroproject, in Tocancipá, Cundinamarca.

Along these lines, with the installation of a 3D printer for the development of affordable housing, we successfully completed the first phase of the digital construction laboratory at the National University of Colombia, where we have the objective of developing technologies to increase the productivity of construction, particularly housing, and thus allow more families to fulfil their dreams.

3D printing team employees

In the area of digital transformation, we highlight the **Augmented Reality** initiative, which we began to implement in Colombia to continue to strengthen decision-making capabilities based on data. The model leverages process efficiency by providing real-time cement business results in terms of demand, production, dispatches, expenses, prices, product transfer freight and deliveries to customers, enabling agile planning of the chain, with cost optimization. The time required to build simulation scenarios has been reduced from six weeks to just seven hours.

We have also been strengthening the project of **Digital Twins,** through which we obtain virtual representations of the plants to generate simulations of operations in real-time and obtain improvements in efficiency and productivity, reduction of operating costs, reduction of emissions, as well as optimizing milling capacities and projecting processes for better decision making. The implementation of **digital twins** technologies has had a significant impact on our manufacturing processes, allowing us to reduce costs by 5.5%, equivalent to a savings of US 13 million in 2023, with 35 digital twins in 11 plants, for an average adoption of 48%.

And in this commitment to the digital transformation of the industry, the platform **Argos One** is consolidated as the most robust service portal in terms of improving the customer experience, self-management of orders, monitoring of billing and procedures and learning with the community of experts. We implemented a total of 175 digital initiatives, representing a significant milestone in our pursuit of solution excellence, resulting in more than 2.2 million user interactions and a 70% adoption rate in the cement business and 35% ready-mix.

In addition, during 2023 **data party** was implemented in Colombia, Panama and Honduras, a strategy that aims to capture information on the digital behavior of our clients to make decisions based on data aimed at improving their experience and further strengthening the closeness and our support as expert allies.

We implemented **175**
DIGITAL INITIATIVES,
which represents an important milestone in our pursuit of excellence in solutions.

15.7
MILLION TONNES
of cement

6.7
MILLIONS OF m³
concrete

12.7
TRILLION OF COP
in income

CONSOLIDATED FINANCIAL RESULTS

At the end of 2023, we shipped 15.7 million tons of cement on a consolidated basis, with a decrease of 3% compared to 2022, as a result of: having reached the same level of shipments in the United States, despite lower demand from the industry; higher volumes in most of the Central American and Caribbean countries; a 12% increase in cement exported from Cartagena, which offset the decrease in trading and the lower shipments in Colombia due to the low activity in the residential segment, and the persistence of difficult social and political conditions in Haiti.

Meanwhile, concrete volumes stood at 6.7 million cubic meters, with a reduction of 10%, within the framework of our strategy of privileging profitability over volume and lower residential activity both in the United States and In Colombia.

In terms of revenue, we reached a total of COP 12.7 trillion, which represents an increase of 9.6%, as well as a historical operating EBITDA, registering COP 2.7 trillion, with a growth of 30% compared to 2022. **This result is above the guidance provided to the market** and was possible thanks to solid price dynamics in all regions, combined with cost and expense efficiencies to transform revenue growth into EBITDA expansion, thus achieving the medium-term objective of obtaining a margin consolidated EBITDA above 20%.

Adjusted net income from continuing operations closed at **COP 716 trillion**, with an expansion of **233%** year after year, by having achieved an EBITDA significantly higher than 2022 and the implementation of hedging strategies that contributed to mitigating the impact of high-interest rates on financial costs. When considering the effects of taking advantage of tax credits that determine COP 242 billion in taxes not related to the operation and the non-recurring expenses associated with the transaction in the United States, the net accounting profit stands at COP 393 billion

Employee in Colombia

Employees in Panama

Our leverage ratio, measured by **the net-debt-to-EBITDA ratio, decreased to a 10-year low of 2.6 times.** The total debt closed at USD 1.960 billion, of which 36% is in USD, with an average rate of 6.6%, and 64% is in COP, with an average rate of 14.2%.

Currently, 29% of the company's debt is tied to sustainability performance. Along these lines, in 2023 we obtained a loan with Banco de Bogotá for COP 272 billion, in which we executed sustainable coverages with Bancolombia, intending to manage the IBR risk, which generates an additional benefit in rate for the term. of coverage. This was agreed upon by the reduction of specific CO_2 emissions and the performance of sustainability assessments of suppliers to identify gaps and opportunities for improvement in their management.

The company's strong financial performance in 2023 puts us in a solid position to continue advancing the deployment of our strategic goals and successfully navigate the transition to the Argos of the future.

SEPARATE FINANCIAL RESULTS

In compliance with Circular Letter 24 of 2017 and the regulation established in Decree 2555 of 2010, particularly in article 5.2.4.1.5, it is highlighted that for a better understanding of the financial information disclosed by the company, the consolidated and separate financial statements should be analyzed together, their respective annexes and solvency, profitability, liquidity and indebtedness indices, which are detailed in the booklet transmitted to the Financial Superintendence of Colombia.

The separate financial statements of Cementos Argos S. A. reflect a similar trend to that reported in the Colombian segment information, both in the consolidated financial statement and in the complementary analyses published to the public securities market and reported to the Financial Superintendence of Colombia. Likewise, it is highlighted that the separate financial statements include the corporate expenses of the operation that support the different geographies. In this sense, and to have an adequate understanding of the information that reflects the solvency, profitability, liquidity and indebtedness of the company, it is suggested to analyze the consolidated financial statements taken as a whole.

Roberta Plant in the United States

UNITED STATES PERFORMANCE

During 2023, operations in the United States showed a substantial improvement in results and an increase in the EBITDA margin through price increases in cement and concrete of 15% and 18%, respectively, cost control and productivity improvements.

Revenue grew 11% versus 2022. EBITDA reached 365 million dollars*, more than 115 million dollars above the previous year, representing a growth of 46%, and the EBITDA margin expanded by 520 basis points, reaching 21.4%. which constitutes record figures for Argos North America.

Despite the slowdown experienced in 2023 in the housing market, where affordability was affected by high mortgage interest rates, the other segments performed well. Spending on infrastructure and public construction grew by double digits, driven by projects financed by the federal and state governments, and the construction of factories also increased, with a consequent boost to commercial urbanism in the surrounding areas.

** Adjusted result excluding non-recurring expenses for advisor payments for Argos USA's transformation processes.*

6.1
MILLION TONNES
of cement

4
MILLIONS OF m³
concrete

USD 365
BILLIONS IN EBITDA

7.4
TRILLION OF COP
in income

5.8 **MILLION TONNES** of cement

2.5 **MILLIONS OF m^3** concrete

744 **BILLION OF COP** EBITDA

3 **TRILLIONS OF COP** in income

COLOMBIA PERFORMANCE

Colombia recorded outstanding results by capitalizing on a series of initiatives, within the framework of the comprehensive strategy applied throughout the value chain, to offset challenging demand conditions.

In cement, average prices increased 18%, partly offsetting the 7% decline in local shipments, slightly below industry performance, as volumes declined 3 percentage points more than the benchmark for grey cement. In the export division, volumes grew by 12% year-on-year, reaching 1.4 million tonnes. In the concrete business, prices increased by 22% and volumes decreased by 10%. Income in Colombia was COP 3 trillion, 9% higher than in 2022.

Pricing dynamics, operating efficiency and cost discipline in production and distribution were key to obtaining an EBITDA of COP 744 billion, with an increase of 23% and an EBITDA margin of 25%, 280 basis points above 2022.

In terms of market conditions, difficulties in the allocation of subsidies and high interest rates harmed social housing sales, which fell 67% during the year. In the infrastructure segment, 4G projects closed the year with 77% progress and seven 5G projects were awarded with a total investment of COP 11.6 trillion.

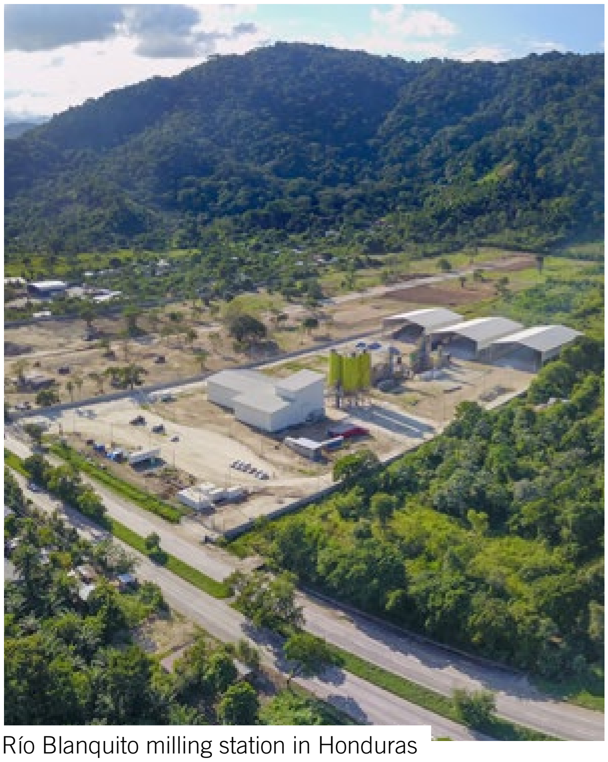
Looking ahead to 2024, we will reinforce the execution of our comprehensive strategy with a focus on profitability, maintaining constant monitoring and caution regarding market conditions.

Toyo Tunnel in Colombia

CENTRAL AMERICA AND CARIBBEAN PERFORMANCE

In Central America and the Caribbean, we worked consistently to take advantage of the opportunities and unique characteristics that each country offers, registering good demand dynamics with higher shipments in all markets, except Haiti and Honduras. Favourable price dynamics, excellent market conditions in the Dominican Republic and a positive market evolution in Panama, despite the challenging social environment during the last quarter of the year, led to a positive overall result throughout the region.

In cement, we achieved an average price increase of 7% year-over-year. Consolidated cement shipments stood at 3.8 million tons, with a decrease of 7%, mainly due to the situation in Haiti and the lower volumes of trading, which had a year-on-year reduction of 24%, due to the greater use of our export capacity from Colombia. In the concrete business, prices grew on average 9% and we reached consolidated volumes of 277,000 m³, with an increase of 1%. As a result, we closed 2023 with revenues of USD 544 million, stable compared to the previous year. Likewise, EBITDA stood at USD 124 million, at the same level as 2022, with an EBITDA margin of 23%.


Río Blanquito milling station in Honduras

3.8
MILLION TONNES
of cement

277,000
m³ concrete

USD 124
MILLIONS EBITDA

USD 544
MILLIONS
in income

Our outlook for 2024 in the region is positive, fundamentally based on:

- The important advances in efficiency throughout our value chain, with special emphasis on the reliability of our operations in Colombia to successfully navigate a year with uncertainty in market conditions.
- The approval in Panama of the law on preferential interest rates for housing and large infrastructure works that are projected and will support demand in the coming years.
- The solid market conditions in the Dominican Republic and the capacity expansion that will materialize in 2024, in order to effectively satisfy the requirements of our clients and ensure greater market share.
- The expectation in Honduras of greater public spending.
- The growth potential in Guatemala, where we continue to consolidate our presence with favorable results.
- The continuation of our strategy of diversification of income sources in the region, advancing our objective of establishing an export platform for aggregates and cementitious materials
- The initiation of the combination's complementary agreements with Summit Materials, which strategically positions us to leverage our leadership in sustainability and innovation and exploit sourcing opportunities from Colombia, Central America and the Caribbean to complement Summit's future growth paths in the industry of construction materials.

PEOPLE AND TRANSFORMATION

We recognized the work and dedication of our employees for the fourth consecutive year, with the Green Plant award, a distinction that exalts our three best plants for their outstanding performance in operational excellence and sustainability, and with it, the human team that makes these results possible. The plants deserving of this recognition during 2023 were:

- **Integrated cement plant:** Piedras Azules, Honduras.
- **Grinding:** Tampa, United States.
- **Ready-mix zone:** Tampa/ Sarasota, United States.

Employees in Honduras

The positive indicators in talent management and good labour practices maintain the positioning of Cementos Argos as a great company to work for.

In the work environment measurement survey, carried out during the year for operations in Colombia, Central America and the Caribbean, the **Employee satisfaction level reached 93%.**

In 2023 we had no fatalities and recorded world-class indicators in our I Promise system, with a frequency rate of 0.44, the lowest in the entire history of Argos, with a reduction of 67% compared to the baseline (2019).

The performance and development management system reached 100% coverage of executive-level employees and 85% of operational-level employees with support and evaluation processes.

We recorded an internal mobility rate of 12%, due to the materialization of career opportunities for employees in the different companies of the Grupo Empresarial.

We had more than 238,000 hours of in-person and virtual training, highlighting the launch of the Argos Academy as a training and talent development platform, in which we graduated the first cohort made up of sixty middle and senior management leaders from different countries.

At the end of the year, we had 602 teleworkers in one of the three modalities: self-employed, supplementary or mobile. We also continued to deepen our diversity and inclusion initiatives, with 329 women in historically male-dominated operational positions, of which 56 are in Central America and the Caribbean, 186 in Colombia and 87 in the United States. We are also pleased that **31% of leadership positions throughout the company are held by women.**

In Cementos Argos, we closed 2023 with around 7,000 employees, and as a result of the transaction with Summit Materials, the number of employees at the beginning of 2024 will be 4,000.

In alliance with the companies of the Grupo Empresarial Argos, we held the first Supplier Meeting with a focus on diversity, equity and inclusion (DEI). With the motto “Our differences unite us,” we spoke with nearly 193 companies that participated in person (more than 500 virtually) about topics such as the role of the supply chain in leveraging issues of DEI, discrimination, bias and diversity.

CREATION OF SOCIAL VALUE

Our Value Added to Society model, VAS, allows us to measure and analyze the impacts we generate in Colombia, Central America, the Caribbean and the United States, in all business units. Thus we have objective and evidence-based information that enables action and decision-making aimed at increasing the positive value we generate and decreasing the negative one. **By 2023, we delivered to society 3.5 times the value we retained,** particularly highlighting the increase in the use of alternative materials and fuels, thus contributing to waste disposal solutions and promoting new lines of local business that involve the development of suppliers and the employability of community members in businesses associated with circularity. Furthermore, we reduced the negative impacts of our CO_2 emissions and other atmospheric emissions that have a wide range of impacts on the community.

As a vehicle for the social creation of the entire business group, the Grupo Argos Foundation has **invested more than 33 billion pesos to benefit nearly 860,000 people in** twenty departments through eleven programs and has made a significant contribution to the conservation of 16 water basins.

The scholarship program for higher education supports 150 young people from rural areas and the Grupo Empresarial volunteer program had the participation of more than 2,800 employees who contributed nearly 60,000 hours to support improvement and development initiatives that positively impacted more than 51,000 people.

We also recorded significant progress in the initiatives directly executed by Cementos Argos in the process of engagement with the communities in the areas of influence of the operations and with other stakeholders.

HOGARES SALUDABLES (HEALTHY HOMES)

With this program, **we carried out more than 5,000 interventions** including improvements to floors, sanitary facilities and food preparation areas in thirteen municipalities in seven Colombian departments.
In addition, we obtained contributions from allies for more than 6.3 billion pesos, between public actors, such as VIVA, the Antioquia Housing company, and private actors, such as the Santo Domingo Foundation, Habitat for Humanity and Minuto de Dios, among others, leveraging thus 71 cents for every peso invested by the company, to increase the social impact.

Caminito 72 Project of Casa para Mí

HOME FOR ME (CASA PARA MÍ)

In this social inter entrepreneurship that aims to reduce the quantitative housing deficit, we built our first urban redensification project in the heart of Medellín, with our allies La Haus, Maluma and Comfama; we supplied the first dispersed rural housing kits in Antioquia; we developed housing of priority interest (VIP) of seventy minimum wages in municipalities in southwest Antioquia, with our construction partner SYMA, in record construction time; Likewise, we will execute, together with the Grupo Argos Foundation, the first industrialized ancestral housing project for the Wayuu community in La Guajira, with resources from the National Housing Fund. We also **consolidated impact funds to finance social housing projects with our partners** Maluma, La Haus, Grupo Argos Foundation, Grupo Social Foundation and Bancolombia Foundation.

WORKS-FOR-TAXES

Since 2018 we have carried out interventions under the Works-for-Taxes mechanism in Colombia. This allows us to contribute directly to the transition to peace and development in municipalities with Development Programs with a Territorial Approach (PDET, in Spanish) and Areas Most Affected by the Armed Conflict (Zomac, in Spanish), involve the private sector with marginalized areas and generate greater efficiency in the execution of public resources. Along these lines, as a Grupo Empresarial we have:

- Mobilized **more than 230 billion pesos.**
- Reached **more than 50 territories** through **32 projects.**
- Benefited **more than 300,000 people**
- Linked to **more than 15 companies** of the private sector in these initiatives

Tournament participants From Metaverse to Reality

PROGRAM FROM METAVERSE TO REALITY

To promote among the new generations the sense of public affairs and the commitment to the positive transformation of the territories, in 2023 we completed a milestone of relationships and emotional connection with stakeholders, by bringing together boys, girls and teens from all over the country to design in the metaverse a park that is being built in reality, in the town of Nueva Colonia, Urabá, Antioquia, and that will be delivered to the community in 2024. We had the involvement of twenty-five schools and six business allies, and we exceeded the participation goals in this first version of the tournament, with the **registration of 3,000 young people and the reception of 600 design proposals.**

VESTA

Vesta is a social innovation initiative by Comfama and Argos that seeks to facilitate access to housing for Colombian families, through advice and support in the purchase process. This alliance was created to generate solutions that connect people with the ecosystem of access to housing and reduce the quantitative housing deficit. Currently, Vesta accompanies the home purchasing process of 200 families, has advised more than 800 on financial habits and has generated alliances with more than 40 social housing (VIS, in Spanish) projects in Antioquia.

CONSTRUYÁ

This program has allowed us to develop the hardware channel so that unbanked customers can access financing for the purchase of our products and other complementary construction materials, through allies such as Mi Banco, Somos EPM and Soluciones de Crédito. In 2023, COP 9.5 billion were disbursed, and since its inception in 2006, **more than 155,000 families have benefited from the linkage of more than 2,000 warehouses and hardware stores** in our marketing network.

SUPPORT FOR OUR ACTIONS

Various standards and initiatives recognized our business performance in 2023:

- Ratification in the top three of the most sustainable cement companies in the world in the Dow Jones Sustainability Index, for more than ten consecutive years.
- Inclusion in the S&P 2024 Global Sustainability Yearbook in the top 5% of industry companies with the best performance in environmental, social, economic and governance issues in the world.
- Ranking 5 of the most innovative companies in Colombia by the National Association of Industrialists (ANDI) and the magazine Dinero.
- We rank sixth among the companies with the best management and social investment in Colombia in the Private Social Investment Index.
- Ranked 18th among the companies with the best reputation in Colombia, according to the Merco index, and ranked 13th in the Merco Talento measurement.
- IR (Investor Relations) recognition from the Colombian Stock Exchange for information disclosure and investor relations practices.
- 14th position in the ranking of the most inclusive companies in Latin America.
- Ranked 9th among the magazine's most sustainable companies in Central America and the Dominican Republic SUMMA.
- Argos Honduras received the Socially Responsible Company Seal from Fundahrse.
- Recertification of Sí Género, Gold level gender equality seal in Panama.
- First cement company in the Dominican Republic to obtain the Igualando certification, Bronze Seal.

Employees in Honduras

LOOKING TO THE FUTURE

The extraordinary evolution that we show today as a company is the result of our purpose, vision, culture, people-centred values and genuine commitment to being an example of good business practices, contributing to the countries where we are present, generating decent employment and making possible the construction of housing and infrastructure projects that enable a more sustainable, thriving and inclusive society. To do this, we count on the talent of our employees and our capacity for resilience and adaptation in the face of constant environmental challenges, to continue writing the success story of Argos.

With the closing of the combination transaction between Argos USA and Summit Materials, we begin 2024 celebrating the company's most important transformational milestone in recent years, which leaves us strengthened to consolidate our position and enhance our growth in Colombia and Latin America. also strengthening our export capabilities.

We are positive about the future because we have solid fundamentals and because we continue to take the necessary steps to become an increasingly innovative, agile and flexible company, focused on capturing all opportunities and continuing to deploy its strategy of smart growth, Road to a low carbon economy, company value, customer centricity, people revolution and social value creation.

Thank you to our customers for their trust and preference, to the employees for their passion and motivation to be a winning team, to the suppliers for their quality and commitment and to the community in general for allowing us to accompany them as allies in their development.

Thank you, valued shareholders, for your confidence in the work path we have outlined.

With our hands on our hearts and with the greatest energy, we ratify our unwavering conviction and will to make your investment profitable and guarantee the future of Argos.

Jorge Mario Velasquez
Alejandro Piedrahita
Rafael Olivella
Cecilia Rodriguez
Carolina Soto
Carlos Gustavo Arrieta
Leon Teicher
Board of Directors

Juan Esteban Calle
President

Harleyville plant in the United States

ARGOS IN THE UNITED STATES: A SUCCESS STORY

The presence of Argos in the United States is a success story of almost twenty years that honours the audacity of those who have led this organization and the effort, commitment, dedication and passion of thousands of people who put on our company's shirt in the USA, the solid foundations of our founding values of work and righteousness and the vocation for growth that has accompanied us since 1934 and always leads us to dream big.

The first seeds of the American dream were sown in the 1970s, when the company began exporting cement from the Colombian Caribbean coast, initially to Corpus Christi in Texas, becoming over the years a relevant exporter to the US market. But it was in 2005 when Argos made the visionary decision to participate directly in the construction materials industry in that country, through an asset acquisition strategy. Until 2016, we made fifteen asset purchases, which were consistent with the path of growth and consolidation of our presence in the United States.

From 2005 to 2008, we established our presence in the concrete business through 12 acquisitions with a total value of USD 827 million. Between 2005 and 2006 we acquired Southern Star Concrete in Texas, Concrete Express in Georgia and Ready Mixed Concrete Company in North Carolina, as well as the Port of Houston and other port facilities in Savannah and Wilmington. Then, in 2008, we purchased two more concrete companies in the United States: Santee Ready Mix in South Carolina and Consort Concrete in Texas.

The culmination of this first phase of expansion in the United States coincides with the year in which the mortgage crisis in that country caused the collapse of the stock markets, the increase in inflation and the stagnation of credit, which generated a recession that spread globally. This financial crisis had a significant impact on the construction materials industry and, in the United States, Argos went from having revenues of USD 730 million in 2007 to USD 382 million in 2010, the year in which the company's EBITDA was negative.

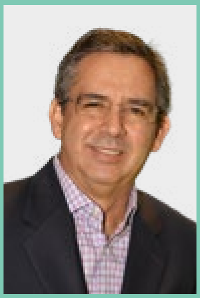
Despite the challenging situation in the markets, Argos maintained its growth thesis in the country, with the certainty of the market potential and the clarity of the relevance of complementing the existing concrete operation with the cement business, and took advantage of the crisis opportunities, given that some global players had to divest part of their assets due to the difficult liquidity and debt situation they were facing. Thus, in 2011 we began a second period, characterized by inorganic growth, with relevant acquisitions that gave us greater scale and profitability. The main objective was vertical integration into the cement business and consolidating ourselves as one of the main construction materials companies in the southeast and mid-Atlantic of the country.

That year we acquired cement and concrete assets from Lafarge: two cement plants, the Roberta plant in Alabama and the Harleyville plant in South Carolina; a clinker grinding mill in Atlanta, Georgia; 79 concrete plants in Georgia, South Carolina, Alabama and Florida; 347 concrete mixer trucks; five rail terminals (three in Georgia, one in Mississippi and one in North Carolina) and a seaport in Mobile, Alabama.

In 2014, we purchased from Vulcan Materials a cement plant in Florida, 69 concrete plants with 372 mixer trucks, 13 concrete block production plants and 2 port facilities. Finally, in 2016 we acquired the Martinsburg cement plant in West Virginia from Heidelberg.

Concrete plant in Florida, United States

Regional presidents over eighteen years



Eric Flesh
Period:
2005-2018

Bill Wagner
Period:
2018-2022

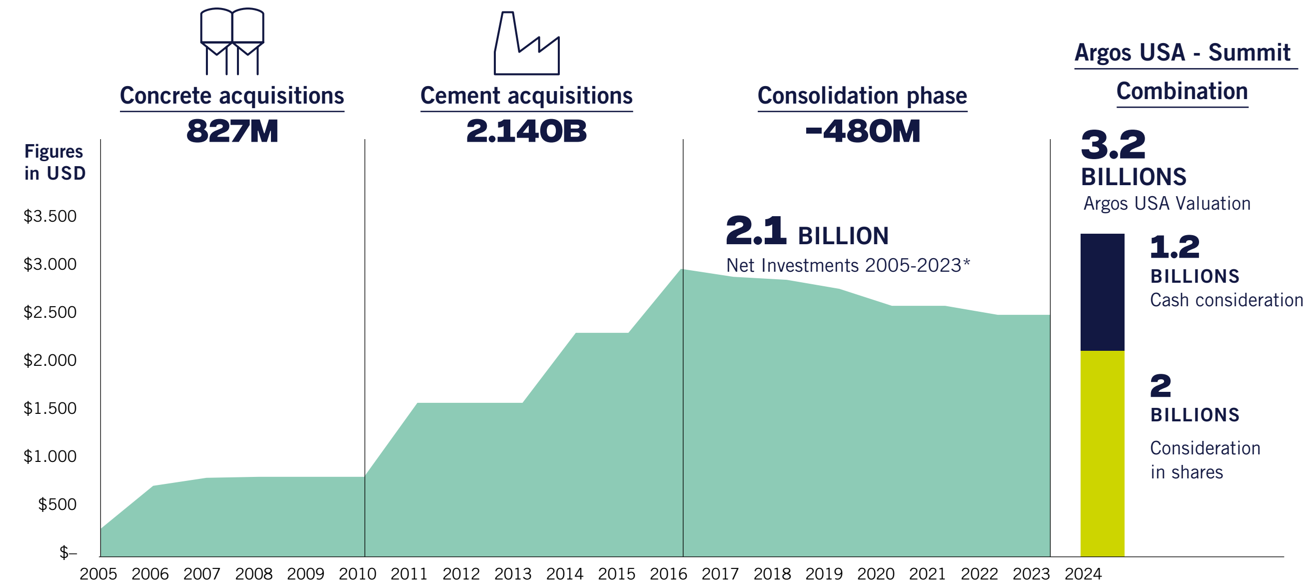
Simon Bates
Period:
2022-2023

From 2011 to 2016, Argos invested more than USD 2.1 billion, consolidating itself as one of the main cement producers in the country, with 4 integrated plants and 2 mills and close to 10 million tons of annual capacity. At the end of this period, we managed to multiply our revenue three times, from USD 440 to USD 1.340 billion, while our EBITDA went from being negative to reaching USD 180 million.

Since 2017, we have experienced a third phase of our history in the United States, characterized by the consolidation of our network, a stage in which we advanced some concrete cluster divestments, totalling close to USD 500 million, given that they were not part of our strategic vision because they were not located in large metropolitan centres or were not vertically integrated with our local cement production or import terminals. Despite having a more compact network of assets, we managed to close 2023 with revenues of USD 1.7 billion, which is 11% more than in 2016, and an EBITDA of USD 365 million, 55% higher than in 2016.

With the disciplined execution of our strategy, the committed management of extraordinary talent, made up of nearly 3,000 employees, and under the leadership of three regional presidents over eighteen years, Eric Flesh (2005-2018), Bill Wagner (2018 -2022) and Simon Bates (2022-2023), we managed to position ourselves as the second largest cement producer in the American Southeast and the fourth largest concrete producer in the country.

Historical evolution of investments



** Net investments in the period 2005 – 2023 include acquisitions, divestitures and other capital flows.*

We reached 14 states with our products, in a market of more than 158 million people, and at the end of 2023, we had 4 cement plants, 2 clinker grinding plants, more than 130 concrete plants and 18 ports/terminals.

Some of the emblematic works that have the Argos seal with which we left our mark in the United States are:

- The Coca-Cola Plant in Houston, Texas.
- Mercedes Benz Stadium, in Atlanta, Georgia, is the first stadium in the world to achieve Leed Platinum status, for the ability to save up to 29% more energy than any other venue of its type.
- The FedEx Distribution Center, in Cypress, Texas.
- Facebook Data Center in Covington, Georgia, powered by 100% renewable energy.
- The Amazon Fulfillment Center, in Macon, Georgia.
- Methodist Hospital in Houston, Texas.
- The facilities of the Finding Nemo attraction at a Disney park in Orlando.
- Universal Studios' Volcano Bay water park in Orlando.

With our vision and commitment to long-term value creation, we executed a disciplined growth strategy in the United States for eighteen years, focused on increasing the profitability of our business, which allowed us to achieve transformative step in our history in 2023. After making net investments close to USD 2.1 billion*, we contributed our assets to create one of the largest companies in the sector in the United States, with a valuation of USD 3.2 billion, significantly higher than what was invested.

The closing of the combination with Summit Materials marks a new era in our presence in the United States, placing Argos, with an investment of more than USD 2 billion, as the largest shareholder of a vertically integrated company, a market leader, with national scale and multiple growth opportunities. Furthermore, the cash payment of USD 1.2 billion radically transforms the company's capital structure, opening a new chapter for Cementos Argos, in which we will take advantage of the opportunities to supply a larger platform in the United States with cement, aggregates and other materials, as well as greater possibilities of growing within the Latam region.

LEGAL AND CORPORATE GOVERNANCE MATTERS

Argos informs that it complies with the applicable legislation on intellectual property and copyright in the development of its corporate purpose.

Complying with the provisions of Article 29 of Law 222 of 1995, in the Grupo Empresarial Report, Argos reveals the economic operations carried out in 2023 with the Group companies. The aspects related to Article 446 of the Commercial Code are found in the "Financial Statements", in the "Report of the Statutory Auditor" and in this document.

During 2023, transactions with directors and shareholders were carried out in compliance with the provisions of the corresponding regulations and following market conditions. These transactions are detailed in notes 36 and 40 of the separate and consolidated financial statements, respectively.

The company also certifies that it did not hinder the free circulation of invoices issued by suppliers and that its judicial and administrative processes are being attended to in a timely and diligent manner by management and its legal advisors, and that no material decisions were made that affected the company's financial situation.

The performance of the internal control system for recording and issuing financial and non-financial information was verified through different activities carried out by management, the statutory auditor, the Internal Audit and the Board of Directors through the Audit, Finance and Risk Committee, which led to the conclusion that the company's internal control system works adequately, by the scope of the work plans defined and the different supervision activities of each of them. Among the aforementioned activities, the specific review of the figures that make up the financial statements by the fiscal auditor stands out, the evaluation of the adequate design and operation of the internal control system carried out by the Internal Audit and the monitoring of the financial statements carried out by the internal administrative committees and the Audit, Finance and Risk Committee and the Board of Directors.

United States employees

Moreover, the management reports that the internal control system had no weaknesses that would have prevented the recording, processing, summarizing and fairly and adequately presenting financial and non-financial information, nor were there significant frauds that would have affected its condition, quality and integrity; there were no changes in the evaluation methodology of the internal control system.

In 2023, the global governance and compliance program continued to be strengthened. Under the framework of the program, training and communication activities were carried out and controls were properly implemented to prevent the risks of money laundering, financing of terrorism, financing of the proliferation of weapons of mass restriction, corruption, bribery and competition.

In relation to the company's corporate governance, the Annual Corporate Governance Report is available on the company's website and is part of the Integrated Report within the "Corporate Governance" chapter.

For the purposes of the disclosure that must be made in compliance with the provisions of External Circular 012 of 2022, regarding the judicial and administrative processes in which the company and/or its subsidiaries are part, Argos informs that they cannot materially affect the operation or financial situation of the company. Notes 38 and 42 of the separate and consolidated financial statements, respectively, detail the judicial and administrative processes that, following International Accounting Standards, must be disclosed as contingent liabilities.

WE ARE

GREEN LIGHT

TOGETHER WE BUILD EVERY CORNER OF THE PLANET

STRATEGIC FRAMEWORK

02

HOW DO WE CREATE VALUE

CONTEXT

- Trends
- Frameworks, standards and indexes.
- Strategic and emerging risks. See p. 64.
- Material issues. See p. 74.
- Stakeholders. See p. 81.
- Corporate governance See p. 16.

RESOURCES

- **11** Cement plants
- **179** Concrete plants
- **6** Aggregates plants
- **6,784** Employees
- **+6,000** Suppliers
- **11** Patents issued
- **227** l/t of cement Water consumption

Get to know more about the sustainability strategy.

PLANNING

Inbound logistics and procurement

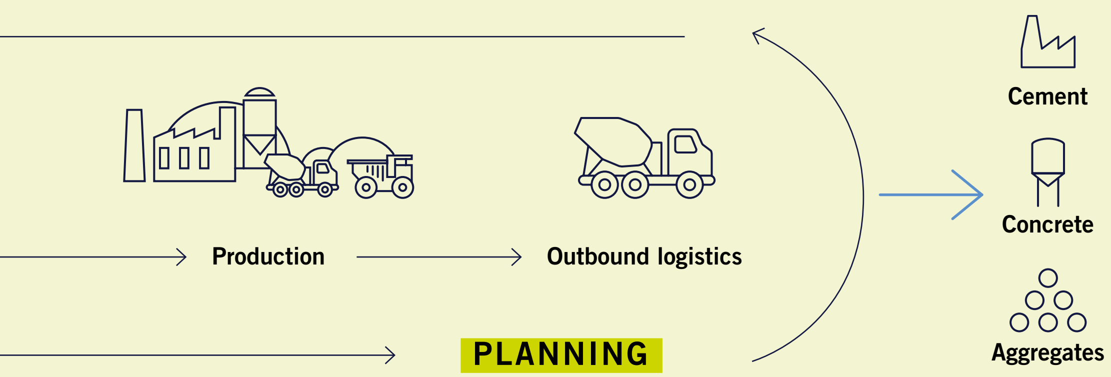
STRATEGIC PILLARS

- Smart growth
- Road to a low carbon economy
- Company value
- Customer centricity
- People Revolution
- Social Value Creation

OUR PURPOSE

To make possible the construction of housing and infrastructure dreams that enable a more sustainable, thriving and inclusive society.

BUSINESS MODEL



SUSTAINABILITY STRATEGY

- Trusting relationships
- Shared values
- Business profitability
- Responsible production

OUTCOMES

We deliver to society **3.5** **TIMES** the value retained by the company

609 kgCO_2/t cementitious material

62.8 in NPS

0 Fatalities

+35 billions of pesos in social investment

29% of debt linked to ESG credits

47% sales of sustainable products and services

+238,000 training hours

COMPREHENSIVE RISK MANAGEMENT

At Cementos Argos we have a comprehensive risk management team responsible for supporting the different strategic, tactical and operational risks that may divert us from achieving our objectives, anticipating a possible manifestation of them to take reduction and mitigation measures. Therefore, we make interdisciplinary groups with the different leaders, operations, processes and projects, among others, led by the risk team, taking into account the guidelines of the manual and the corporate risk methodology. In order to do this:

- We identify, analyze, assess and manage the risks that impact the fulfillment of the strategy, projects, processes and operations.
- We have mechanisms to evaluate, based on probability and impact, and to monitor and escalate risks for their proper administration through the Comprehensive Risk Management System (SGIR, in Spanish), with the objective of seeking their efficient transfer, through the corporate insurance program, to reach the geographies in accordance with the **strategic, tactical and operational** levels or with the different improvement and control schemes, when such risks cannot be transferred.

Roberta Plant in the United States

Comprehensive Risk Management System (SGIR)

IDENTIFY

- Materiality analysis
- Risk workshops
- Trends and connections in the global environment
- Strategic framework

ANALYZE AND EVALUATE

- Risk matrix
- Value-at-risk (sensitivity analysis)
- Self-assessment tools

PROVIDE TREATMENT

- Risk management application
- Corporate Insurance Program
- Adaptation and continuity plans

MONITOR

- Reports to senior management
- Reports to the Board of Directors

Bulk truck in Puerto Rico

Our SGIR supports and complements the governance, audit and compliance models. It is based on ISO 31000 and COSO-WBCSD Enterprise Risk Management and it is aligned with international best practices. In addition, it is supported by the risk management application.

The established SGIR governance scheme is in line with corporate governance, is supported by a solid organizational structure with clearly defined roles and responsibilities within the organization and follows a management model based on the three lines of defense. The government relies on the policy of risks, regulations and defined guidelines, in order to establish an action and orientation guide that governs the actions of people and the organization in relation to risk management.

Our SGIR and its methodology have periodic reviews by internal audit, which also accompanies the risk analysis in different processes, being part of the company's internal control environment.

Quantitative estimates of the impact of risks are made under the Value-at-Risk (VaR) approach, which estimates potential deviations in EBITDA from the materialization of risk scenarios that impact business profitability. These are established under the Delphi method and are supported by key random variables, such as volumes, prices, costs, expenses, among others, with their respective quantitative probability assumptions.

To determine how material the quantified impacts are, we rely on our risk appetite and tolerance framework.

- Risk appetite determines the exposure that the company can assume in its operations to achieve its strategy.
- Tolerance is the maximum exposure that the organization could endure in pursuing its strategy without destabilizing business.

These two concepts are useful in defining the thresholds at which the value of the materialization of risks would or would not represent a threat to the achievement of the strategy we have defined, seeking to manage their mitigation, acceptance or transfer in a timely manner. The defined thresholds make up the corporate scale (strategic level) of economic impact of our SGIR to support the decision-making of the Board of Directors, senior management and operational leaders.

For **tactical and operational levels,** we use economic impact scales formulated based on the operational results (ebitda) of the processes, projects and facilities analyzed.

Learn more about our Risk Management System.

"Cybersecurity is fundamental for business competitiveness and sustainability, both in the digital world and in supporting operations. Argos manages, proactively and effectively, to protect our digital assets, provide reliability to businesses and preserve the transparency and trust of our clients and stakeholders, thus ensuring the continuity and prosperity of our company."

Monica Maria Lara
Director of Information Technology Cementos Argos

This is how we strengthened the SGIR in 2023:

At a strategic level:

- We develop more agile mechanisms for periodic reporting of risks supported by business intelligence, as follows:
  - **Board of Directors and senior management:** A dashboard is presented monthly with the management follow-up and monitoring of strategic risks, supported by signals and trends analyzed together with operational leaders.
  - **Audit, Finance and Risk Committee of the Board of Directors:** The committee validates the evolution of the SGIR, monitors strategic risks, mitigation mechanisms and monitors the risk appetite. It meets at least four times a year and has three members of the Board of Directors, SEE PAGE 16.
  - We update emerging risks considering the current environment, dynamics and trends of the industry, based on risk observatories that generate reports of the most important risks facing the world today.
- We focus information security and cybersecurity management on preserving the confidentiality, integrity and availability of information. Continuous monitoring was performed in order to manage the security of information assets in the face of the multiple threats that may compromise them.

At a tactical level:

- We accompany the analysis of the risks of new strategic expansion projects and business diversification.
- We accompany the countries of Central America and the Caribbean in the evaluation of business risks derived from socioeconomic, regulatory, political and market situations.

At an operational level:

- We visited and assessed risks in 70% of the cement facilities and virtually managed 30% of them in the Colombia regional. We achieved 100% total coverage (virtual and in-person) in the CCA regional and 50% in-person coverage in the USA regional.
- We perform self-assessment for risks in a 100% of concrete operations in Colombia and we provide virtual support to 50% of the plants in the CCA regional.
- We analyzed maximum probable losses in 100% of the visited cement facilities in Colombia and CCA, improving the estimation of risks to be retained and transferred.
- We are advancing business continuity plans for cement plants.

The identification, analysis and proactive management of risks **strengthens the corporate insurance program.**

Risk transfer

We have a corporate insurance program to transfer insurable risks under statistical models recognized in the reinsurance market.

Through these, we seek an adequate and optimal transfer of risks to avoid significant deviations from our objectives, in the event of possible materializations, and we seek adequate compensation for potential losses.

Corporate Insurance Program

In 2023 we continue to strengthen the insurance program. By being efficient, we manage to provide the necessary support in the event of claims and prepare the organization with the coverage needed to face the challenges of the future.

Within the administration and management of risks, we managed to maintain and expand the coverage of cyber-security risk and adjust the coverage of the insurance program according to the organizational transformations defined by the corporate strategy.

The participation of the captive company Building Materials Reinsurance Ltd-BMR Ltd. allowed us to generate efficiencies in the reinsurance markets, optimizing the placement panel in our property insurance program. Likewise, it actively participated in the different claims, to achieve definitive agreements between the interested parties. BMR has strengthened our relationship with the insurance and reinsurance market and has promoted practices that reinforce operational resilience.

Learn more about this program.

Study of environmental signals

This is the basis for identifying the main elements of the context that influence organizational strategy and objectives, as well as the ways in which the company must respond and adapt. Consequently, this analysis has had a growing contribution from different business perspectives and has become the main reference in the identification and analysis of our strategic and emerging risks; this, along with additional references and external validation workshops.

This is done in three stages:

TRENDS
Through online workshops, the organization's teams vote for the most relevant trends for Argos and share their perceptions of the current context.

CONNECTIONS
The most voted trends and connections available on the World Economic Forum's strategic intelligence platform enabled us to build our map of trends and connections and identify the global themes that characterize our context.

RISKS
We visualize the existence and intensity of the relationship between trends and connections with our risks and material issues. The result of this analysis, together with the reviews of external advisors and our senior management, determine the company's strategic and emerging risks.

Learn more about the interaction of our risks with trends.

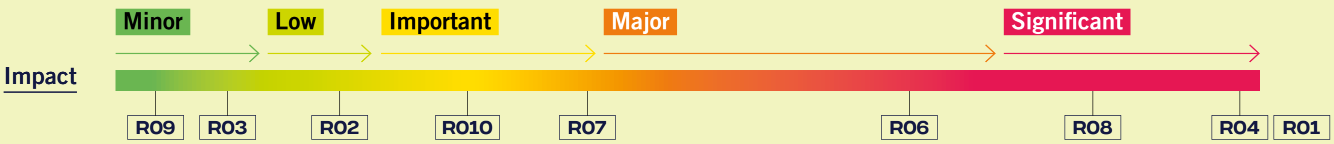
RISKS

Strategic risks

They are those whose materialization can significantly affect the strategic objectives, strategy, value for shareholders or the viability of the company. They can be derived from environmental trends or organizational factors and must be of priority knowledge to senior management. Its materiality is analyzed through the appetite and tolerance framework that determines the corporate scale of impact.

	RO1	RO2
Risks	**No value generation** (ebitda or other measure) due to not reaching the volumes or prices in the goals established by the **business plan,** due to changes in the business environment.	**Delay or impossibility of closing competitiveness gaps** in the incorporation of **new technologies** and in the adoption of the digital transformation strategy with the purpose of improving the efficiency of operations.
Main triggers	▪ Macroeconomic environment variation ▪ Variation in the cost of raw materials ▪ Social crises, political changes ▪ Exchange rate ▪ Energy crisis ▪ Low dynamics in public infrastructure programs ▪ Disruptions in the supply and logistics chain	▪ Difficulty of incorporating new technological solutions due to cultural and organizational factors ▪ Management of cultural change in the sale of products ▪ Use of Generative Artificial Intelligence
Prevention and mitigation actions	▪ Medium and long-term strategic growth plan ▪ New Emerging Business Model ▪ Predictive models of demand behavior and the competitive environment. ▪ Supply chain response options analysis models and trading against market risks ▪ Price strategy	▪ Incorporation of digital adoption indicators in the company's strategic management ▪ Competitive remuneration schemes ▪ Constant monitoring of the needs for technological incorporation in production processes ▪ Migration to new technologies (AI)

CORPORATE IMPACT SCALE AND MATERIALITY CRITERIA



RO3

Lack of opportunity in the implementation of new business approaches that respond to the changes occurring in the construction value chain, the business environment and the needs of our clients.

- Failures or unforeseen events in the implementation of strategic projects aimed at new solutions
- New strategic business lines
- Conscious and demanding consumer

- Business intelligence articulated between regions for greater use of synergies
- Portfolio of green solutions with sustainability, digital, industrialized and packaging features
- Development of technological platforms
- Incursion into new business segments and greater geographic diversification
- Benefit and use of construction waste
- Calcined clays as a growth platform

RO4

New policies or regulatory changes that affect the company's value generation.

- New taxes, regulatory changes or other unfavorable measures that impact markets or the industry
- Economic dynamics of countries and the construction materials sector

- Objectives related to the commitments acquired in the Paris Agreements
- Constant monitoring of the legal team and the business of regulatory and compliance changes
- Environmental strategy with its respective indicators, goals and action plans that mitigate the materialization of transition risks (climate change)

RO5

Low appropriation of cultural behaviors due to possible failures in the implementation of governance mechanisms, process alignment, talent development and organizational relationships.

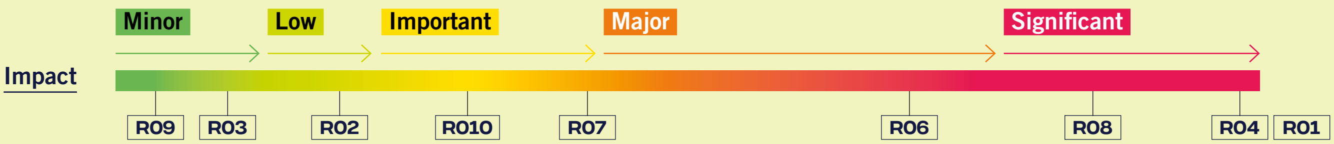
- Low connection of the contribution of employees with the higher purpose
- Lack of consistency among leaders in demonstrating and promoting culture behaviors
- Poor talent retention effectiveness, lack of alignment in the succession and attraction process

- Strategic communications plan including strategy conversation component
- Definition of the vision of culture and commitment of the management team
- Intercultural training for employees
- Compliance with the interactions defined in the new structure
- ANS Shared Services Center
- Culture champions network

Strategic risks

	R06	R07
Risks	**Failure to meet CO_2** emission reduction targets due to non-implementation of roadmaps defined by the company and insufficient adoption of carbon capture, storage and use technologies.	**Occurrence of natural events** that significantly affect the operation and continuity of the businesses, market participation and the company's assets.
Main triggers	Failure to make sufficient progress in: ▪ Technological equipment renovation ▪ Low use of alternative cementitious materials ▪ Low substitution with alternative fuels ▪ Low adoption of CO_2 capture technologies	▪ Climate change and variability ▪ Vulnerabilities in operations ▪ Geographic location of operations ▪ Geological hazards such as an earthquake
Prevention and mitigation actions	▪ Strategic axis of climate action, which includes roadmaps for the decarbonization of operations, the green financing framework, the inclusion of climate change awareness in the company culture and the capitalization of business opportunities derived from climate change ▪ Environmental strategy that includes the pillars of climate change, water and biodiversity, emissions and circular economy, with their respective indicators, goals and action plans ▪ Increase in the replacement rate of alternative fuels	▪ Corporate risk retention and transfer plan ▪ Contingency and business continuity plans ▪ Adaptation plans to climate change in operations ▪ Emergency Response Action Plan ▪ Supply chain and trading response options analysis models ▪ Facility continuity plans

CORPORATE IMPACT SCALE AND MATERIALITY CRITERIA



R08

Contingencies arising from claims, legal or administrative processes, or non-compliance of regulations, contracts or compliance and/or corporate governance standards defined by the company.

- Differences in the interpretation of rules, contracts
- Failure to comply with rules or contracts, internal provisions and policies, or standards of ethics and internal control by employees and administrators

- Accompaniment of regional and transversal legal teams to business leaders, to advise and update the regulatory framework and guarantee adequate corporate governance mechanisms
- Policy and teams focused on guaranteeing product quality
- Insurance that covers the liability of the company and its directors
- External legal advice
- Training and communication strategies
- Compliance Program and associated controls
- Ethics Line, disciplinary procedures

R09

Materialization of cyber threats due to exploitation of vulnerabilities in information systems, processes and/or people.

- Failures in information and control systems
- Vulnerabilities in cyber security systems
- Technological obsolescence
- High investments
- Inappropriate use of artificial intelligence

- Cybersecurity policies and procedures, documented, socialized, evaluated and with a focus on continuous improvement
- Cyber asset and information management
- Cybersecurity architectures for operational security, information security, and advanced malware
- Management and continuous improvement of technological controls
- Cybersecurity incident management
- Continuous assessment of vulnerabilities in information and operation systems
- Technology backup and recovery strategy

R10

Political, social, economic and legal instability at a global or local level which can affect financial results and put the organization's investments and reputation at risk.

- Changes in market dynamics and business environment
- Geo-economic, geopolitical or country situations
- Social insurrection at the local level derived from the increase in poverty and inequality
- Interference in the functioning of the economic system
- Tensions between countries, which can affect the trade balance

- Local and corporate monitoring of signals and trends in the political and economic environment
- Activation of crisis committees
- Involvement in construction sector associations to evaluate or propose new action mechanisms.

Materialized risks in 2023

During 2023, some of the previously identified risks manifested themselves, which were transferred in a timely manner, allowing the full recovery of the compensation to which one was entitled in accordance with the coverage conditions. Likewise, these events represent an opportunity in our corporate insurance program, keeping us updated on values and required coverage. This also applies to operational risk management, as it strengthens and provides continuity to action and improvement plans. Furthermore, there were also business and operational risks, which mobilized the triggers of some strategic risks. However, operations responded immediately, implementing response and remediation actions that managed to effectively reduce the impacts and, therefore, did not materially affect compliance with business plans. The most relevant factors that occurred in 2023, which are still latent in the environment and could influence the materialization of risks in the future are the following:

- Disputes in the geopolitical and geoeconomic environment that can generate volatilities in the commodities and energy prices.
- Social factors that influence stability and security in the countries where we operate (for example, Haiti)
- Extreme weather variations that affect the performance of operations.
- Interruption of the operation with deviations in business plans.

Learn more about our strategic and emerging risks.

Emerging risks

Events whose nature and consequences have high uncertainty and occur on a large scale and arise from global trends. They respond to multiple trends that may affect the company's strategy in the future; but they can also create opportunities to increase the value we offer to our customers and society.

The management of emerging risks begins by periodically reviewing said risks, opportunities, trends in the sector in which the company operates and those of the industry. This process involves examining the environment and analyzing the relevant risk factors that could have an impact on the company.

These are the emerging risks that were identified in 2023:

1. Low speed in adaptation, resilience and the development of disruptive technologies that allow the company to align with new expectations, requirements and demands of society or governments.
2. Inappropriate application of generative technologies in digital and information systems, creating misinformation within the company or rejection from external stakeholders that affect its image or reputation.
3. Increase in social activism, which can generate relevant changes in the demands on social and environmental issues towards the company and which can cause changes in the ordinary flow of the business.
4. Radical ideological changes in the global environment, which generate socioeconomic conflicts, exacerbating fragmentation, polarization and the weakening of stability or international cooperation.

Risks of climate change and biodiversity

In 2023 we update the climate scenario framework in accordance with the most recent ones developed by IEA (International Energy Agency), IPPC (Intergovernmental Panel on Climate Change) and NGFS (Network for Greening the Financial System) including time horizons aligned with TCFD. We also review the taxonomy of risks and opportunities at the strategic, tactical and operational levels, covering emerging risks.

For more information, see TCFD 2023 report.

Likewise, we quantify material impacts in the short, medium and long term through the analysis of scenarios that include projections of climate variables, narratives and macroeconomic assumptions. This exercise expands our vision of climate change on the global agenda and guides the future transformation of Argos.

On the other hand, we strengthened our analysis through a tool that evaluates exposure to physical, natural and biodiversity risks. This detailed understanding of risks gives us greater control in our climate change risk management program.

In addition to this, we carry out the analysis of **risks on nature** in direct operations in each of the geographies where we have a presence; This allowed us to understand and evaluate the risks related to biodiversity and prepare an appropriate response plan aimed at achieving our long-term objective. This analysis is based on the CRMS framework, which allows estimating risk variables and parameters and quantifying financial impacts, taking as reference the LEAP (locate, evaluate, assess and prepare) approach, which is a voluntary guide intended to support internal assessments of nature-related risks and opportunities that were established by TNFD and the Biodiversity Risk Filter tool.

Learn more about this analysis.


Employees in Piedras Azules, Honduras

Risk culture

We mobilized the risk culture at all levels and geographies through workshops with the teams that integrated self-management tools and the risk management application.

In 2023 we gave an induction in risk management to new employees, and we raised awareness among those who have remained in the company for more than a year. This includes identification of risks and causes, as well as controls, risk assessment and design of action plans.

We also exchange our best practices with industry peers, companies and academia through national and international events, experience sharing spaces and visits to our facilities.

MATERIALITY ANALYSIS

In Argos we identify the relevant issues for the value creation of our company, with **short, medium and long term perspective.**

This exercise is a key input for strategic definition, risk management, making better decisions, evaluating new business opportunities and guiding the execution and dissemination of the results to our stakeholders. This is why we review this materiality annually and update it in a timely manner.

We identified eleven prioritized material issues **in 2022 following the dual materiality methodology and** in 2023 we validated these results with the Sustainability and Corporate Governance Committee of the Board of Directors.

OUR MATERIALITY APPROACH

The dual materiality approach allows us to analyze how Argos impacts the environment and society and how these also have an impact on the company's financial performance.

Environmental and social impacts on the company

FINANCIAL MATERIALITY

Company

Primary audience:
Investors

Source of decision making for the company on strategic and financial issues

Environment and society

Primary audience:
Civil society, clients, employees and investors

ENVIRONMENTAL AND SOCIAL MATERIALITY

Company impacts on the environment and society

The process we carried out to develop it followed four stages:

1. Analysis of the external context:
External risks and opportunities linked to ESG (environmental, social and governance) issues from different industries, construction sector peers, regulatory environments, media and corporate disclosure, mainly, were monitored.

2. Analysis of the internal context:
Critical issues for the organization were identified based on the previous materiality exercise, the understanding of risks, trends and the connection with the strategic pillars.

3. Discussion and validation of results:
Conversations and interviews were held with different strategic areas of the company in all regional areas and the teams that lead the relationship with stakeholders. These allowed us to analyze, complement and validate the topics initially recognized in the external and internal referencing. The conversations were developed to classify the various material issues, according to the level of relevance and pertinence within the organization, as follows: critical, very important and important.

4. Consolidation in a materiality catalog:
Finally, the results of the previous steps were verified and analyzed to consolidate the information in a materiality catalog that includes: the company's strategic pillars, the approved material topics, the alignment to GRI, SASB indicators and sustainable development objectives, the prioritized stakeholders and performance indicators. These results were validated with the Sustainability and Corporate Governance Committee of the Board of Directors.

Employees in Panama

This exercise was accompanied by an external sustainability expert consultant (Deloitte) and was verified by an independent limited external assurance service provider (BDO). This verification process included the review of compliance with the guidelines and criteria of the sustainability reporting framework of the GRI standard, which includes the determination of material issues as a fundamental requirement in the preparation of reports, to declare our Integrated Report using GRI standards as a reference.

OUR MATERIAL TOPICS

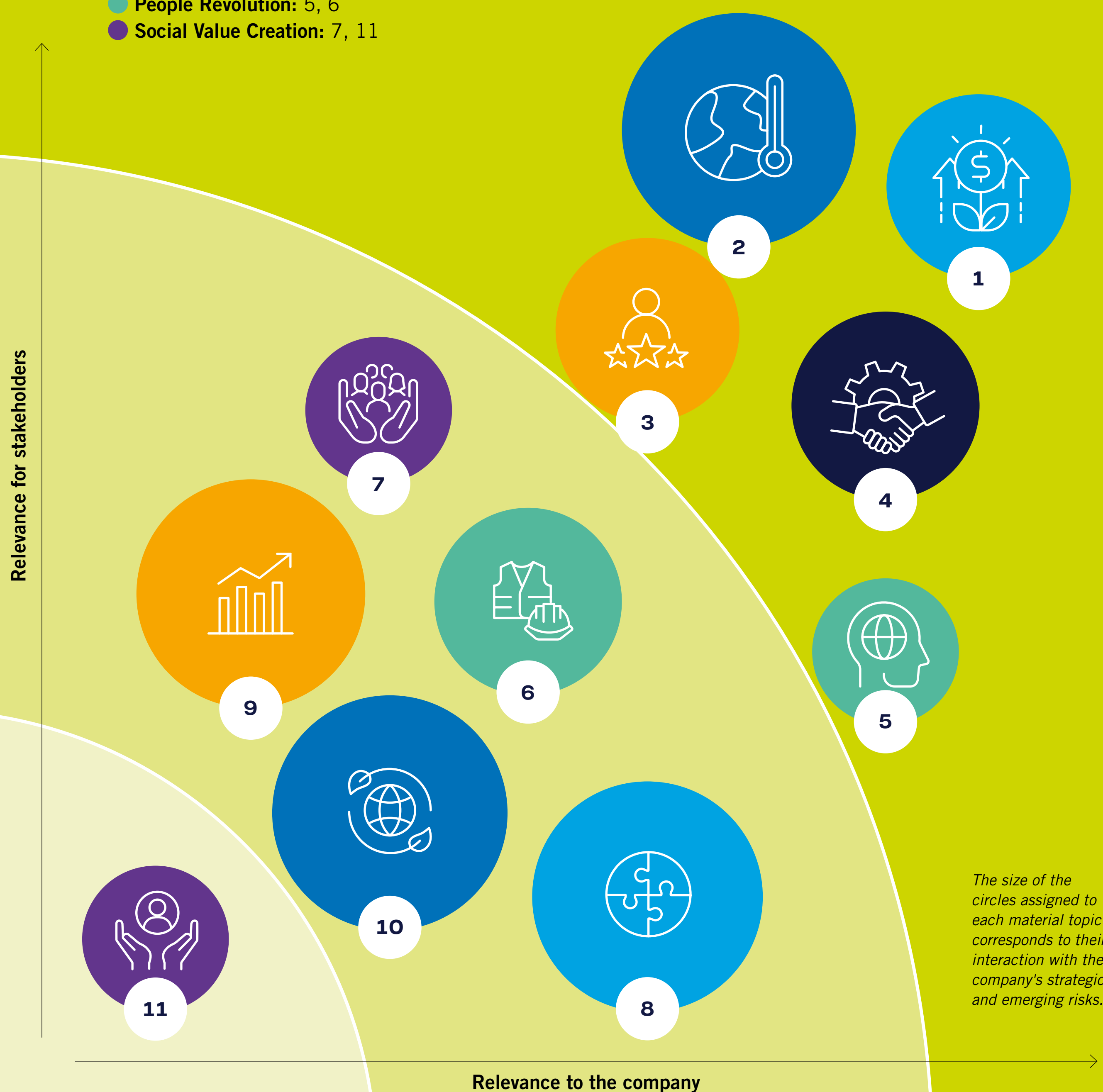
Our materiality is aligned with the strategic pillars and risks, and is divided into three levels of relevance:

Strategic pillars

- **Company value:** 1, 8
- **Road to a low carbon economy** 2, 10
- **Customer centricity:** 3, 9
- **Smart growth:** 4
- **People Revolution:** 5, 6
- **Social Value Creation:** 7, 11

Material issues

1. Profitable growth and fundamental value of the company
2. Mitigation and adaptation to climate change
3. Customer experience
4. Resilient supply chain
5. Talent management and inclusion
6. Safety, health and personal well-being
7. Social value
8. Business ethics, compliance and integrity
9. Sustainable products and solutions
10. Environmental management
11. Human rights



The size of the circles assigned to each material topic corresponds to their interaction with the company's strategic and emerging risks.

STRATEGIC RISKS

- **R01:** No value generation
- **R02:** Delay or impossibility of closing competitiveness gaps
- **R03:** Lack of opportunity in the implementation of new business approaches
- **R04:** New policies or regulatory changes
- **R05:** Low appropriation of cultural behaviors
- **R06:** Failure to meet CO_2 emissions reduction targets
- **R07:** Occurrence of natural events
- **R08:** Contingencies arising from claims, legal or administrative processes, or non-compliance
- **R09:** Materialization of cyber threats
- **R10:** Political, social and legal instability at a global or local level.

SEE PAGE 68

Critical issues

Issues of high relevance for the organization and its stakeholders, which require strategic definitions in the short term.

PROFITABLE GROWTH AND FUNDAMENTAL VALUE OF THE COMPANY

Relevance to the company

We assume as a priority the planning and implementation of initiatives around closing the gap between the share price and its fundamental value. With this we seek to strengthen trust in our company to generate value for our shareholders and society through intelligent and profitable long-term growth.

Related strategic risk

R01

Impact on business:

Income generation.

Impact on society[1]:

Positive

Monetized externalities: retained profit, salaries and benefits, taxes, interest and dividends and investments in the community.

MITIGATION AND ADAPTATION TO CLIMATE CHANGE

Relevance to the company

Our climate action is crucial in the company's strategic framework to guarantee long-term competitiveness and sustainability. To achieve this, we implement initiatives to reduce CO_2 emissions, mitigate risks and take advantage of opportunities linked to this phenomenon.

Related strategic risks

R03 R04 R06 R07

Impact on business:

Risk.

Impact on society[1]:

Negative

Monetized externality:

GEI emission - Greenhouse gases.

Positive

Monetized externality: alternative materials and fuels.

1 Impact valuation is the monetization of externalities, of the positive and negative impacts of our operations that are not reflected in our financial statements. With this, we seek to quantify the generation of value to our stakeholders through economic, social and environmental effects.
To do this, we developed a model that we call Statement of Value Added to Society or VAS, for its acronym in English, based on the methodology True Value *from KPMG. This covers our operations (it does not include impacts elsewhere in the value chain) and is made up of eleven externalities.*

CUSTOMER EXPERIENCE

Relevance to the company

We focus our commitment on our customers, offering differentiated, secure and innovative solutions to improve their management and generate revenue for our company. We seek to be drivers of industry transformation and strategic allies for those who make housing and infrastructure dreams come true that enable a more sustainable, thriving and inclusive society.

Related strategic risk

R03

Impact on business:

Income generation.

Impact on society[1]:

Positive

Monetized externality: retained profit.

RESILIENT SUPPLY CHAIN

Relevance to the company

Having a resilient supply chain that allows us to forecast, anticipate and respond timely to our internal and external customers quickly and reliably is our goal.

Continuous and integrated supply chain planning that is linked to Argos' long-term strategy leads to minimizing risks, enhancing opportunities, meeting customer expectations and maintaining high service levels, while maintaining working capital and costs under control, resulting in a profitable operation.

Related strategic risks

R01 R02 R03 R07 R09

Impact on business:

Cost savings.

Impact on society[1]:

The current model includes externalities generated by own operations. However, it also quantifies the impact of spending on suppliers by type of industry.

TALENT MANAGEMENT AND INCLUSION

Relevance to the company

To achieve our goals as a company, we need the best team. For this reason, it is essential to provide a work space that seeks to attract, retain and promote the development of people, in order to implement our business strategy, guarantee the achievement of strategic objectives and goals, manage risks and maximize value. given to customers as a key source of income generation.

This is why we frame our actions in a culture based on respect and appreciation of differences in safe, healthy, equitable and inclusive work environments.

Related strategic risks

R02 R05

Impact on business:

Income generation.

Impact on society[1]:

Positive

Monetized externality: salaries and benefits and talent development.

Very important topics

Key issues for our stakeholders and the company due to their potential impact in the medium term.

SAFETY, HEALTH AND PERSONAL WELL-BEING

Relevance to the company

Safety, health and well-being are fundamental values at Argos. Within our industry, stakeholders may be exposed to health and safety risks in different operations.
To manage them, we articulate health and well-being in a model based on the culture of care and co-responsibility that provides safe and healthy physical and mental working conditions for employees and other people who interact with our facilities.

Related strategic risk

R05

Impact on business:
Risk.

Impact on society[1]:
Negative
Monetized externality: industrial safety and occupational health - OH&S.

SOCIAL VALUE

Relevance to the company

Ensuring the sustainability of the business and our corporate objectives and minimizing social risks to strengthen community support and continue operating with a high reputational standard is our permanent work. To achieve this, we identify, recognize and consider the particularities and specific needs of the territories where we operate, with the aim of generating positive impact and becoming an ally of local development.

Related strategic risk

R10

Impact on business:
Risk.

Impact on society[1]:
Positive
Monetized externality: investments in the community.

BUSINESS ETHICS, COMPLIANCE AND INTEGRITY

Relevance to the company

Our values of ethics, transparency and integrity are fundamental and non-negotiable. We are aware that the infrastructure sector in some of the countries where we operate is exposed to different ethical and integrity risks, in addition to having changing regulatory environments that require us to effectively supervise our operations and adopt best practices to guide our actions. Therefore, we have a solid compliance system and a zero-tolerance policy against fraud, corruption, money laundering and terrorist financing.

Related strategic risks

R04 R05 R08

Impact on business:
Risk.

Impact on society[1]:
Positive
Monetized externality: taxes.

SUSTAINABLE PRODUCTS AND SOLUTIONS

Relevance to the company

We seek to be allies for our clients in the design, construction and maintenance of the territories where we are present. To achieve this, we offer sustainable products and solutions that seek to respond to the challenges of the future. The challenge then lies in adapting and addressing the changes that are being generated in the construction value chain, the business environment and the needs of our clients.

Related strategic risk

R03

Impact on business:

Income generation.

Impact on society[1]:

Positive and negative

Monetized externality: greenhouse gases and alternative materials and fuels.

ENVIRONMENTAL MANAGEMENT

Relevance to the company

We manage natural resources through prevention, mitigation, correction and compensation of impacts. Through this, we promote relationships of trust with our stakeholders by implementing responsible actions and mitigate the risks related to the dependence of the production of cement, concrete and aggregates on natural capital.

Related strategic risks

R04 R06 R07

Impact on business:

Risk.

Impact on society[1]:

Positive

Monetized externalities: other emissions, water consumption and biodiversity.

Important topics

Matters on which there are long-standing standards and practices and that require permanent management.

HUMAN RIGHTS

Relevance to the company

We prioritize human rights risk management in our operations, mobilizing our pillars of culture, maintaining relationships of trust and respect with our stakeholders and promoting an ethical and responsible environment. This contributes to the management of risks of non-compliance with internal regulations, provisions and policies or standards of ethics and conduct that may affect the financial results, operations and reputation of the company.

Related strategic risks

R08 R10

Impact on business:

Risk.

Impact on society[1]:

Positive and negative

Monetized externalities: investments in the community, industrial safety and occupational health - OH&S, greenhouse gas emissions, other emissions, water consumption, biodiversity and alternative materials and fuels.

To learn more details about our impact assessment exercise – Value Added to Society (VAS) – and our risk management, SEE PAGES 84 AND 64.

STAKEHOLDERS

The relationship with stakeholders is a strategic priority for Argos. Through this we lay the foundations for an open, two-way dialogue that enables joint initiatives for social transformation, the well-being of the territories and the sustainability of the company in the medium and long term.

Learn more about our Stakeholder Policy.

We are convinced that two-way dialogue allows us to effectively implement our strategy, position ourselves as allies of development in the sixteen countries where we are present, and manage risks and impacts to maximize our generation of value.

To guide and strengthen this relationship, we have a Stakeholder Policy that establishes the general framework of our relationship and is based on the recommendations of the AA1000, UNGP C2, ICMM, GRI standards, among others. Based on this, we have defined a process, tools and channels that allow us to be in permanent contact with these groups, seeking not only to communicate our results and progress, but, especially, to receive the perceptions that they have and that feed back into our management.

Our process is based on:

UNDERSTANDING
We identify, characterize and prioritize our stakeholders.

COMMUNICATION[2]
We inform, listen and receive feedback.

IMPLEMENTATION
We act with integrity and respect in our relationships.

COLLABORATION
We have identified the relationship objectives, the area in charge of managing them and the mechanisms to carry them out.

Through:

Understanding:
- Materiality analysis
- Risk management
- Local relationship plans

Communication:
- Consulting
- Telephone lines
- Social networks
- Integrated Report
- Sustainability dialogues
- Community committees
- Conference call
- Shareholder's Assembly
- Mail
- Press room
- Website
- Others

Implementation:
- Codes
- Policies
- Strategies
- Communication channels
- Periodic reports
- Interaction spaces

Collaboration:

Consult the stakeholder matrix.

2 This policy includes guidance on communication, from which we seek to ensure that stakeholders can access spaces for socialization and, at the same time, have a guarantee of participation and the ability to do so.

IDENTIFICATION AND PRIORITIZATION OF STAKEHOLDERS

Stakeholders may be impacted directly or indirectly by the development of our activities. We identify them through the analysis of our value chain and the company's interaction points with different audiences, both internal and external. As a result of this process, we currently have eight stakeholders prioritized, based on the relationships of:

Dependence
Those who depend on our activities, products or services or on whom we depend to continue the operation.

Responsibility
Those with whom we have a commercial, legal, operational or ethical responsibility.

Proximity
Those that require our immediate attention in financial, economic, social or environmental matters.

Influence
Those that could generate an impact on strategy or decision making.

Various perspectives
Those that bring new perspectives to specific situations or help identify opportunities that would not otherwise be noticed or recognized.

These prioritized stakeholders are continuously monitored and their validation comes from the Vice Presidency of Corporate Affairs and the Sustainability and Corporate Governance Committee of the Board of Directors:

- **Customers**
- **Employees**
- **Suppliers**
- **Communities**
- **Investors and shareholders**
- **Media**
- **Associations and affiliations**
- **Authorities**

Employees in Puerto Rico

RELATIONSHIP-BUILDING

Each stakeholder group is assigned a natural relationship leader, that is, company employees who fulfill the role of having constant contact with each group and who are called to dialogue or interact with them to ensure optimal interaction with the organization. To achieve this, official communication channels and meeting spaces are defined, where information is exchanged and the link between both parties is built.

Some of our channels are:

Transparency Line: Through this, anyone can communicate to report or report concerns about the processes or our conduct, as well as express their opinions freely. During 2023 we had a total of 152 reports.

+70

SPACES of dialogues

+1,500

PARTICIPANTS that represent our stakeholders.

SUCCESS STORY

Sustainability Dialogues: The dialogues are spaces for conversation on specific topics that are selected year by year depending on the needs and interests of the organization and the different audiences. **In 2023, mitigation and adaptation to climate change was the central theme of these spaces.** There, we socialize the actions that the company has to face this phenomenon and receive feedback from stakeholders regarding their vision of the issue.

For each space, the relevance and link that exists between the interest group and climate change was considered:

CUSTOMERS

Access products, services and solutions with less environmental impact, which enable access to certifications, access to better credit conditions, compliance with standards and quality of life for users.

SUPPLIERS

Proactively manage impacts such as changes in regulation and financial and climate risks that enable the medium and long-term resilience and performance of the company and its strategic allies.

EMPLOYEES[3]

Understand the initiatives and levers being implemented in the company to mitigate and adapt the business to this need of the planet.

COMMUNITIES

Learn first-hand about the plans and projects that minimize the impact on the environment and maximize opportunities and local development.

AUTHORITIES

Review how our management responds to the environmental regulatory needs in force in the territories.

ASSOCIATION AND UNIONS

Generate a transformation in the way of thinking about processes, products and services offered in the industry.

MEDIA

Communicate about climate change to fulfill its responsibility to inform, educate and promote public awareness, thus influencing the political and business agenda towards more sustainable and responsible practices.

INVESTORS AND SHAREHOLDERS

Align and understand our practices and commitments, with the aim of managing risks, especially climate risks, identifying sustainable opportunities and being in line with new regulations.

3 In addition to the dialogues and training, we have a communications kit that includes question and answer material on climate change, definitions on the topic, and a video that consolidates the initiatives of our three regions.

Conecta Volunteering, in Panama

STATEMENT OF VALUE ADDED TO SOCIETY – VAS

The Value Added to Society, VAS, is a model to measure and analyze the impacts we generate in the territories of Colombia, Central America, the Caribbean and the United States, where we are present through our cement, concrete and aggregates business units. Our purpose with this tool is to provide objective, evidence-based information that makes it possible to take actions and decisions that increase the positive value we generate and decrease the negative one.

MODEL VALIDITY

Our model was built with KPMG, an expert consultant in impact assessment. Annually, we review the assumptions and multipliers and update the macroeconomic variables according to progress and valuation trends, which allow our model to remain at present value. The results of our value added to society are presented to the Sustainability and Corporate Governance Committee of the Board of Directors, in order to contribute to decision-making.

2023 RESULTS

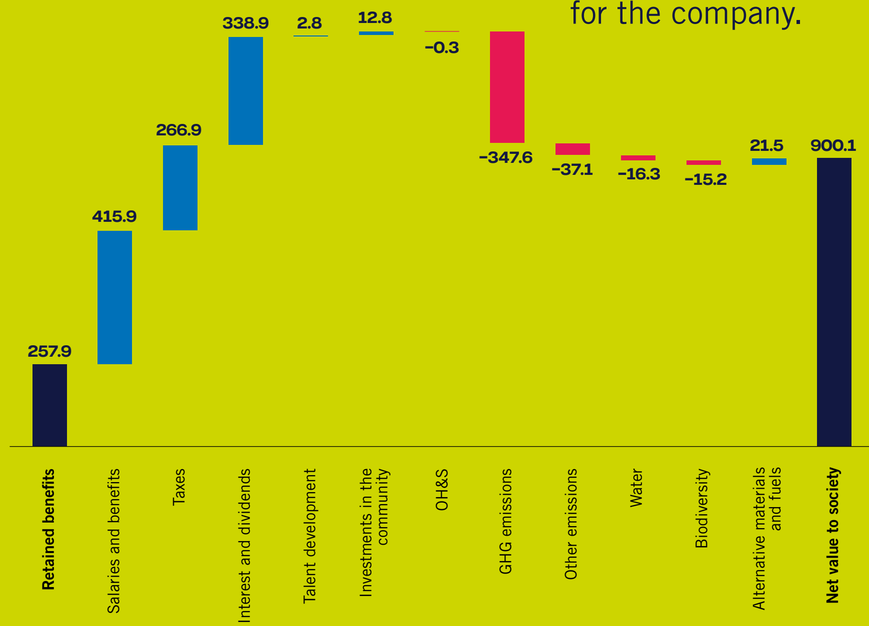
Our generation of value in the territories is mainly explained by:

- The payment of salaries and benefits, interests and dividends that make the economy more dynamic.
- Talent development, with a focus on equity, diversity, the training of employees and the care of their health and well-being.
- Joint work and investments in communities, which positions us as better neighbors and allies.

In 2023 we contributed to society

3.5 TIMES

the value we retained for the company.



Financial

RETAINED BENEFITS

USD 257,864,494

This result reinforces our commitment to generating value for all our stakeholders.

Retained profit refers to the resources that the company receives and retains for itself. It is calculated based on EBITDA and is adjusted with taxes, dividends and financial expenses. This then represents the profitability of the company, from which programs and projects that generate well-being for society and minimize impacts on the environment are made possible.

Profitability allows the creation of social value through job creation, its contribution to the economy, research and innovation, community development, financial stability, healthy competition, consumer benefits and sustainable growth.

SALARIES AND BENEFITS

USD 415,939,415

Impacts on:
Employees, society.

This externality reflects the stability that the company provides to its employees, in addition to good levels of remuneration.

Through the payment of salaries and benefits to them, we contribute to improving their standard of living, we provide them with financial stability, we stimulate the local economy, we boost their productivity and performance, and we are committed to reducing social inequality. In this way we contribute to the development of the employee and, at the same time, we impact their family nucleus and their environment.

In 2023, we consolidated and strengthened our processes related to the succession plans for critical positions and the development routes of our employees, with which we achieved that 14.3% of the vacancies in critical positions have been filled by people participating in the development and succession routes.

TAXES

USD 266,873,520

Impacts on: Employees, society

In 2023 we increased tax payments by 36.1%.

Through this, we contribute to the development of the territories where we are present. These taxes make possible the financing of essential services such as education, health, infrastructure and public safety; they also enable the construction of infrastructure that connects opportunities, the development of social programs, the reduction of social gaps, the promotion of macroeconomic stability and collective wellbeing.

An example of this is that since 2018 we have carried out interventions under the work-for-taxes mechanism in Colombia. By doing so, we contribute directly to the transition to peace and development in municipalities with Development Programs with a Territorial Approach (PDET, in Spanish) and Areas Most Affected by the Armed Conflict (ZOMAC1, in Spanish), involving the private sector and improving efficiency in the execution of public resources.

As a Corporate Group[4] we have:

- Mobilized more than **230 billion pesos**
- Reached more than **50 territories with 32 projects**
- Benefited **more than 300,000 people**
- Linked **more than 15 private companies** in these initiatives.

Conecta Volunteering, in Puerto Rico

INTERESTS AND DIVIDENDS

USD 338,879,174

Impacts on:
Investors, society.

In 2023, we increased the payment of both interest and dividends, aligned with our focus on corporate growth and profitability.

One of our focuses is to generate increasingly better results that reward the trust of our investors and allow us to respond to our financial obligations. By paying interest and dividends, we attract new investments to grow and generate greater value for society, stimulate reinvestment, contribute to the development of the capital market and position ourselves as a reliable source of income for investors, in addition to promoting financial and non-financial accountability or ESG[5].

To achieve our profitability and growth goals, we focus on our SPRINT program. Acronym of Share Price Recovery Initiative. This is based on five pillars, designed to enhance and improve initiatives aimed at closing the value gap of our company. Learn more about SPRINT at P. 8 AND 94.

A total of 445 billion pesos of dividends were distributed in 2023, made in 4 payments throughout the year. This represents a distribution of 322.5 pesos per share, 15% higher than what was distributed in 2022.

4 Includes the companies of the Grupo Empresarial Argos: Grupo Argos, Cementos Argos, Celsia and Odinsa.
5 Environmental, social and corporate governance.


Employees in Honduras

Human

TALENT DEVELOPMENT

USD 2,766,518

Impacts on:
Employees, society.

Talent development presented a positive variation of 10.7%

This externality recognizes the value of the investment in training and development of employees who then leave the company and begin a new cycle providing knowledge and experience in new scenarios. Talent development, training hours and remuneration are crucial in generating value for society, since developed talent drives innovation and technological advancement, has a link with quality of life, reduces inequalities and increases access to opportunities.

We highlight our Argos Academy, a program that contributes to corporate strategy, enables development and increases performance, based on agile, meaningful and progressive learning. By doing so, we seek to consolidate our position as a learning ecosystem under the slogan “protagonist of your development”.

For more details on our talent management, SEE P. 150

INDUSTRIAL SAFETY AND OCCUPATIONAL HEALTH

USD -318,610

Impacts on: Employees, communities, suppliers, society.

In 2023, this externality presented an improvement of 64.4%, which demonstrates our maximum premise of taking care of the health and safety of those who interact with the company.

We have the genuine commitment and personal and professional conviction to provide safe and healthy conditions for all our employees, contractors and visitors, and promote them among our other stakeholders with a sense of co-responsibility.

This externality represents a negative impact for society. Although we have health and safety management systems, when working in plants and transporting products, our employees are exposed to accidents that result in the use of local health services and which, in turn, can cause injuries. or disabling events. Although we know that the life, health and safety of our employees is priceless, with this externality we quantify indicators such as: fatalities, injuries and occupational diseases. Since 2020 we have not reported any fatalities.

In order to ensure excellence and continuous improvement as essential components of our operations, we established the health and safety management system, which acts as a frame of reference and defines a strategy that drives us to act to achieve our organizational objectives, including our ambition to achieve zero incidents and zero occupational illnesses.

Currently, our employees immerse themselves in a world of learning through simulators that have become a fundamental tool in their skill development. These technologies expose them with risk situations recreated in controlled environments.

To see the details of our occupational health and safety management, SEE P. 156

Nazareth Tour in Colombia

Social

INVESTMENTS IN THE COMMUNITY

USD 12,768,023

Impacts on: Communities, society.

In 2023, this externality presented an improvement of 48%, which represents our conviction and commitment to communities and various stakeholders.

As corporate citizens and members of local communities, we are committed to being a good neighbor, taking responsibility for our impacts and contributing to local development through designing and participating in projects that seek to improve living conditions in the places where we operate.

By investing in projects of value for the territories in lines such as infrastructure, housing, education, scholarships, among others, we contribute to the development of the territories and people, in addition to promoting collective action with those who share the territory.

In 2023 we increased dialogues with communities of ethnic groups, we participated in territorial working groups of authorities and unions, which allowed us to increase knowledge of the environment, identify new social dynamics and update the context analysis to strengthen our presence. We have mechanisms such as public environmental hearings, a space for community participation in which the company, together with the authority, reports on the scope of the project being carried out, with the aim of providing clarity and resolving any doubts that arise from the community.

To see the details of our social value management, SEE P. 164

Natural

GREENHOUSE GAS EMISSIONS

USD -347,597,598

Impacts on: Society.

This externality showed a slight decrease of 1% in 2023.

These emissions have a considerable social impact, affecting health, food security, social inequities and the stability of communities. Emissions mitigation and adaptation to climate change are key elements to address these challenges and build more resilient and sustainable societies.

As a company, we implement actions to mitigate, adapt and be resilient to climate change. Our initiatives to reduce CO_2 emissions are oriented towards the use of alternative fuels and focused on optimizing the use of fossil fuels and the clinker-cement factor, energy efficiency, research and development of better processes, products and solutions, risk minimization and the enhancement of the opportunities associated with this phenomenon.

We also quantify the externality of the use of alternative materials and fuels as a response to the climate moment we are experiencing and with which we intend to give an order of magnitude to the negative impacts avoided through their use.

ALTERNATIVE MATERIALS AND FUELS

USD 21,500,999

Impacts on:
Communities, society.

Co-processing and the use of alternative materials is one of the main levers for reducing CO_2 emissions intensity and one of the key factors for cost efficiency in cement operations.

Through the use of alternative materials and fuels:

- We generate a solution to waste disposal, thus contributing to the health conditions of the communities.
- We promote new lines of business at the local level, with which we seek to maintain the supply of these fuels and materials.
- Through these lines, new jobs are generated, in addition to labor formalization dynamics
- Increases in waste collection and separation are perceived, thus also increasing recycling.
- In the specific case of waste tires, not only are they given a second chance by making use of their caloric power, but outbreaks of, for example, dengue and malaria are avoided.
- Members of the community are involved as waste managers for tires, generating new sources of income for them.

In 2023, we achieved a caloric substitution of 7.2%, corresponding to the use of waste (such as tires, impregnated with hydrocarbons, fuels derived from waste - CDR - and biomass) in replacement of coal and *petcoke*.

To see the details of our climate change management, SEE P. 120

Co-processing in Honduras

OTHER EMISSIONS

USD −37,115,498

Impacts on:
Communities, society.

In 2023, our air emissions impact was reduced by 18%.

Atmospheric emissions can have a wide range of impacts on the community, affecting human health, the environment, biodiversity, infrastructure and the economy. Proper emissions management and the adoption of cleaner, more sustainable practices are essential to minimize these impacts and protect the quality of life of communities. This is why we focus on the measurement, control and reduction of SO_2, NOx and particulate matter emissions generated by our processes, as well as on the prevention and mitigation of our dispersed emissions of particulate matter (dust) through operational control, optimization and renewal of control systems.

Some of the actions we have taken to reduce this impact are:

In Panama, we have mitigated our impact on particulate matter emissions by wetting areas, wetting aggregates, maintenance of filters and collectors, and enclosing loading points and feed hoppers, in line with our dispersed emissions reduction plan.

In Puerto Rico, we have been working on the conversion of regular hoppers at the San Juan terminal to a system with integrated dust collectors to minimize fugitive emissions into the bay during the unloading of clinker and other materials from barges.

WATER AND BIODIVERSITY

USD -31,466,520

Impacts on: Communities, society.

The cost associated with this externality increased by 28%, mainly due to the increase in the affected hectares versus the number of rehabilitated hectares.

We are aware of the importance of natural capital as a critical asset for economic growth, health and social well-being. We carry out appropriate management of natural resources so that, in the long term, the flow of ecosystem services is maintained for our direct operations, the supply chain and the people and ecosystems that depend on them.

The water and biodiversity pillar of our environmental strategy, aligned with the biodiversity policy of the Global Cement and Concret Association (GGCA), is our guide and roadmap to carry out adequate management of natural capital. Our goal is to have a net positive impact on biodiversity and integrated water management.

Regarding the externality "water", we know that, in many regions of the world, this is a scarce and precious resource. Our operations require water for activities such as extraction, processing and refrigeration. Managing water efficiently is vital to guarantee its long-term availability and avoid conflicts over its use.

For this reason, we have tools such as WRI Aqueduct and WWF Water Risk Filter, which have allowed us to establish the levels of physical exposure to water risk in accordance with the water stress baseline per plant, to define appropriate action plans.

We also have initiatives that involve the community, which is the recipient of the impact we have on water, such as:

Ecosystems in Puerto Nare

- **Río Saldaña, a basin of life:** We support the protection and restoration of the Saldaña River basin, in Tolima, through conservation and sustainable production strategies. This basin is the largest in the department and reaches important population centers and productive sectors, such as coffee and rice. In addition, it contributes to the generation of energy.
- **Río Claro, living footprint:** We contribute to territorial development and the improvement of the quality of life of the communities of the Río Claro basin with conservation, restoration and sustainable production actions. We apply the principles of participatory science, inviting communities to formulate sustainable alternatives that allow them to improve their relationship with the ecosystem, water and environment that surrounds them.
- **Trees of life:** With this initiative, the Fundación Grupo Argos provides alternative solutions for access to clean and safe water for consumption in the most vulnerable and remote rural communities in the country.

Regarding the externality "biodiversity", its management is essential for multiple reasons. Not only does it help conserve the environment by minimizing impact on ecosystems and protecting species, it also preserves critical ecosystem services, such as providing clean water to our communities.

At Argos we are aware of the criticality of caring for biodiversity and the special management that we must give it to avoid impacting society in general, but, specifically, our communities. For this reason, in 2023 we launched our commitment to nature with which we commit to having a net positive impact on biodiversity and to making efficient use of water, to help maintain the flow of ecosystem services.

Likewise, we carried out the first risk analysis on nature in direct operations in the geographies where we are present, which allowed us to understand and evaluate the risks related to biodiversity and prepare an appropriate response plan, aimed at achieving our long-term objective.

To see the details of our environmental management, SEE P. 132

In the following diagram you can see which actors are affected, positively or negatively, by each of the externalities that we quantify. We always seek that our positive impact on the territory is greater than the negative one, and that the latter is mitigated in the greatest possible proportion, seeking that our value added to in society is perceived as positive.

Major Hardware Store in Jamundi, Colombia

IMPACTS

Financial

- Interest and dividends
- Taxes
- Salaries and benefits

Human

- Talent development
- Industrial safety and occupational health

Social

- Investments in the community

Natural

- Greenhouse gas emissions
- Other emissions
- Water
- Biodiversity
- Alternative materials and fuels

CHALLENGES AND OPPORTUNITIES

- Keep our impact assessment exercise current according to trends in impact assessment.
- Incorporate new multipliers that allow us to more precisely quantify our impact.
- Communicate this exercise to the different stakeholders in a simple and accessible way.
- Doing the valuation exercise is part of the decision-making of operations in the search to maximize the positive benefit and minimize the negative impact.
- Enriching our quantitative assessment exercise with qualitative information that allows us to bring the calculation closer to the narrative of the territories.

WE ARE

GREEN LIGHT

TOGETHER WE MOVE FORWARD
TO GO FURTHER

ACTION FOCUSES

03

SDG

Impact on business

- Income generation

Strategic pillar

- Company value

Dome, Houston cement terminal

ON THE WEB

PROFITABLE GROWTH AND FUNDAMENTAL VALUE OF THE COMPANY

At Argos, the planning and execution of initiatives aimed at reducing the gap between the price of our shares, listed on the Colombian Stock Exchange, and their fundamental value is a strategic priority. These initiatives seek to bolster confidence in our company, generate value for our shareholders and for society, based on long-term growth that is both intelligent and profitable.

MANAGEMENT OBJECTIVES

For the company

Generate value for our stakeholders through a profitable business model supported by specific initiatives aimed at closing the value gap of our shares. We are convinced that this approach translates into the strength and growth of our business, guaranteeing long-term profitability for all our investors and contributing to the construction of a better society.

For society

Sustainability and profitability are fundamental pillars of our strategy. Through these we enable the development of initiatives with high value for all our stakeholders.

HOW IT IS MANAGED

In order to achieve our profitability and growth objectives, we decided to consolidate and strengthen our actions under the global framework called SPRINT - Share Price Recovery Initiative. This program is supported by five pillars designed to enhance and improve initiatives aimed at closing the value gap of our company:

1. Maintain focus on strong operational and financial results with special emphasis on profitability.
2. Increase the distribution of dividends to our shareholders by 15% in 2023, with a total amount of COP 445 billion.
3. Launch a share buyback program worth COP 250 billion.
4. List our United States business on the New York Stock Exchange.
5. Improve the liquidity of our common shares by appointing a market maker.

Employees in Río Blanquito, Honduras

2023 PERFORMANCE

Share Value Management

During 2023, we made progress in our strategic priority of planning and implementing initiatives around closing the gap between the price of our shares on the Colombian Stock Exchange and its fundamental value. Since the beginning of the execution of our SPRINT program, our common share has had a total return[6] of 138% and the preferred share, of 159%; likewise, we were able to meet with the initiatives proposed in the five pillars of the program.

6 TSR calculation includes the entire buyback program as a dividend per share.

We maintained solid operational and financial results

During 2023, we achieved historic financial results in terms of revenue and EBITDA. This was possible as a result of solid revenue generation in the three regionals, cost control initiatives, supply chain optimization, and efficiency in sales and administration expenses.

In a challenging demand environment in the region in the United States region due to volatility in the residential segment, the decrease in property sales in Colombia, the challenges derived from the political situation in Honduras and the impact of volumes in Haiti due to the complex social environment, revenues reached COP 12.7 trillion, 10% higher than the result of 2022.

Efficiency in production costs and administration and sales expenses was essential for the increase in income to be reflected in the consolidated EBITDA, which was COP 2.7 trillion, an increase of more than 30% compared to 2022. Additionally, with the EBITDA margin of 21.1%, in 2023 we achieved a goal that we had set for the medium term of exceeding 20%.

Finally, the net result from continuing operations stood at COP 320 billion, 125% more than in 2022, driven by the company's solid operating performance, which managed to offset the increase in interest expenses.

The consolidated EBITDA was COP 2.7 trillion, growing 30% compared to 2022 and **achieving the highest result in the company's history.**

We increased the distribution of dividends to our shareholders

In 2023, 100% of the COP 445 billion in dividends were distributed, made in 4 payments throughout the year. In this way, COP 322.5 per share were distributed, 15% higher than in 2022.

We launched our share buyback program

A share buyback program for COP 125 billion was approved by our Shareholders' Assembly. Since September 27, we began the execution of the program through direct purchases in the market and, in addition, 3 offers were made through the independent mechanism. In 2023, we purchased approximately 7,170,809 common shares and 1,027,454 preferred shares, equivalent to COP 45.3 billion, achieving an advance of 36% of the COP 125 billion approved.

138%

was the total return[7] of our **ORDINARY SHARE AND**

159%

ON OUR PREFERRED SHARE

due to the successful implementation of our SPRINT program.

Please SEE PAGE 8 to review the main milestones and results of this program.

7 TSR calculation includes the entire buyback program as a dividend per share.


Distribution Center in Colombia

On January 12, 2024, we closed the transaction after Summit Materials shareholders approved it with a **favorable support of approximately 99% of the votes.** The combination creates a leading national building materials platform in the United States, with a **total enterprise value of approximately USD 9 billion.**

We listed our business in the United States on the New York Stock Exchange

We executed the most important strategic pillar in the recent history of Cementos Argos. On September 8, 2023, we signed the agreement to combine our operations in the United States with Summit Materials, to create a leading national construction materials platform. As a result of this transaction, we received approximately USD 1.2 billion in cash and 54.7 million shares of Summit Materials stock, equivalent to a 31% interest in the combined entity. Argos North America Corp was valued at approximately USD 3.2 trillion.

This deal releases immediate value through Argos' 31% stake in Summit Materials, a company listed on the New York Stock Exchange, which provides real price marking and liquidity, as well as a cash payment of USD 1.2 billion, which will be used to reduce the company's debt. This transaction creates future growth opportunities for Argos, since, through complementary agreements with the combined entity, we are strategically positioned to provide cement from Cartagena, license intellectual property and optimize the solid logistics network, while continuing to advance our strategy of value generation in all operating geographies: Colombia, Central America and the Caribbean.

Another resounding benefit of this combination is the international projection of Summa, a shared services company of the Grupo Empresarial Argos, which, as a result of the agreement, will offer professional and technical support, with high levels of quality and competitiveness, to different key processes of a North American company listed on NYSE.

Port of Barranquilla, Colombia

We improved the liquidity of our common shares

We complied with the appointment of a local market maker for the purpose of improving the liquidity of our common shares. With this instrument, the trading volume since the announcement of the transaction with Summit and until the end of 2023 reached a daily average of 185% higher than that of 2022, for an approximate value of COP 4.8 billion. In this way, the stock became more attractive to institutional investors, for whom liquidity in the market is essential to buy or sell shares of our company. In addition, we made the stock eligible for repo, enabling this source of financing for our shareholders.

We had outstanding debt management

At the end of 2023, we reduced our net debt by 6%, due to efficient management that resulted in greater cash generation. This achievement was reflected in the decrease in the leverage indicator, calculated as the ratio between net debt and adjusted EBITDA (including dividends, exchange rate effects and others), going from 2.85 times to 2.62 times.

At the end of 2023, **we decrease the leverage indicator,** going from 2.85 times to

2.62 TIMES.

This progress occurred in a challenging context, marked by high-interest rates and inflation, especially in Colombia. To address these challenges, the company implemented hedging strategies that helped mitigate the impact of these risks on financial costs.

In 2023, 29% of the debt is tied to **credits associated with sustainability indicators.**

We obtained financing advantages through our sustainability performance

Our focus on sustainable management has opened the possibility of financing ourselves through loans related to environmental, social and corporate governance criteria, enabling access to financial products with better conditions that offer benefits such as:

- Financial flexibility, by having access to new funds
- Lower interest rates when fulfilling a defined performance
- Improve reputation by demonstrating commitment to sustainability.

In 2023, we agreed with Banco de Bogotá, in which we executed sustainable hedges with Bancolombia, in order to manage IBR risk, which generates an additional rate benefit for the term of the coverage.

Below is the summary of credits tied to sustainability indicators in 2023:

Entity	Associated indicators
BBVA (this credit expired in November 2023)	▪ Overall Sustainability Performance – DJSI Results
Bancolombia	▪ Direct specific CO_2 emissions in cement ▪ Specific water consumption for cement ▪ Sustainability evaluations on suppliers
Bank of Nova Scotia, BNP Paribas, JPMorgan, Chase Bank, Sumitomo	▪ Direct specific CO_2 emissions in cement ▪ Sustainability evaluations on suppliers
Banco de Bogotá	▪ Direct specific CO_2 emissions in cement ▪ Specific water consumption for cement ▪ Sustainability evaluations on suppliers

CHALLENGES AND OPPORTUNITIES

- After the closing of Argos USA and Summit Materials assets transaction, the challenge will be the integration phase of both platforms. In this process, objectives were identified for the success of the transaction, including cultural integration, talent development, achieving the synergies planned for the first year and the unification of all technological platforms.
- For Argos, the transaction with Summit Materials not only represents ownership of 31% of this company but also an opportunity for growth through ancillary agreements that were signed as part of the negotiation. These include the supply of cement from the Cartagena plant, collaboration in the joint development of digital and analytical capabilities, as well as initiatives in innovation and development. Additionally, the creation of a platform for alternative cementitious materials and the acceleration of calcined clay technology in the United States.
- Market trends will be a challenge for 2024:
  - The evolution of the allocation of housing subsidies will be essential to increase the pace of housing sales in Colombia and the consumption of cement and concrete in this segment. In terms of infrastructure, 4G projects are 75% complete; therefore, 5G projects will be essential to replace that demand.
  - In Central America and the Caribbean we continue to see different economic cycles, positive in Panama and the Dominican Republic, but more conservative in Honduras. We are focused on diversifying our revenue sources and offering our customers innovative solutions. We anticipate that current trends will continue, which eventually will lead to a positive year for the region.

SDG

Impact on business
- Risk

Strategic pillar
- Company value

Ready-mix employee in the USA

ON THE WEB

BUSINESS ETHICS, COMPLIANCE AND INTEGRITY

Our values of ethics, transparency and integrity are fundamental and non-negotiable. That's why we live these principles by incorporating them into everything we do, from our strategy to our operations and processes. This has allowed us to consolidate ourselves as a trustworthy company for all our stakeholders, promoting a transparent environment that encourages the correct way of doing business and ensures the integrity of the market and the industry.

MANAGEMENT OBJECTIVE

For the company

Promote and align the behaviours of employees with the ethical and cultural pillars of the organization. In this way, we consolidate our position as a comprehensive, competitive and reliable company in the eyes of investors and other stakeholders.

For society

Implement actions that promote transparent and sustainable behaviours in relationships with stakeholders. Likewise, promote the strengthening of trust and ethics in business to generate positive impacts in the market and in the environments where we are established.

HOW IT IS MANAGED

Our system is prepared to define remediation plans and increasingly secure control mechanisms, which prevent the materialization of risks of fraud, corruption, money laundering, financing of terrorism, bribery, information security and personal data processing incidents, violation of competition rules, and non-compliance with human rights, among others.

We have voluntarily adopted a self-regulatory framework that incorporates mandatory principles and standards regarding ethics and conduct, which confirms that we conceive our commitment to integrity in business as a way to promote transparent practices that contribute to the development of competitive and sustainable markets.

CODE OF BUSINESS CONDUCT **SUPPLIER'S CODE OF CONDUCT**

- Anti-Fraud Policy
- Anti-Corruption Policy
- Self-Control Policy ML/TF Risks
- Competition Policy
- Personal Data Policy

Donation process

Due diligence protocol

Competition Policy Guide

- Compliance Program Manual
- Transparency Line Protocol
- Conflict of interest management protocol

Our self-regulatory framework conforms to regulatory requirements regarding compliance programs and the standards of DJSI, FTSE, Country Code, ISO 37001, ISO 37002, ISO 37301 and the guidelines of the United States Department of Justice.

For the proper implementation of these guidelines, the strengthening of the ethical culture, and the prevention and control of incorrect actions, our Board of Directors approved the Global Governance and Compliance Program (PGGC, in Spanish), which includes the Business Ethics and Transparency Program, for the prevention of the risks described above.

Its structure incorporates international best practices for evaluating compliance programs, such as ISO 37001, ISO 37002, ISO 37301, and United States Department of Justice (DOJ) guidelines.

The PGGC groups activities focused on promoting that our actions as a company are in line with the pillars of corporate culture and embrace integrity as the guiding principle of our business activity. Likewise, it seeks to promote integrity in employees and participants in the value chain.

CONTINUOUS UPDATE AND IMPROVEMENT

- Regulatory and risk assessment
- Development of policies and controls
- Training and communication
- Tracking and monitoring

2023 PERFORMANCE

Transparency Line

It is a channel that allows the anonymous reporting of behaviours and actions contrary to our Code of Business Conduct, its associated corporate policies and other legal obligations adopted by the company by our employees, customers, suppliers, shareholders, communities and other stakeholders.

During 2023, **no public corruption cases were reported** for Colombia, Central America, the Caribbean, and the United States.

Administrative headquarters employees in Colombia

Transparency Line

To manage cases, at Argos we have a Transparency Line report management protocol:

The complainant reports their case through one of the following options:

Phones:

- **USA:** 1 (888) 567 66 29
- **Colombia:** 01 8000 522 021
- **Dominican Republic:** 18001 485 009
- **Panama:** 008001571011
- **Honduras:** 800 2791 9378

Email:
lintransparencia@argos.com.co

The Transparency Line is accessible twenty-four hours a day, seven days a week.

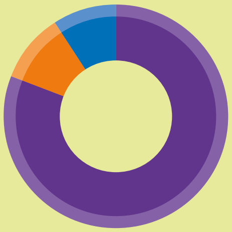
The complaint is received by personnel external to the company, who independently manage the receipt of cases to guarantee confidentiality, protection of the identity of the person reporting, non-retaliation against complaints in good faith, and transparency.

Through a platform that is managed by an independent third party, cases are viewed and classified according to the categories created: communities, labour relations, conduct and others.

The compliance team reviews the complaint and refers the case to the appropriate investigation officer, who, in some cases, may be the same conduct officer. The objective is to carry out the management and investigation of the reported incorrect behaviour, implementing the corrective and legal actions or disciplinary sanctions that may apply.

Medium and low criticality cases are managed and reported to the leaders of each process. Only in situations of high criticality, complaints are submitted to the Business Conduct Committee for review. Reports involving the Steering Committee are reported to the Sustainability and Corporate Governance Committee of the Board of Directors.

Reports by regional



Reports by category

This performance **highlights our ability to quickly and effectively resolve potential ethical incidents.** This milestone reinforces our continued commitment to integrity and corporate responsibility.

We close **129** **CASES OF THE 152** received in 2023 (85% effectiveness)

Reinforcement of the Compliance Program regarding free competition

We are committed to complying with antitrust laws in all areas and countries where we have our operations.

In 2023 seeking greater transparency and operational efficiency in our business, as well as continuing to strengthen the Compliance Program regarding free competition, we made improvements in:

- Internal competition policies, reaching an agreement with the United States Federal Highway Administration (FHWA) so that FTI Consulting Inc., a consultant who has supported us in the comprehensive evaluation of competition risks and in identifying opportunities for improvement, to be the external supervisor of the Antitrust Compliance Program for Argos USA.

  This agreement reflects our commitment to regulatory compliance and ethical business practices and, through it, we avoid suspension or disqualification on publicly funded projects.

- Pricing systems for Argos USA implementing a technology solution for sales quotes and price approval. Additionally, we have developed new policies, which reflect our dedication to maintaining a high level of internal compliance.

- On the other hand, we continued to strengthen communication controls to guarantee compliance with our internal policy within the framework of free competition. This has proven effective in detecting, monitoring and restricting activities.

- We also continued to provide training through practical workshops and virtual training mechanisms, instructing **491 employees** on competition, including senior management and people with greater exposure to risks in this area, facilitating their understanding of the key principles of competition regulation and providing clear guidelines for them to recognize possible risk situations for the company.

Closing of the agreement with the DOJ

In accordance with our commitment to free and fair competition and the belief in the importance of acting with honesty and integrity, at the end of 2023, Argos USA submitted the final compliance report to the Department of Justice (DOJ) under the agreement.

In January 2024, the United States District Court granted the DOJ's motion to dismiss criminal information filed against Argos USA in 2021.

This emphasizes our proactive stance on regulatory compliance and ability to collaborate effectively with regulatory bodies.

New member of the Business Conduct Committee

Andrés Aguirre Martínez, who has served for more than twenty-two years as general director of one of the most important health institutions in Colombia, was appointed as an external member of the Business Conduct Committee. His outstanding track record, focus and strategic vision allow us to capture opportunities to improve our processes and strengthen capabilities to achieve our higher purpose.

Andrés Aguirre Martínez

Compliance Risk Management

In 2023 and with the support of the external firm OlarteMoure, we held the first Argos Compliance Day, a day in which we had various workshops aimed at the areas and employees with the greatest exposure to compliance risks (corruption, bribery, money laundering, terrorist financing and personal data).

The workshops allowed employees to understand how risks materialize in daily activities and processes and how to improve the practices to reduce them in their reputational, legal, economic and operational aspects. This has strengthened the culture of compliance and has helped to understand that we are all agents of prevention of these risks.

5,391
EMPLOYEES
trained in compliance issues

Likewise, we shared communications with employees and suppliers, which included guidelines for the processing of personal data, information security and management of conflicts of interest. We also issue recommendations to mitigate the risks of fraud, corruption, bribery, money laundering and terrorist financing (ML/FT), always emphasizing the importance of reporting misconduct.

In this way, we reiterate the company's commitment to strict compliance with the regulations for the prevention and fight against corruption, fraud and bribery in all its presentations; therefore, in the process of collaborating with Argos, suppliers must go through due diligence, which addresses key aspects, such as risk management, integrity, compliance programs and sanctions. Additionally, through specific contractual clauses, the company ensures the commitment to comply with international standards and internal regulations regarding safety, environment, ethics, transparency and respect for human rights.

Therefore, we continue to train the supply team in compliance risk management and the due diligence process so that they can be our great allies, ensuring that suppliers and contractors behave following the commitments they have acquired and what is stipulated in our Code of Conduct.

Likewise, seeking to take advantage of technology to improve the efficiency of our processes, we continue to promote various tools, such as the execution of due diligence controls and the classification, knowledge and marking of counterparties, to prevent the risks of corruption, bribery, fraud, ML/FT and the identification of Politically Exposed Persons (PEPs).

Conduct training

The Code of Conduct is a behavioural guide that complements our criteria and common sense, to help us adopt behaviours that promote the maintenance of the positive image of Argos and encourage the generation of value and the fulfilment of our purpose as a company.

To ensure the effective implementation of the code, we have established procedures that integrate compliance into the performance evaluation and remuneration systems of our employees. Additionally, we have created internal rules to address situations that may contravene the code or show signs of potential violations.

For this reason, this year we presented our principles of business conduct and its related policies to administrative/corporate staff, through the annual conduct course called The Power of Your Decision - Fourth Season. Within this project, through the study of practical cases and ethical dilemmas, employees of the Grupo Empresarial Argos interacted to resolve the dilemmas and make a decision. The training aims to encourage employees to do the right thing and invite them to reflect before making a decision. This course was adapted to different languages to convey key behavioural guidelines regarding bribery and corruption, ML/FT, personal data, cybersecurity and conflicts of interest.

The Power of your Decision Course

Now, considering the challenges of access to technological tools in operations, technical and operational personnel were trained in conduct through the “We are in the Game” course. This easy-to-access course, adapted to cultural differences and the risks that employees could face in the performance of their duties and in their daily lives, appealing to values and how they would feel if their actions were analyzed.

In the United States regional, in a continued effort to strengthen and improve compliance culture, a new Code of Business Conduct was introduced precisely worded to resonate with the regional audience, taking into account the jurisdiction's risks. Aware of the complexity of aligning the expectations of the new policy with existing practices, The Argos Way video campaign and the When in Doubt Speak Out campaign were launched. These initiatives reflect our commitment to building and maintaining a culture rooted in integrity and ethical behaviour throughout the organization.

The Board of Directors, demonstrating their commitment to the company's processes and adherence to the code, participated in the conduct course. This commitment is reflected in the fact that 92% of employees in Colombia, Central America and the Caribbean received behavioural training. Furthermore, a significant percentage in the United States participated in the aforementioned campaigns. These efforts reflect the commitment and support of senior management towards the Compliance Program, as well as that of all employees where the company has operations.

COMMITTED
Transparency & Integrity

We advanced in the execution of the PGGC

We develop these activities for the strengthening and continuous improvement of the program:

- We executed the annual communications plan for employees in the different operations and for the suppliers with whom we interact.
- We made internal improvements to the due diligence and consultation process on restrictive lists, updating the risk matrix, to have weekly and monthly reports, as well as counterparty monitoring that conforms to good practices in the matter.
- We reviewed and updated our compliance risk matrix by implementing new controls. This included adjustments to contractual clauses of third parties with whom the company has a relationship, among other measures.
- We created an information security incident management protocol, focused on personal data, which was approved by the Business Conduct Committee, ensuring the fundamental right to the protection of personal data for all people linked to the company, following current legislation in the jurisdictions where we operate.
- With the collaboration of the internal audit team, we evaluated the compliance program in the areas of corruption, fraud and competition. From this evaluation, we developed action plans that are currently being implemented.
- We applied the instrument designed to manage and analyze conflicts of interest of employees. For each potential conflict we established measures to prevent the materialization of a risk. This instrument makes it possible for direct managers to be aware of conflicts, facilitating collaboration with the compliance team in risk management.
- The employees and directors participated in the diligence of the declaration of assets and income. This statement is aimed at senior management and roles that have some type of special attribution.
- We continue to make progress in developing a role and responsibilities management scheme. This seeks to strengthen the empowerment of the regions in the implementation of the Compliance Program. It includes the effective application of controls linked to operations and the monitoring of specific indicators for each jurisdiction.

4,690 EMPLOYEES

reported their conflicts of interest, which made it possible to implement measures to avoid the materialization of risks.

CHALLENGES AND OPPORTUNITIES

- Continue positioning the PGGC at the various levels and operations of the organization, adjusting it to the cultural realities and needs of each country and our stakeholders, as well as the applicable regulations and good practices in the matter, so that it continues to be an essential part of the strategy and the way of doing business and allows us to differentiate ourselves in the market, demonstrating a solid commitment to ethics and transparency.
- Advance in the integration and automation of controls and alerts associated with compliance risks. The purpose is to increase their effectiveness and guarantee better monitoring due to the size of the company and its volume of information, the variety of existing data systems and the different geographies in which we operate. The goal is to have accurate and updated information through data analytics that allows for more effective decision-making and controls.
- Review of the Code of Business Conduct and its policies to adjust them to the reality of the moment, becoming the guide of conduct for all employees to fulfil the responsibilities of their role, following the principles and values of the Grupo Empresarial Argos, as well as the needs of business and the reality of the market.

SDG

Impact on business
- Cost savings

Strategic pillar
- Smart growth

Employee in Panama

ON THE WEB

RESILIENT SUPPLY CHAIN

We have an integrated and resilient supply chain that allows us to forecast, anticipate and respond timely to our internal and external customers quickly and reliably and forge sustainable relationships over time. Continuous supply chain planning is articulated with our strategy. This allows us to minimize risks, materialize opportunities, meet customer expectations and maintain high levels of service while preserving working capital and a profitable operation.

MANAGEMENT OBJECTIVES

For the company

To add value to the company, seeking to maximize the profitability of the business, through the strategic execution of planning, sourcing and logistics in the supply chain from the purchase of goods and services to the delivery of the product to customers. Additionally, mitigate risks and maximize benefits by managing business continuity and creating relationships of trust to turn our suppliers and customers into business allies.

For society

Promote transparent practices and responsible behaviour in the supply chain to provide the best possible service to customers. Likewise, improve the productivity and competitiveness of our society and support the construction of a more sustainable future.

HOW IT IS MANAGED

We recognize that the success of our business is intrinsically linked to supply chain performance.

MONITORING INDICATORS

Procurement

- Local purchases
- Suppliers evaluated in sustainability
- Action plans for suppliers

Planning and logistics

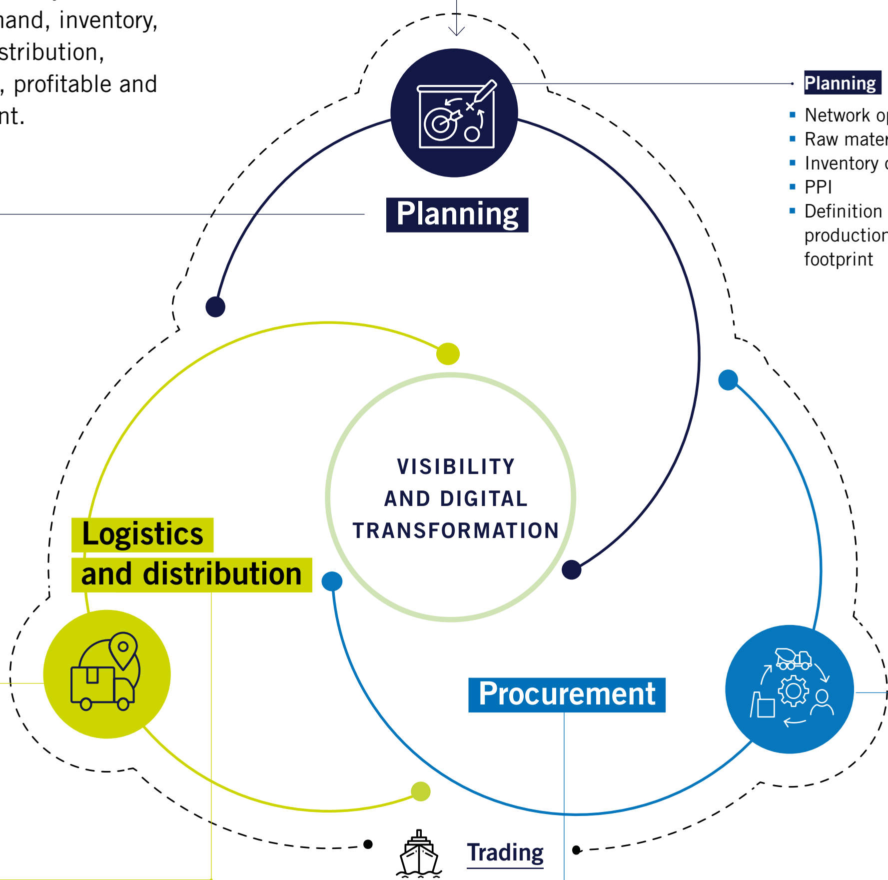
- Service level
- Inventory days
- Compensated load
- Logitrans carbon footprint

COMPREHENSIVE STAGES OF OUR SUPPLY CHAIN

We carry out permanent integrated planning in the short, medium and long term to have a complete vision of the chain. This provides flexibility and agility in the face of interruptions, bottlenecks or demands. We have contingency plans to make rapid adjustments to changes in demand, inventory, production and distribution, ensuring effective, profitable and timely management.

Supplies

- Demand plan
- Recipes/Offers
- Freight
- Corporative strategy



Planning

- Network optimization
- Raw materials supply plan
- Inventory control
- PPI
- Definition of the future production and logistics footprint

Distribution plan

- Transportation of raw materials
- Delivery to customers

Procurement plan

- Identification of necessities
- Management and strengthening of suppliers

We implement efficient logistics and transportation strategies with technology, optimizing routes and delivery times. We guarantee effective operations in the supply chain, maximizing productivity and ensuring timely deliveries.

We identify and link current and future sourcing needs to supplier capabilities, cultivating strong, collaborative relationships. We promote alignment with sustainable practices and risk management through strengthening and development programs

2023 PERFORMANCE

Planning

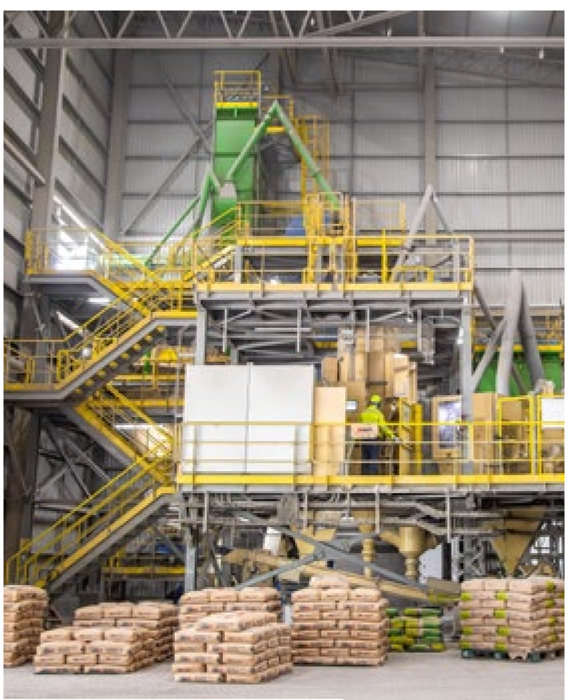
INVENTORY CONTROL

During this year we worked on adjusting inventories to business needs, reducing the use of physical resources and optimizing processes:

Inventory reduction and strategic savings in Colombia and the United States

In Colombia we reduced the coal inventory by 59%, generating a savings projection of 30 billion pesos in 2023.

In United States we implemented a strategic approach to maintenance, repair and operations (MRO) inventory management at our cement plants. This initiative focused on reducing costs by optimizing the inventory of critical spare parts. Categorizing and analyzing 35% of this inventory resulted in a USD 4 million reduction in costs.



Río Blanquito Plant in Honduras

INTEGRATED BUSINESS PLANNING - IBP

IBP is not only a supply chain planning process, but it also provides a comprehensive approach that drives alignment, efficiency and adaptability:

Successful strengthening of the IBP

In the United States we strengthened the IBP for cement, achieving visibility and projection of the operation in the future (24 months). This strengthening, with a solid framework and a monthly cycle, focuses on updating technology, optimizing processes and forming an efficient team. The benefits of this initiative include:

- Greater integration between business areas, improving transparency and evaluation of opportunities.
- High compliance with the sales plan (94%) and accuracy in sales forecasts (81%).

Furthermore, the successful implementation of the IBP in Trading[8] has allowed us to integrate capabilities across geographies to maximize opportunities, ensure financial sustainability and our promise of value in local markets. As a result of this:

- The export capacity of the Argos Free Zone to the United States, Central America and the Caribbean was strengthened.
- An export record was set, with 1.37 million metric tons of cement and clinker at the end of 2023.
- A reduction in delays in port operations was achieved.

In Colombia, IBP implementation and senior management leadership led to:

- Identify that, with a network design and aligned with the new commercial model, we can operate with 33% less m² and warehouse resources.
- Reduce transportation costs by 12.4% compared to the budget and 3.5% compared to 2022.
- Achieve greater competitiveness in freight contracting and coal purchases through the implementation of analytical tools for internal visibility of the processes.

1.37

MILLIONS OF METRIC TONS

of cement and clinker exported in 2023, a record for the company.

8 The general management of Trading and Business Intelligence is a service area specialized in international negotiation and logistics for the supply of cement, clinker, raw materials and products related to cement production.

PLANNING AND VISIBILITY OF DISTRIBUTION

A well-planned distribution network guarantees better customer service by reducing delivery times, optimizing inventory location, and more effectively meeting market demand:

A distribution network closest to customers

In Guatemala we indentified strategic locations for service centers, guaranteeing national coverage and adaptation to changes in the environment. Our objective is to improve service and minimize operating costs since we expect to reduce the cost of last-mile distribution, increase service with products close to customers and expand in the local market.

Greater efficiency and better decisions in the Antilles

In order to optimize the work of the international and Antillean trade teams and provide a timely response to the needs of the operation, we reviewed the activities of the bulk cement supply process. We managed to implement control panels that facilitate decision-making and business visibility, as well as a 50% reduction in shipment scheduling times.

Cargo Value, the key to a more agile international supply chain

We implemented Cargo Value, a digital tool that improves the visibility of the international supply chain, as it allows more precise shipment planning and optimize inventory levels, to avoid excesses or shortages, through management based on the real demand of all products in the portfolio (such as clinker, cement and raw materials). This initiative covers operations in the United States and the Caribbean.

Procurement

NEGOTIATIONS

We strive to have negotiation processes more solid and efficient, essential to improve financial management, competitiveness and adaptive capacity in a dynamic market:

Negotiation of contracts for cement sacks: A commitment to savings and the circular economy

We negotiated two contracts for the supply of cement sacks in the three regionals. **In United States,** this negotiation will generate annual savings of USD 1.4 million. Additionally, with the new supplier in this country, we are working on co-creating a pilot sack without plastic lining and exploring the transition to unbleached paper.

In Colombia, Central America and the Caribbean we used a prediction and simulation model for a corporate negotiation that generated USD 1.5 million in savings. In addition, we carried out tests with disintegrable sacks to introduce them to the mass market in Colombia and promote their correct disposal in the Caribbean.

Modernization of the mixer fleet

We expanded our portfolio of direct suppliers by incorporating distributors of latest-generation mixers with Euro VI engines. This initiative, implemented in the ready-mix concrete business units in Colombia and the Dominican Republic, has optimized concrete mobilization by 30% and improved operational efficiency in Colombia.

New fleet of mixer trucks in Colombia

81.7% **OF PURCHASES**
made during this year were to local suppliers.

Supplier recognition event in the Dominican Republic

73%

FROM OUR SIGNIFICANT SUPPLIERS
were evaluated in sustainability during 2023

> *"It is very valuable to us that they have allowed us to identify the enormous impact that, as a company, we can have on diversity, equity and inclusion. I would like to tell you that our company, despite belonging to a sector that has traditionally been dominated by men, has a high rate of inclusion and gender equity. (...) Thank you for allowing us to be aware of the importance of these practices and for motivating us to continue doing so."*
>
> **Carbones Quiceno**
> Coal supplier for our plants

STRENGTHENING AND RECOGNITION OF SUPPLIERS

We continue working to establish relationships based on mutual trust, transparency and respect, to reduce risks, stimulate innovation and improve efficiency:

We reward our most outstanding suppliers

In the Dominican Republic, we held the first event to recognize outstanding suppliers for their performance in 2023. This meeting is distinguished by focusing on integrating suppliers into our corporate culture and valuing their role as strategic allies in our joint growth.

Promoting the growth of our strategic allies

Together with the other companies of the Grupo Empresarial, we held the first Supplier Meeting, with a focus on diversity, equity and inclusion (DEI), a space where nearly 500 suppliers joined virtually and 193 in person. Under the slogan "Our differences bring us together", this event was the platform to talk about bias and diversity, and the role of the supply chain in leveraging the issues of DEI, gender violence, micro-machismo and discrimination.

Logistics and distribution

LOGISTICS AND DISTRIBUTION

Seeking to have efficient logistics and distribution that can adapt to changes, manage risks and meet customer expectations in any circumstance, this year we worked on:

New unloading and driving system in the United States

In Savannah, we designed and installed a new pipeline that connects the unloading vessel to the warehouse or directly to the truck-loading silo. This automated valve system eliminated interruptions in operations, maintained a constant flow of supply when the vessel is in port, and has saved us potential sales losses of 100,000 tons annually.

Dome construction in Houston

Efficiency in transportation and logistics operations

In Colombia we centralize the transportation operation under the leadership of Logitrans, optimizing resources, improving the distribution network and, thanks to the implementation of technologies, streamlining the documentary control and fleet traceability processes. This has generated benefits such as:

- 25% increase in logistics efficiency and turnover of the consolidated cement fleet due to the implementation of the Master Transportation Plan, which seeks to align the fleet with demand and delivery plans.
- More autonomy in internal load compensation (movements with own loads) and external loads (movements with other load generators), generating savings of COP 9 billion. This was due to the development of the External Load Flow Radar, an analytical sector surveillance tool to identify external compensation opportunities and their generators.
- Reduction in the transportation carbon footprint by moving more cargo with less equipment. (For more information about managing the carbon footprint of transportation operations, SEE P. 127).

SUCCESS STORY

THE HOUSTON DOME: A LEAP FORWARD IN SUPPLY CHAIN EXCELLENCE

To increase the storage capacity of the Port of Houston, since 2022 we have been working on its expansion with a series of improvements.

As part of phase 2 of this project, in 2023 we began the construction of a storage dome with a capacity for 50,000 tons of cement and a new state-of-the-art unloading system, which allows the unloading of 800 tons per hour, 190% more than the previous system.

The Houston dome plays a crucial role in the operation of our USA regional supply chain, as it allows us to increase the speed of unloading from the port and transport the load to a silo for more efficient storage to reach the market in a more agile and timely manner.

CHALLENGES AND OPPORTUNITIES

- Within the framework of the negotiation that allowed Argos to reach the most relevant milestone in recent years, we consolidated ourselves as the best alternative for supplying cement and raw materials to the combined platform of Argos USA and SUMMIT Materials, guaranteeing the export of the Free Zone Argos to USA for five years and the supply of raw materials from global origins to this market, for two years.
- Improve the reception and receptivity, on the part of suppliers, of indices, evaluations, recognitions and invitations to participate in initiatives.
- Joint work between the regionals and with the companies of the Grupo Empresarial Argos for the standardization of practices in supplier management.

SDG

Impact on business

- Risk

Strategic pillar

- Customer centricity

Colombian Green Cement

ON THE WEB

SUSTAINABLE PRODUCTS AND SOLUTIONS

As part of our value proposal, we continue to expand our portfolio of products and solutions for the development of sustainable and resilient territories from an innovative and responsible vision towards the decarbonization of the construction sector.

MANAGEMENT OBJECTIVE

For the company

To offer sustainable products and solutions that allow us to be the best ally for our customers in the design, construction and maintenance of the territories where we have a presence, managing the risks and opportunities brought by population growth and climate change.

For society

To promote, through our portfolio, the construction of a more sustainable, prosperous and inclusive society that improves people's quality of life and connects regions with opportunities for progress.

HOW IT IS MANAGED

We declare and share our commitment to a more sustainable future, inviting the present and new generations of construction professionals to inform themselves, decide and act in favour of their environment. For this reason, we make available our portfolio of sustainable products and solutions that, together with design and construction strategies, contribute to obtaining sustainable construction certifications and many other benefits.

THE TRANSFORMATIVE POWER
OF OUR PORTFOLIO

Low carbon products[9]
- Low carbon cement and concrete

Products and solutions to reduce the consumption of raw materials during the construction phase of worksites
- High resistance concrete
- Advanced Concrete (UHPC)
- Modular construction solutions

Products that increase the useful life of construction sites and reduce the use of raw materials for repairs or reconstructions
- Durable low permeability concrete
- Concrete for pavements
- High resistance concrete
- Advanced Concrete (UHPC)

Products that allow the management of water resources
- Permeable concrete

Products that contribute to well-being and comfort and promote people's health
- Architectural concrete
- Colored concrete
- White cement

Solutions that promote circular economy
- Green sacks Program

Solutions that reduce the use of natural resources
- Road solutions

Digital construction solutions that allow automation and modeling to be incorporated into the industry
- BIM and 3D printing portfolio

2023 PERFORMANCE

+1.7 BILLION

of sales of sustainable products and solutions, which represent 47% of our sales.

Colombia Regional

LOW-CARBON GREEN CEMENTS AND CONCRETES

At Argos we carry the Green Light for sustainability within us, and in our sacks and mixers, a part of the future. In 2023, we launched the “We are the future contained in ourselves (Somos el futuro que llevamos dentro, in Spanish)” campaign, focused on reaffirming our commitment to sustainability by promoting conscious decisions to build environmentally friendly homes and infrastructure.

Watch this video to learn more about this campaign.

Discover the characteristics of these products so that you can build with quality and efficiency

9 Products with lower CO_2 content embedded in its manufacturing process. They have environmental product declarations and self-declarations (EPD and EPSD, respectively), resulting from their life cycle analysis (LCA).

With our first Modular Solutions plant, we built more than 300 homes in Colombia in 2023.

"Modular concrete solutions revolutionize the execution of the traditional structure and represent a disruptive bet in construction systems technology, with high performance, efficiencies and profitability, and the possibility of reducing project construction times by up to 50%."

Carlos Horacio Yusty
Colombia Regional
Vice President
Cementos Argos

See our complete portfolio of modular solutions.

AUTOMATION OF THE ENVIRONMENTAL FOOTPRINT OF OUR PRODUCTS

We have developed a CO_2 information system integrated into our products, called the Green Solutions Dashboard. This has allowed us to meet the requirements of our customers from the needs of certification systems such as LEED, Casa Colombia, Edge, among others. The tool is powered by the results of the life cycle analysis (LCA), which have allowed us to materialize in figures and indicators the CO_2eq emission reductions that the projects have had due to the consumption of our products, whether cement or concrete.

In 2023, we advanced in the automation of these LCAs, enhancing this dashboard and leveraging the negotiation processes with customers, to guarantee agility and transparency in information.

These tools will also allow us, in the organization, to monitor and make better decisions so that production processes maintain or improve the variables that allow us to reduce CO_2 emissions.

MAKING PROGRESS WITH ARGOS MODULAR SOLUTIONS

In 2023, we executed industrial and housing projects for more than 50,000 m², represented in the construction of 12 buildings and the mezzanines of a production plant, with advanced concrete elements.

Our plant in Cajicá, Cundinamarca, which began operations in January 2023, required an investment of COP 24 billion and became the first production centre in Colombia to manufacture structures of this type and is a pioneer in the country in prefabricating its main elements and then transporting them to the project area under construction.

In 2024, we will increase this commitment with the construction of 700 dwellings, to reach a total of 100,000 m² of modular elements. At Argos, we build the future today.

3D PRINTING IS REVOLUTIONIZING THE WAY WE CREATE CONCRETE OBJECTS AND STRUCTURES

3D printing is a great opportunity to increase agility in closing housing gaps. The possibility of automating the construction process reduces time, waste and optimizes the use of materials. In 2023, with the installation of the 3D printer for the development of affordable housing, we completed the first phase of the digital construction laboratory at the National University of Colombia, Medellín headquarters, where we have the objective of developing technologies to increase the productivity of construction, particularly housing, and thus allow more families to fulfil their dreams.

3D printer at the National University of Colombia

WE LAUNCHED ARGOS ROAD SOLUTIONS

Road Solutions is the consolidation of a series of technologies for the development of roads, whose common denominator is cement, stimulating growth at a regional level and promoting social, environmental and economic equity. These technologies:

- Seek to deliver a greater benefit-cost ratio
- Can be applicable on primary, secondary or tertiary routes.
- Provides communities and project executors with tools that allow them to successfully complete projects such as those executed through the "Community Paths of Total Peace" program, which the national government has been promoting.

Learn more about road solutions.

We are committed to developing Colombia's road infrastructure, so we offer **sustainable and efficient technologies** that connect regions with opportunities for progress.

EXTRAORDINARY SOLUTIONS WITH SPECIAL CONCRETE, OUR NEW COMMITMENT WITH STUDIO U

Studio U is consolidated as a support to key actors in the construction sector, accompanying them from the formulation to the execution of the project, integrating a portfolio and specialized knowledge in the use of high-performance concrete.

This is the case of the Essity-Familia project, which with Advanced Concrete elements (ultra-high performance), was able to manufacture lightweight slabs that are easy to place and lift, with less material and less impact. This project needed a slab solution that met high technical specifications, a maximum self-weight of the slab and a mechanical resistance that, in construction, can only be achieved with steel. However, with Studio U and modular solutions, we designed an element with these characteristics that was produced with ultra-high performance concrete, using mainly local raw materials, reducing costs and minimizing the use of such materials.

SPECIALIZED SOLUTIONS THAT PROMOTE EFFICIENCY AND QUALITY IN CONSTRUCTION, THROUGH THE *BUILDING INFORMATION MODELING* METHODOLOGY (BIM)

In 2023, we ventured into new construction technologies by developing a template for project design, combined with a library of concrete materials and a plug-in that can be installed by our customers for the creation of accurate virtual models to enable informed decision-making.

With our portfolio of specialized and sustainable construction products, the materials library has 13 types of concrete and more than 1500 references, a representation of more than 85% of the market in Colombia. Additionally, as a novelty, we incorporated an environmental emissions factor in $kgCO_2eq$ avoided by each Argos concrete reference, as a contribution to the implementation of sustainability strategies in the sector.

We want to continue contributing to better planning, design, coordination and execution of projects, better collaboration between teams and higher quality at each stage. In 2023, we launched the tool internally and in 2024 we hope to make the official presentation to customers.

Central America and Caribbean Regional

PANAMA

We continue to develop "Everything in a sack" products, seeking to offer solutions that minimize environmental impact and improve production processes.

These premixed concrete and mortar solutions guarantee quality and performance in each application, reduce waste and increase efficiency on the construction sites.

We would like to underline Concrefácil which, after three years in the Panamanian market, has registered 13,967 tons of sales and is recommended by contractors, due to its ease of preparation and application, since having it all in one bag (cement, aggregates and stone) favours the construction, repair or renovation of houses in areas of difficult access, which encourages self-construction and contributes to the sustainable development of communities.

Watch in this video the testimony of Rafael, one of our contractors.

Check our catalog of sustainable products and solutions in Panama.

+50

MILLIONS OF DOLLARS
sold in ECO multipurpose

HONDURAS

In 2023, we launched our ECO-friendly seal, a tangible manifestation of our commitment to incorporate CO_2 emissions reduction and a low-carbon portfolio into our production pillars. It is a brand that communicates to our customers that we are allies for the sustainable development of the country, leaving a positive mark on the improvement of rural roads, urban development and infrastructure.

To date, we have reduced CO_2 emissions by up to 40% compared to the industry average EPD (Environmental Product Declarations) of portland cement, as a result of:

- Initiatives for the generation and use of clean energy.
- Thermal substitution with alternative fuels
- Reduction of the clinker/cement factor
- Thermal efficiency associated with the injection of hydrogen in our kiln.

Some projects in which the ECO seal highlights its presence are the Atlas Tower in Tegucigalpa and the development of road infrastructure in productive areas such as Siguatepeque, Choluteca and Olancho.

Learn more about the project in Choluteca.

Check out our catalog of sustainable products and solutions in Honduras.

In Puerto Rico, projects such as River Terrace, River View, Riviera Parkiew, Riviera Courtyard, Los Lagos, among others, **already receive Green Light in each sack of ECO Masonry.**

PUERTO RICO

This year, we launched ECO Masonry Cement to the market, a product designed for the comfort and convenience of our masons, as it facilitates application and saves time and effort in each project. In addition to using less clinker in its manufacture, it is highly efficient and its formula provides greater workability, reduces cracks and improves the performance of finishes, which reduces the use of non-renewable natural resources, such as paints and other construction materials.

Check out our catalog of sustainable products and solutions in Puerto Rico.

DOMINICAN REPUBLIC

In 2023, we worked on the expansion project of the Eastern Salinity Barrier and Transfer Aqueduct to Santo Domingo Norte, developing a durable concrete that guarantees technical specifications to preserve the structure in the long term.

Thanks to durable concrete technologies, we were able to mitigate the alkali-aggregate reaction and use 25% class F fly ash, with a water-cementitious material ratio of less than 0.44. In addition, it should be noted that more than 90% of the project was executed with recirculated water.

Check out our catalog of sustainable products and solutions in the Dominican Republic.

SURINAME, LOCAL LEADER IN INNOVATION

In 2023, we launched Masonry Cement, the first product with sustainability features in the market, which has 40% less clinker. This cement offers a specific application for plastering, which allows our customers a faster and more efficient execution, based on their requirements and recommendations.

Check out our catalog of sustainable products and solutions in Suriname.

SAINT THOMAS - ANTILLES

In this country, the supply of Slag Cement has allowed the local concrete producer to deliver a mix with better long-term performance attributes, reducing the environmental footprint of concrete and, at the same time, guaranteeing better performance and greater durability.

A successful case of application of this product is the parking project of the local Cyril E King airport. The current parking lot was insufficient for the magnitude of customers and employees who use it daily. Therefore, this project will create a connection for locals traveling between islands (St. Thomas-St. Croix) or short trips, like to Puerto Rico. This is also the first stage of the expansion project that will allow additional flights to the territory, with a long relationship with Argos and the Virgin Islands Port Authority.

United States Regional

EcoStrong PLC cement is part of our goal to achieve net zero carbon emissions. This product is designed with a higher limestone content than Portland cement, reducing our carbon footprint while maintaining the same performance our customers expect.

In 2023:

- Argos USA completed the conversion of its four Type I/II cement plants to Type IL production.
- It had a 77% growth in sales compared to 2022.
- More than 200 customers started purchasing EcoStrong PLC.

SUCCESS STORY

WE CELEBRATE TEN YEARS OF THE GREEN SACKS PROGRAM

In 2013, we observed that 40% of empty sacks from construction sites were disposed improperly; this motivated us to create the Green Sacks program, a concrete contribution to the global problem of deforestation, climate change and low recycling rates.

This initiative, a leader in Colombia, after a decade of operation, has the participation of more than 500 customers who return empty cement sacks for reuse and receive training in waste management. In 10 years we have managed to collect more than 14.6 million sacks of cement and recycle more than 2,000 tons of paper, which translates into having avoided the felling of approximately 21,000 trees.

We highlight the collaboration with companies such as Sonoco de Colombia Ltda., Etex Colombia S. A., Toptec S. A., Eternit S. A., which use the returned sacks as alternative fuel or as alternative raw materials to obtain fibre cement tiles or paper pulp and, in this way, promote circularity.

At the end of this year, **we achieved the financial balance of the program,** by generating operational income of COP 234 million and implementation costs of COP 205 million.

To learn more actions that contribute to the circular economy, SEE PAGE 137.

154,604
RETURNED SACKS in 2013

+1.8
MILLION SACKS RETURNED in 2023

+14.6
MILLIONS of sacks returned in 10 years of program operation

+2,000
TONS OF PAPER recycled in 10 years of program operation

CHALLENGES AND OPPORTUNITIES

- Continue offering and raising awareness to our customers about the importance of developing their projects with a sustainable portfolio, to respond to their needs and the design and construction challenges they face in the territories.
- Consolidate and expand our portfolio with sustainability characteristics in the territories where we have a presence.
- Continue to actively participate in discussions on emerging sustainability issues in the industry and promote the adoption of best practices in the company.
- Transcend the vision of products to sustainable solutions in emerging markets seeking to be leaders in the construction industry.

SDG

7 AFFORDABLE AND CLEAN ENERGY
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

Impact on business
- Risk

Strategic pillar
- Road to a low carbon economy

Sogamoso Plant in Colombia

ON THE WEB

MITIGATION AND ADAPTATION TO CLIMATE CHANGE

At Argos, climate action is focused on minimizing risks and enhancing opportunities associated with climate change; it is relevant in our strategic framework since it allows us to ensure the competitiveness, permanence and resilient growth of both the company and its value chain. We understand that our actions to mitigate CO_2 emissions and to promote the adaptation of the company and society to the effects of climate change is our contribution to building a more sustainable future for all.

MANAGEMENT OBJECTIVES

For the company

Transform our production model, mobilize our financial model, enhance the opportunities associated with climate change and influence the construction industry model, to accelerate the mitigation of physical and transition risks and scale adaptation to the impacts of climate change driving value generation.

For society

Contribute to facing the challenges derived from climate change through the development of initiatives to mitigate CO_2 emissions, the development of sustainable products and solutions that help leverage adaptation capabilities and promote innovation in construction, while promoting the creation of social value in the geographies where we have a presence and contributing to a more resilient society.

Learn more about the climate change.

HOW IT IS MANAGED

At Argos we accept climate change as a challenge, but also as a unique opportunity for our operations and our value chain. We have a strategy aimed at three objectives:

MITIGATION
To reduce direct and indirect CO_2 emissions.

ADAPTATION
Identify the risks to which our operations are exposed and propose mitigation actions.

INVESTIGATION AND DEVELOPMENT
Develop products with lower emissions and construction solutions that reduce emissions from buildings from a life cycle perspective.

In order to achieve these objectives, we frame our management in the following five lines of work:

1.

Decarbonization of our production processes:
Enable low carbon production in the value chain through the following reduction levers:

Scope 1

- Thermal efficiency
- Greater thermal substitution with alternative fuels
- Reduction of clinker in our cements
- Increase in the use of conventional low-carbon fuels

Scope 2

- Electrical energy efficiency
- Power Purchase Agreements (PPAs)
- Renewable energy projects

We prioritize initiatives to decarbonize our operations based on three key elements:

- **Financial impact**
- **CO_2 emission reduction potential**
- **Risk for the company from implementing of the initiative**

2.

Innovation and alliances
Collaborate to accelerate and scale research and development.

3.

Value offer
Strengthen portfolio of sustainable products and solutions that are relevant to our customers.

4.

Promoting the transition to a low carbon economy
Promote public policies and product standards for decarbonization, and promote the consumption of sustainable products.

5.

Mobilization of the financial model
Develop instruments that allow access to the most efficient capital to finance assets for the transition.

The Board of Directors monitors compliance with our technical and financial roadmap for reducing CO_2 emissions, which includes the climate change strategy, risk identification and management, financial control and the internal control system.

The Board, through its support committees and the company's senior management, prioritize, discusses and approves strategies and formulates recommendations, actions and investments for managing climate change, aligned with the global sustainability agenda and with corporate ambition, actions that are ultimately executed by our operations.

Learn more about our indicators.

COMMITMENTS AND INITIATIVES

Global Cement and Concrete Association

INNOVANDI

CDP

Check here our CDP 2023 report.

TCFD

Check here our TCFD 2023 report.

SCIENCE BASED TARGETS

MITIGATION

OUR COMMITMENTS

REDUCTION OF CO_2 EMISSIONS SCOPES 1 AND 2

Company - Scopes 1 and 2 (kgCO_2 /t cementitious material)

Baseline	Performance	GOAL
715	690	565
		Reduction of **21%**
2021	2023	2030

Science Based Target Initiative (SBTi) *is a collaboration between the Carbon Disclosure Project, the United Nations Global Compact, World Resources Institute (WRI) and World Wildlife. The target limit includes emissions and removals related to raw materials.*

Cement - Scope 1 (kgCO_2 /t cementitious material)

Baseline	Performance	GOAL
735	609	523
		Reduction of **29%**
2006	2023	2030

Cement - Scope 2 (kgCO_2 /t cementitious material)

Baseline	Performance	GOAL
30.1	28	23
		Reduction of **24%**
2021	2023	2030

Concrete GOAL

2050

We will produce and market **carbon neutral concrete.**

2023 PERFORMANCE

Scope 1

Direct emissions: emissions generated from productive operations.

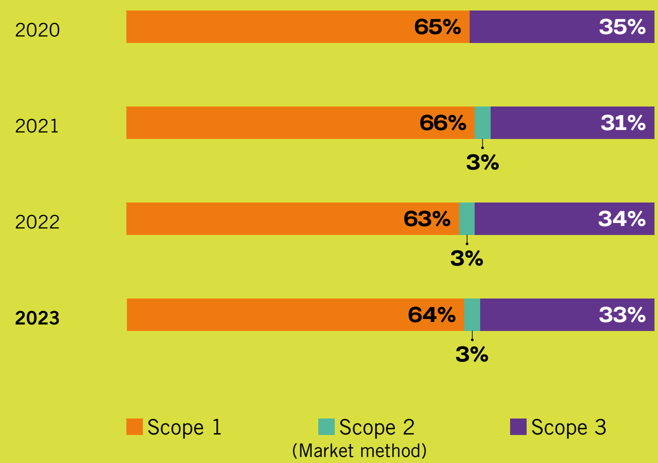
Scope 2

Indirect emissions: emissions generated from the purchase and consumption of electrical energy in operations.

Scope 3

Indirect emissions: rest of indirect emissions generated in the Argos value chain.

Direct and indirect emissions
(tCO_2 /year)



Decarbonization of our production processes

CARBON FOOTPRINT CALCULATION MODEL

In 2023, in collaboration with Scitis, we advanced in the development of the analytical model in SAP BW 7,5 to automate the measurement of the carbon footprint, scopes 1 and 2 (by location), in our cement operations. This model, based on the GCCA CO_2 and Energy Protocol, will facilitate the monitoring of our goals and will allow us to obtain monthly indicators of CO_2 per plant in a reliable and timely manner, using official data from our ERP (SAP).

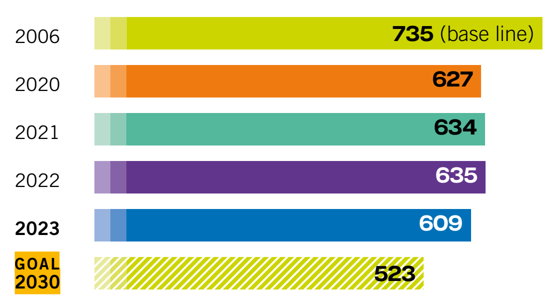
MODELING FUTURE CO_2 EMISSIONS IN CEMENT

In 2023, we completed the development of an application in PowerApps to project CO_2 emissions scopes 1 and 2 of our cement plants. For this, we used the projection of clinker and cement production plans for ten years. The tool allows analysis bottom-up and scenarios What if? by modifying the CO_2 reduction drivers in our plants.

In 2023, we were able to reduce net specific CO_2 emissions by 4.4%.

SCOPE 1 EMISSIONS

Cement - Specific net CO_2 emissions ($kgCO_2$/t cementitious material)



Specific net CO_2/t cementitious material and absolute net emissions decreased by 4,4% and 6,2%, respectively.

The reduction in net specific CO_2 emissions/t cementitious material was mainly due to a 3% decrease in specific heat consumption in clinker production, a reduction in the clinker/cement factor (from 74 to 72.5%), an increase in the consumption of alternative fuels and biomass, the substitution of conventional fuels (from 5.8% to 7.2%) and an increase in the consumption of natural gas (from 19 to 24%).


Employee in Antilles

Thermal efficiency

We highlight the advances in the efficient use of heat energy in the production of clinker and cement at the Cartagena and Martinsburg plants. We managed to reduce more than 971,000 MJ in 2023 compared to 2022.

Colombia Regional

At the Rioclaro Plant, the main burner of kiln 2 has been equipped with the latest technology and has allowed a reduction in heat consumption of 5 kcal/kg clinker. We will continue to evaluate the reactivity of the clinker to determine the positive impact this could generate on the clinker-cement factor.

USA Regional

As members of CESMII –Smart Manufacturing Institute–, **we completed the first phase of the project Cement Smart Manufacturing** at the Roberta Plant. This project aims to develop an advanced control system to reduce fuel consumption in the clinker kiln (between 5 and 15%).

Central America and Caribbean Regional

In 2022, we launched an innovative process of **hydrogen injection in our kiln in Honduras,** a revolutionary and scalable technology that in 2023 has materialized its benefits by allowing:

- Increase clinker production by 3% (more than 55 t/day), reaching an annual record of more than 580,000 t of clinker per year.
- Reduce electricity consumption by more than 3.1 kWh/t.
- Improve the reactivity of the clinker, which allowed us to reduce the clinker-cement factor by 1%.

In the future, we hope to increase the use of alternative fuels and optimize fluorspar without affecting its reactivity.

Alternative fuels and low carbon fuels

Co-processing, as a circular economy strategy, is key to reducing CO_2 emissions in clinker production. By using alternative fuels instead of conventional fuels, greenhouse gases are reduced and cost efficiency in cement production is improved.

By 2023, we **achieved a 3.3% reduction in fuel** consumption in the cement business.

SUCCESS STORY

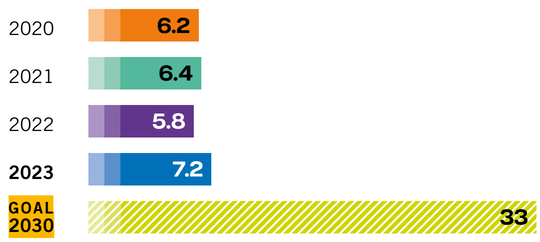
REFUSE DERIVED FUEL (RDF): A NEW ALTERNATIVE FUEL

At Argos Honduras, we saw an opportunity in the co-processing of waste in our clinker kiln to reduce CO_2 emissions. In 2019, we identified a potential of 5,600 tons of waste per year, mainly agricultural plastics, cardboard, paper and textiles. This is why, with an investment of USD 588,000, we installed equipment to crush and inject 1 t/hour of RDF into the kiln.

We highlight the efforts of our team in Honduras, which not only processes waste, but also manages its supply, coordinating with local producers and communities.

In 2024, we plan to co-process 2,000 tons of RDF and replace 1.7% of petcoke annually. The investment is expected to be recovered in 4 years, with annual savings of up to USD 300,000 in fuel.

Substitution of caloric consumption of conventional fuels with alternatives (%)



Colombia Regional

- In 2023, **we achieved a 3.3% substitution of coal and petcoke use with 29,826 tons of waste** (tires, impregnated hydrocarbons, RDF and biomass). We maintained the clean and safe co-processing of 15,000 tons of material impregnated from hydrocarbon sludge and other hazardous waste.
- For the second consecutive year, we continued to be allies of the oil industry in the proper management of hydrocarbon waste and we increased the consumption of alternative fuels by more than 50% at our Rioclaro Plant compared to the previous year.

Central America and Caribbean Regional

The Piedras Azules cement plant obtained a caloric substitution of 5.9%, which represented a consumption of 4,396 tons of waste such as tires, RDF, expired medications, used oils, paper and cardboard.

United States Regional

- At Newberry, we achieved a 7.5% replacement, resulting in estimated savings of more than $8 million over 2022.
- In this regional, the consumption of natural gas increased from 25% to 39% and the use of alternative fuels and biomass went from 9.4% to 11.9% of the total fuels used in the kiln, thanks to the consumption of 96,525 tons of waste. This, due to the work carried out by the production and project teams at our Harleyville, Newberry and Roberta plants, which eliminated restrictions on transportation systems and combustion controls.

11.9%

OF CALORIC SUBSTITUTION

at cement operations in Roberta, Harleyville and Newberry.

Optimization of clinker use

Reducing clinker consumption in cement production is key to mitigating CO_2 emissions, which are generated mainly in the clinkerization process, due to the use of fuels and the chemical reaction of decarbonation of the limestone in the kiln. Replacing clinker with additions of equal quality significantly reduces the carbon footprint of cement.

Colombia Regional

In 2023, **the Yumbo plant reduced the clinker-cement factor from 69.9% to 66.4%** thanks to the use of chemical additives and optimization in the dosage of kiln dust, going from 3 to 8 t/hour in general-use cement grinding. Around COP 1.3 billion were invested in improving the CKD (cement kiln dust) addition system, as well as in an additive dosing system to improve initial resistance, which generated savings close to COP 3.6 billion in clinker consumption and COP 1.2 billion in gypsum.

These achievements are due to improvements in dosage and the application of statistical models in the cement grinding process and to our experience in the production and use of calcined clays, which consolidates us as world leaders in the field.

At our Rioclaro plant, **we reduced the cement clinker factor** from 60.8% to 49.5% compared to 2020, for general-use cement.

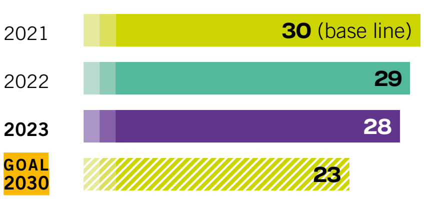
Central America and Caribbean Regional

In Panama, we managed to reduce the clinker content by 6 and 4 points in general-purpose and structural cements, respectively, thanks to the use of a natural pozzolan and grinding additives specifically designed for the material.

Solar farm in Honduras

SCOPE 2 EMISSIONS

Specific CO_2 emissions
(kg CO_2/t cementitious material)
Market method



In 2023, specific CO_2 emissions scope 2 were reduced by 4.3% compared to 2022, mainly due to the increase in the purchase of renewable energy.

We highlight the initiatives to reduce electrical energy consumption in our cement plants, which allowed us to achieve a reduction of more than 58 million MJ in 2023.

Power purchase agreements (PPAS)
In 2023, we continued to make progress by signing energy purchase contracts with suppliers with renewable sources certified by international entities:

- In Colombia we began the execution of a ten-year contract with Isagen to purchase certified renewable energy –I-REC–. Savings of close to 12% compared to the previous rate are estimated. The certified energy consumption under this agreement for the April-December period was around 103 million kWh.
- In Panama we closed a 100% renewable electricity supply contract, mainly from water sources. The contract, which began in January 2024 for five years, offers a fixed price with no indexation or minimum consumption obligation, achieving a 5% reduction compared to the previous contract.

Renewable energy projects

We inaugurated a second solar energy farm in Choloma, Honduras, with the help of Celsia
This is the second solar farm of our company and the cement industry in Honduras, with an investment of close to USD 1.2 million. This farm consists of 2,160 photovoltaic modules, with which around 1.6 million kWh/year will be generated.

25%
OF THE ELECTRICITY CONSUMPTION DEMAND
of the cement mill will be replaced with this new farm.

Gas-powered truck in Colombia

We consolidated an agreement with Celsia for our Toluviejo plant in Colombia

During 2023 we consolidated an agreement with Celsia for the implementation of a solar farm in our Toluviejo operation, a project that will supply close to 40% of energy demand and generate savings close to 30% in the energy rate, due to the discount on regulated charges. This project will begin execution during the first quarter of 2024 and is expected to finish in 2027.

In 2023, we achieved carbon neutrality in our cement and ready mix operations in Panama

For the third consecutive year, we joined the Reduce Your Corporate Footprint Program - Carbon Section, the first voluntary program for the management of the carbon footprint at the organizational level. In 2023, we advanced our management and reach the highest possible carbon neutrality category, for scopes 1 and 2, in cement and ready mix operations. To achieve this result, we offset 5,244 t of CO_2 .

SUCCESS STORY

DECARBONIZATION OF FREIGHT TRANSPORTATION IN COLOMBIA

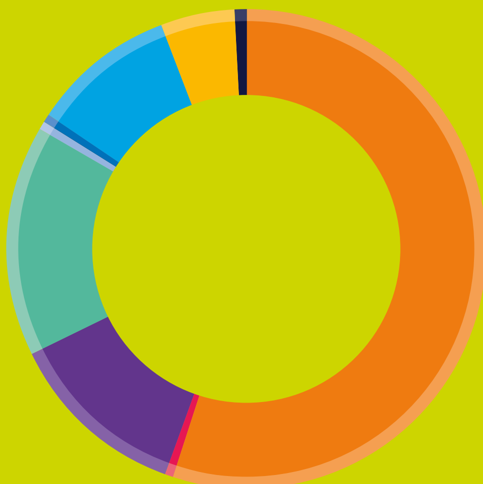
In 2023, in Colombia we implemented a decarbonization plan for long-distance cargo transportation, led by Logitrans, with which we obtained freight savings of COP 9 billion.

We achieved this thanks to compensation with our own and external load, collaboration with load generators and promoting the use of loyal fleets. This plan reduced the rate of empty fleet kilometers, directly reducing the carbon footprint.

Similarly, the Logitrans intelligence team implemented a methodology for more efficient truck fleets through technological developments, using the telematics units of these vehicles to define the ideal configuration parameters for the operation. With this, we have achieved a 16% improvement in fuel consumption and an approximate 10% reduction in CO_2 emissions.

SCOPE 3 EMISSIONS

Scope 3 CO_2 emissions in 2023 represented 33% of the company's total CO_2 emissions.
The categories of purchase of goods and services and upstream transportation and distribution were the most representative.



Categories
- 1 Purchase of goods and services: **55.2%**
- 2 Purchase of equipment: **0.5%**
- 3 Activities related to the consumption of fuels and electrical energy: **12.1%**
- 4 Upstream transportation and distribution: **15.8%**
- 5 Waste generated in operations: **0.3%**
- 6 Business trips: **0.01%**
- 7 Employee Commuting: **0.7%**
- 8 Upstream leased assets: **not applicable**
- 9 Downstream transportation and distribution: **not applicable**
- 10 Processing of sold products: **9.8%**
- 11 Use of products sold: **not applicable**
- 12 End-of-life treatment of sold products: **5.0%**
- 13 Downstream leased assets: **not applicable**
- 14 Franchises: **not applicable**
- 15 Investments: **0.6%**

Of the fifteen categories, we quantified ten according to the guidelines of the GHG Protocol methodology "Accounting and Reporting Standard for the Corporate Value Chain (Scope 3)" (WBCSD and WRI, 2011) and the "Cement Sector Scope 3 GHG Accounting and Reporting Guidance " (WBCSD - CSI, 2016).

Innovation and alliances

In Cementos Argos we promote decarbonization, through alliances, to research and develop sustainable solutions. We prioritize advanced technologies in all our facilities to meet global standards and strengthen sustainability in our value chain.

DEVELOPMENT OF LOW CARBON PRODUCTS

- In the United States, the migration to type IL cement (a cement with a higher limestone content compared to Type I cement) continues its pace since the introduction of the product to the market. In 2023, more than 200 customers began using EcoStrong PLC, and sales of this product increased by 77% compared to 2022.
- We are working to make the introduction of calcined clays to the American market viable. We produced 350 tons of them with which we executed 2,700 m^3 in pilot projects with customers.
- We committed to participate in the development of the U.S. industry's average Environmental Product Declaration (EPD) for concrete, a key tool for industry transparency that will provide information on CO_2 emission levels per m^3 of concrete in the United States.

Microalgae project

PROJECT WITH MICROALGAE

We are expanding capabilities in the pilot to evaluate new microalgae cultivation systems, targeting captures of approximately 890 tons of CO_2/ha per year. **Our goal is to have a pilot plant in operation in Cartagena by the end of 2024 that will allow us to validate the CO_2 to biocrude oil transformation chain.** Together with the University of Antioquia, we obtained a patent that protects our advances in the production of biofuels from microalgae biomass.

ARGOS AND VEOLIA, ALLIES IN THE USE OF ECOPETROL WASTE

Through an alliance with Veolia, main waste manager in the country, we presented a solution to take advantage of oily sludge derived from hydrocarbon refining processes that are carried out at the Ecopetrol refinery in Barrancabermeja. This waste is transformed into RDF in the Caribbean Environmental Technology Park. The temporary union of Veolia and Argos, with an initial duration of five years, will manage more than 7,000 tons of waste annually. This RDF is used as an alternative fuel in the kiln at our plant in Cartagena, being an option that does not affect the quality of the product and contributes to the reduction of CO_2 emissions.

We are also moving forward with the following alliances:

- We continue to participate in Innovandi, a GCCA initiative that connects independent researchers, academia and cement companies to work towards the decarbonization of the sector.
- Within the framework of Grupo Argos' collaboration with the National University of Colombia, we developed three projects focused on CO_2 use technologies
- We adhered to the Cornare Green Growth and Climate Change Agreement.
- We participated in the Regional Mechanism for the Reduction of Greenhouse Gas Emissions, of Corpoboyacá, and obtained the Green Seal of Truth recognition for CO_2 Cero.
- We are certified as active participants in the National Carbon Neutrality Program.

Value offer

As part of our value offer, we continue to expand our portfolio of products and solutions for the development of sustainable and resilient territories. In the chapter "Sustainable products and solutions" on PAGE 113, the progress made by our company in managing this material issue is presented in detail.

Cartagena Plant in Colombia

We have obtained **the first issuance of carbon credits** in our operations.

Promoting the transition to a low carbon economy

SUPPORT IN THE FORMULATION OF PUBLIC POLICIES

At Argos we collaborate with the development of public policies through trade and industrial associations.
We provide information, perspectives and recommendations for new policies and regulations, committed to actions aligned with the Paris Agreement.

Learn more about these activities.

OUR FIRST CARBON OFFSETS AT THE CARTAGENA PLANT

In 2023, after rigorous validation and verification, we obtained Cercarbono certification for reducing 19,693 tons of CO_2e by replacing fossil fuels with alternatives, and we issued the first carbon credits in our operations.

COMPENSATION WITH CARBON CREDITS IN THE COLOMBIA REGIONAL

In 2023, by acquiring carbon credits from Celsia and Forestry, we prevented the imposition of the carbon tax in Colombia for 26,640 tons of CO_2 generated by the use of liquid fuels in our cement, concrete and aggregates operations.

Mobilization of the financial model

INVESTMENT PLANNING - GREEN CAPEX

Climate change mitigation involves the structuring and implementation of substantial investments.
For this reason, investments associated with climate change are worked together to reveal the impact on free cash flow and highlight potential project implementation options.

In 2021, we approved an investment of USD 130 million for projects that will reduce our direct CO_2 emissions. Of these, USD 52.9 million make up investment initiatives in our plants, while the remaining USD 77.1 million will strengthen the supply of waste for co-processing, in alliance with authorities and waste managers.

Likewise, to influence our investment decisions and promote the transition towards a low-carbon economy, in 2023 we updated our internal carbon price to a value of USD 15.8/t of CO_2.

29% of Argos' debt is **tied to performance on sustainability indicators.** The climate change indicator linked to these credits is specific net CO_2 emissions, scope 1, in cement.

CLIMATE-RELATED MANAGEMENT INCENTIVES

The Board of Directors defines the remuneration policy and aligns long-term incentives with performance indicators. The Appointments and Remuneration Committee is responsible for reviewing the performance indicators of Argos' human talent and its development and for monitoring the organization's performance on strategic issues, such as climate change, to adjust and align the incentive and remuneration policy. This committee proposes to the Board the objectives for the long-term incentive plan, which include objectives associated with financial performance and reduction of specific net CO_2 emissions, among others.
The Board, based on the proposal, reviews the alignment with the strategy and approves the incentive plan.

FINANCING AND ACCESS TO CAPITAL

To address climate change, we link our financial debt to sustainability commitments with financial institutions. This strategy seeks to reaffirm our commitments to reduce emissions and access a lower financing cost in the transition to a low-carbon economy.

For more details on this management, see the profitable growth chapter in the PAGE 94.

GREEN CAPEX
USD 52.9 millions

For investment by 2030 in initiatives in our plants

Executed **USD 6.8** million (13%) Accumulated to 2023	Thermal efficiency Increase in alternative fuels Decrease cement clinker factor Natural gas increase	USD 4.3 million USD 1.9 million USD 0.6 million USD 0 million
To be executed **USD 46.1** million (87%) by 2030	**Initiatives associated with:** ▪ Increase in the consumption of alternative fuels in our kilns ▪ Improvement of caloric consumption: oxygen enrichment and hydrogen injection in our kilns, clinker mineralization and increase in clinker reactivity, among others ▪ Increase in natural gas ▪ Incorporation of new raw materials for cement	

Plant in Antilles

ADAPTATION

Focused on identifying and quantifying climate risks for our operations, we adopt mitigation measures. By 2023, we have identified and quantified physical risks in 100% of our facilities, focusing on natural threats. Additionally, 97% of our facilities have made progress in qualitative assessment using a tool developed in collaboration with SURA to assess vulnerability to extreme weather events.

CHALLENGES AND OPPORTUNITIES

- Identify new sustainable financing options that make it possible to implement decarbonization projects in our operations.
- Support the articulation of public policies with the evolution of the technical requirements of the products, to align them with the technical realities of the production processes and achieve the goals, which, at the same time, promote the generation of value for the company.
- Define CO_2 emission reduction targets, scope 3, by 2030 for category 1, specifically for the purchase of clinker from third parties.
- Recalculate the baseline and goals associated with climate change, excluding United States operations.
- Increase caloric substitution with alternative fuels. To achieve this, it is necessary to continue advancing in the identification of alliances and strategic mechanisms, at the regional level, to ensure that the supply of waste is constant, of high quality and cost-efficient.
- Continue the search for supplementary cementitious materials that replace clinker and allow us to reduce the carbon footprint of our products.
- Continue with the implementation, in each facility, of adaptation plans to the impacts associated with the physical risks of climate change.

SDG

6 CLEAN WATER AND SANITATION
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
14 LIFE BELOW WATER
15 LIFE ON LAND
17 PARTNERSHIPS FOR THE GOALS

Impact on business

- Risk

Strategic pillar

- Road to a low carbon economy

Biodiversity in Puerto Nare

ON THE WEB

ENVIRONMENTAL MANAGEMENT

We responsibly manage renewable and non-renewable natural resources by identifying and managing environmental impacts, which guide us on the fundamental lines of action in the environmental strategy and the implementation, monitoring and permanent improvement of the management system.

MANAGEMENT OBJECTIVES

For the company

Manage the natural resources associated with our operations through the prevention, mitigation, correction and compensation of impacts, as well as responsible actions that promote relationships of trust with our stakeholders and that, in turn, mitigate the risks related to the dependence on natural capital for the production of cement, concrete and aggregates.

For society

Contribute to the availability of environmental services for current and future generations through the implementation of controls and impact management plans in our operations.

HOW IT IS MANAGED

With our environmental management system, we seek continuous improvement, generating sustainable value for the company, our value chain and other stakeholders by offering products and services with high standards. Our environmental strategy is the roadmap to achieve high performance and manage natural capital through:

- Comprehensive water management
- The measurement and reduction of other gas emissions into the atmosphere
- Achieving a net positive impact on biodiversity and our commitment not to operate in areas protected or declared to be of high biodiversity value
- The implementation of circular economy models in our processes to manage products from their production to their disposal
- The contribution to closing the waste cycle in the geographies where we operate, through the co-processing and recovery of waste in our process

This system is supported by a process model for the entire organization, which guides the management actions on environmental issues that each area of the company carries out internally with its suppliers and customers. We verify the management of the system through:

- Internal and external audits, based on ISO 14001 and self-assessment tools, to validate the status of implementation of the environmental strategy in our operations.
- Digital platforms that allow us to identify, evaluate and monitor the environmental regulations applicable to our processes.

Learn more of our environmental strategy.

FRAMEWORKS, CERTIFICATIONS AND RECOGNITIONS

WHC WILDLIFE HABITAT COUNCIL

BUSINESS FOR NATURE

International Organization for Standardization ISO 14001

Solar farm in Honduras

OUR COMMITMENTS 2030

Ecosystems: water and biodiversity

- Restore the **90%** of the liberated areas intervened.
- Having **85%** of quarries located in areas of high biodiversity value with management plans.
- Reduce water consumption in cement to **245** l/t cement.
- Reduce water consumption in concrete to **216** l/m^3 concrete.
- Reduce water consumption in aggregates to **94** l/t aggregates.

Circular economy

- Replace **33%** of conventional fuels with alternative fuels.
- Replace **15%** of raw materials for alternative materials in cement.
- Use **18%** of supplemental cementitious material in concrete.

Other emissions

- Reduce sulfur dioxide emissions to **205** g/t clinker.
- Reduce emissions of particulate matter to **45** g/t clinker.
- Reduce nitrogen oxide emissions to **1,205** g/t clinker.

2023 PERFORMANCE

Ecosystems

Aware of the dependency and impact on nature, we manage impacts and risks to achieve a net positive impact on natural capital through:

- Implementation of the mitigation hierarchy to avoid, mitigate, correct and ultimately offset residual impacts.
- Prioritization of biodiversity management actions in high-value areas through the establishment and execution of management plans.
- Establishment and execution of closure and rehabilitation plans in our operations.
- Comprehensive water management through the responsible use and conservation of this vital resource.
- Risk management and potentialization of the opportunities
- Integration of our suppliers and prioritized customers in our commitment.

In 2023, we launched **our Statement for Nature**, in which we established the focuses of action **to achieve a net positive impact throughout our value chain,** involving our communities, suppliers and prioritized customers.

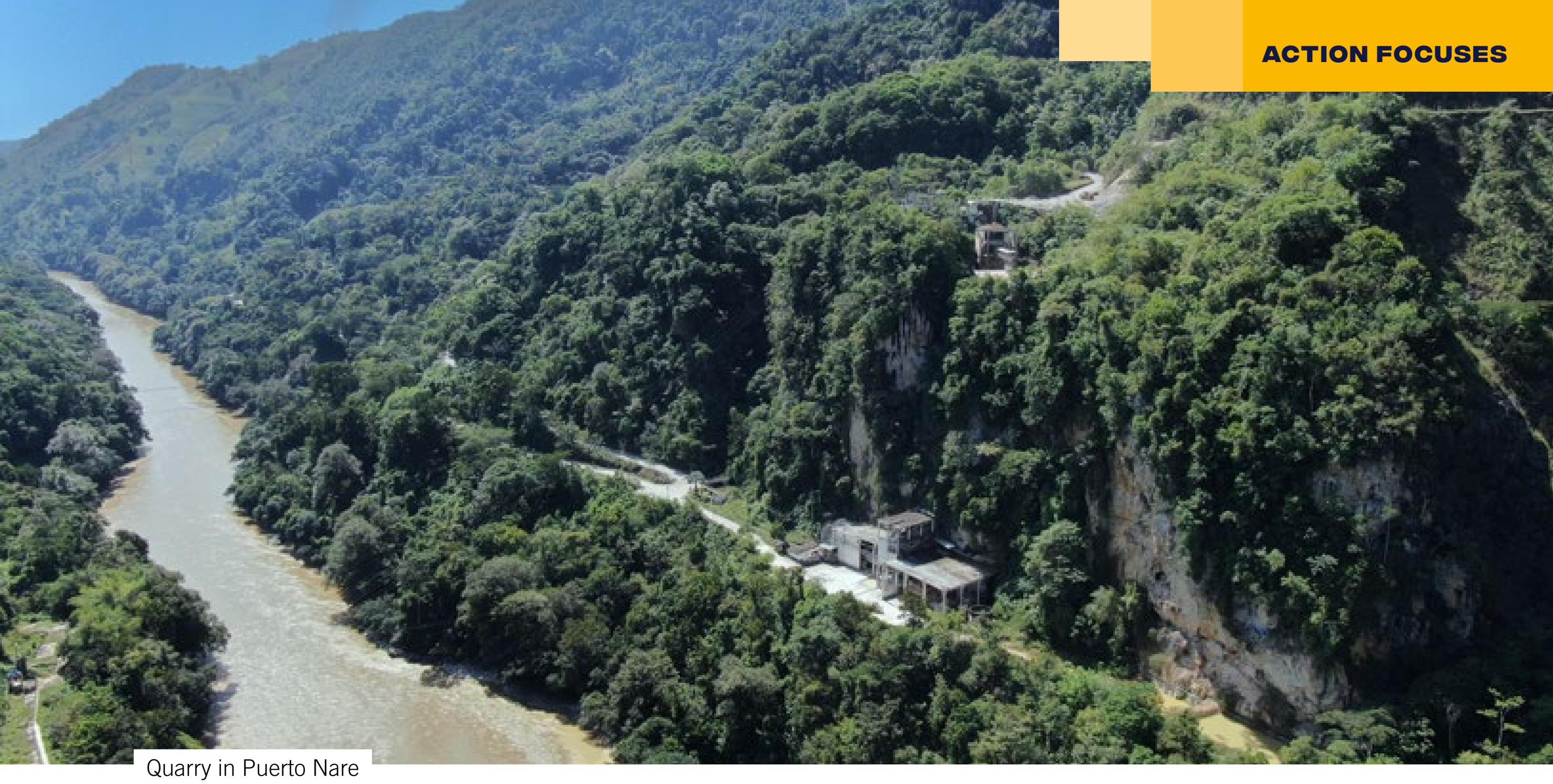
Learn more of our statement.

DEPENDENCY, IMPACTS, RISKS AND OPPORTUNITIES RELATED TO NATURE

In 2023, we carried out the first nature risk analysis in our direct operations, which allowed us to understand and evaluate the risks related to biodiversity and prepare an appropriate response plan, aimed at achieving our long-term objective. The LEAP (Locate, Assess, Evaluate, Assess and Prepare) approach established by TNFD and the Biodiversity Risk Filter tool were used as a reference for this analysis.

L	E	A	P
Locate Identify and prioritize key nature-related topics based on location and industry type.	***Evaluate*** Evaluate dependencies and impacts on nature.	***Assess*** Understand and assess the main risks and opportunities of nature.	***Prepare*** Define the action plan to respond to the identified risks and opportunities, and disclose related information.

On the other hand, to evaluate the criticality of areas of high biodiversity value in areas adjacent to the operations themselves, we continue with the biodiversity vulnerability analysis (HVBA) using IBAT (Integrated Biodiversity Assessment Tool). With this information, we prioritized efforts towards biodiversity management focused on high-value attributes and established management strategies in the Biodiversity Management Plans (BMP), aligned with the environmental, mining and closure management plans.



Quarry in Puerto Nare

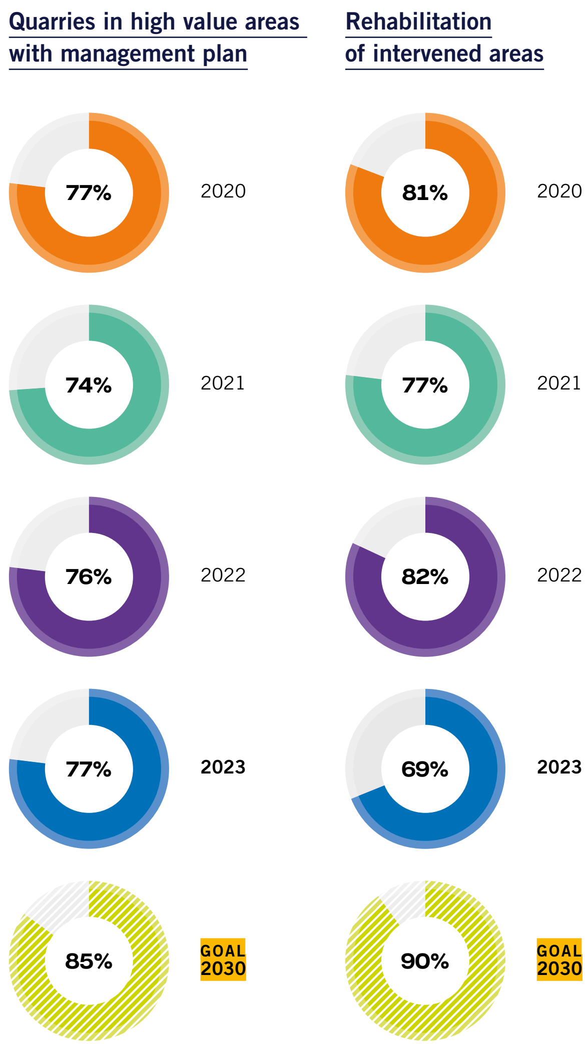
MITIGATION HIERARCHY AS A MECHANISM TO ACHIEVE A NET POSITIVE IMPACT

Our goal is to generate a net positive impact on biodiversity using the mitigation hierarchy (avoid, minimize, restore, offset) and management of biodiversity risks and opportunities in our operations. We use this conceptual framework in the Environmental and Social Impact Assessment to manage impacts on biodiversity and in subsequent analyses, such as high-value biodiversity assessments.

Learn more about our actions related to the mitigation hierarchy.

During 2023 we rehabilitated 341 hectares that were part of our mining operation, which is equivalent to 69% of the areas released in our quarries. In line with our commitment to not operate in areas of high biodiversity value, we continue to renounce mining titles in these types of areas, in the geographies where we have a presence.

By 2023, **100%** **OF ACTIVE QUARRIES** have a closure plan.



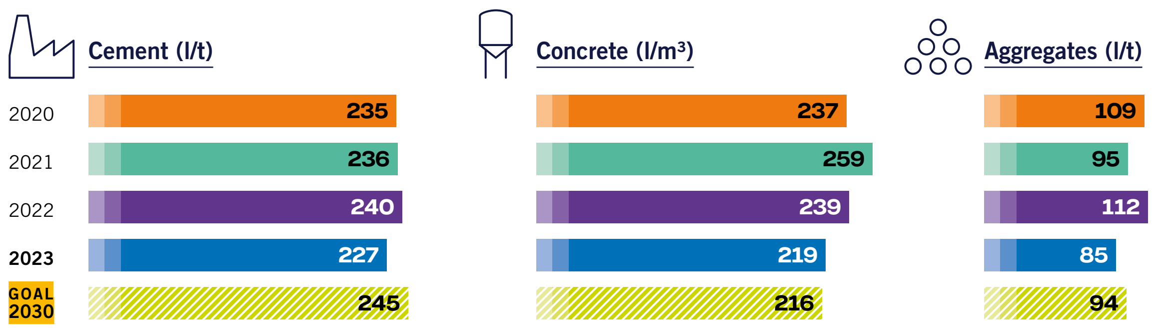
EFFICIENT USE OF WATER

We achieved a specific water consumption of 227 l/t in the cement business, 219 l/m^3 in concrete and 85 l/t in aggregates. which is equivalent to reductions of 5%, 9% and 24% compared to 2022 respectively.

10.37

MILLIONS OFm³ (98.4%) was the water recirculated in 2023, which corresponds to the average consumption of 56,000 families per year.

Specific water consumption



SUCCESS STORY

SALDAÑA RIVER, A BASIN OF LIFE

Between Las Hermosas Natural Park and the Nevado del Huila, the Saldaña River is born, the main tributary of the Magdalena River, in Tolima. Convinced that together we are stronger, we joined forces with the National Natural Parks of Colombia, Grupo Argos Foundation, Concretos Argos S. A. S, Regional Autonomous Corporation of Tolima and Wildlife Conservation Society (WCS) to create "Río Saldaña, a basin of life", a commitment to the conservation of biodiversity and ecosystem services associated with water resources that generate well-being for local populations in the Amoyá, Alto Saldaña-Siquila and Cucuana sub-basins, belonging to this river basin.

Since 2016, we have added technical and financial efforts to protect native forests, wetlands, springs and water courses, promote sustainable production alternatives and encourage the appropriation and conservation of biodiversity in communities. In 2023, we focused on recovering biodiversity and improving the quality of life of the inhabitants of the impact areas. To achieve this, we planted more than 10,015 seedlings of native species, rehabilitated 18.5 hectares, which is equivalent to 25 football fields, and achieved progress in sustainable production systems on 22 properties. 13 conservation agreements have been signed and it is expected to impact more than 1,981 hectares. At Water, Sanitation and Hygiene (WASH), we have contributed to improving the quality of drinking water through bio-sand filters.

New conservation areas have been created, where we have studied the local fauna, including mammals and birds, some in conservation categories. In addition, we have carried out environmental education activities, such as the creation of murals and the publication of informative notes.

After six years of collaboration, the project has reached 70% completion and has significantly improved the quality of life of the communities and preserved the biodiversity and sustainability of the Saldaña River.

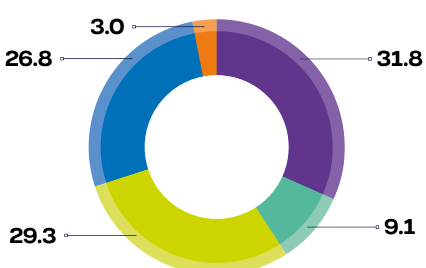
ASSESSING OUR WATER RISKS

We use the WRI Aqueduct and WWF Water Risk Filter tools to evaluate the water risk of our plants. This has allowed us to establish risk management plans, quantify potential impacts and design mitigation strategies to reduce exposure to water risk.

All of our active facilities are assessed for water stress levels. In 2023, 29.3% of our facilities were at a medium-high level.

Only **7.1%** **OF THE TOTAL WATER CONSUMPTION** of our operations is carried out in basins with medium or high water stress.

Percentage of facilities located in water-stressed basins

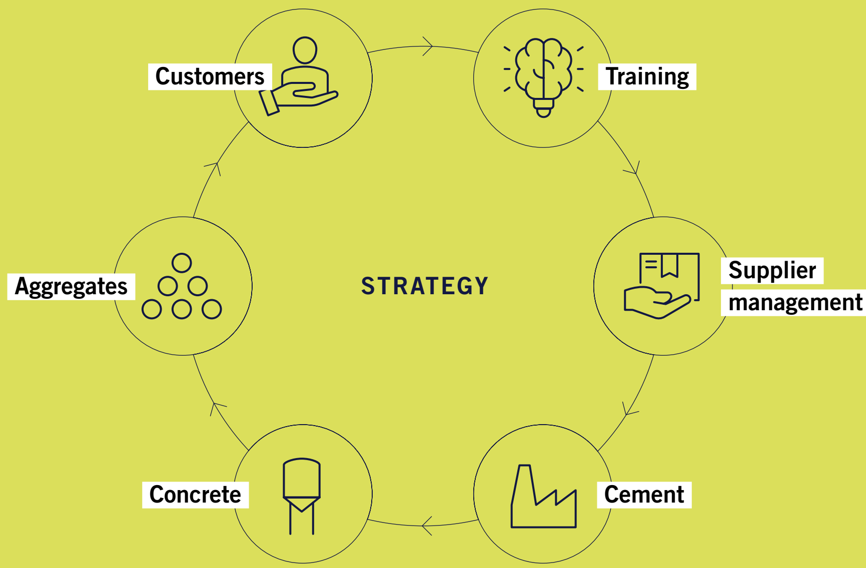


- Low stress
- Medium stress
- Medium-high stress
- High stress
- Extreme stress

Discover here other environmental indicators.

Circular economy

At Argos we implement actions that contribute to closing the cycle of resource use by taking advantage of waste or byproducts from other industries as raw materials or alternative fuels. In 2023, we build a roadmap, which will allow us to work on six axes:



- **Training:** Through training spaces, called Circularity Riders, we promote employees to acquire skills and participate in decision-making and actions that contribute to the circular economy.
- **Supplier management:** In our contribution to the circular economy, we collaborate closely with allies.
The supply chain plays a crucial role, in establishing circular standards for suppliers and offering training on the subject.
- **Cement business:** We contribute to closing the cycle of resource use with the use of waste produced by society or by other industries, such as raw materials or alternative fuels.
- **Concrete business:** We contribute to closing the cycle of resource use with the use of waste as supplementary cementitious materials (such as slag and ash) and recycled aggregates.
- **Aggregates business:** We focus on identifying opportunities to produce recycled aggregates from construction and demolition waste.
- **Customers:** Through our Green Solutions portfolio, we offer products and services that contribute to the circular economy, thanks to the fact that they reduce the use of non-renewable natural resources. To learn more information about our management of sustainable products and services, SEE PAGE 113.

Direct employees and contractors of the Toluviejo plant trained with the program

CIRCULARITY RIDERS

The Toluviejo plant in Colombia was the birthplace of our circular economy training plan, Circularity Riders. This was designed to empower our employees and communities with tools and knowledge to implement sustainable practices in their daily and work lives.

Through workshops and activities, this program educates about circular economy, promoting a sustainable culture. We engage employees and neighbours to create a collaborative network, promoting environmental practices and strengthening community relationships for a greener future.

In our first approach, we impacted 33 employees and 21 community leaders.

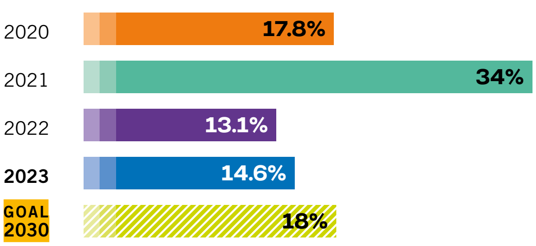
> *"The Circularity Riders program was carried out with a novel methodology and interesting content that will allow us to make transformations in our community and contribute to the care of our planet and its conservation. For the specific case of application in the educational institution, everything learned will help us strengthen our School Environmental Projects."*
>
> **Lucy Morel Pastrana,**
> Inmaculada Concepción Educational Institution, Toluviejo, Sucre.

WASTE CO-PROCESSING, OUR CONTRIBUTION TO CIRCULARITY

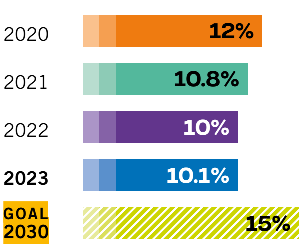
In 2023, we reached a 7.2% substitution of conventional fossil fuels with alternative fuels, such as tires, biomass, refuse-derived fuels (RDF), among others. We also achieved a 10.1% increase in the use of alternative raw materials, such as ash or slag, in cement production and achieved a 14.6% replacement of supplementary cementitious material in the concrete business. We managed to use more than 2 million tons of waste in our production processes and prevented them from ending up in landfills.

WE IMPLEMENT CIRCULAR ECONOMY MODELS

Supplementary cementitious material in concrete



Alternative raw materials in cement production




Employee in Honduras

The construction sector is one of the main generators of construction and demolition waste (CDW). The inadequate disposal of these has become a problem for the territories where we operate due to the lack of alternatives to carry out their proper use, which increases the volumes of final disposal in waste heaps or dumps.

In 2023, we obtained the Camacol Antioquia Award for Corporate Social Responsibility 2023, in the category of best environmental experiences, for the development of a process for the use of stone CDW at the Mina Bello Aggregates Plant, in Colombia, under an economic model circular that allows us to deliver to the customer a product with recycled material.

14.6%

SUBSTITUTION OF SUPPLEMENTARY CEMENTITIUOS MATERIAL
in the concrete business

10.1%

USE OF ALTERNATIVE RAW MATERIALS
in cement production

+7,000

TONS
of recycled aggregates in our Bello plant

SUCCESS STORY

USE OF "ECOMATERIAL" CONCRETE SLUDGE

Do you know what concrete sludge is?
They are waste from concrete production generated during activities such as internal cleaning of mixers, discarding excess concrete, plant cleaning, and returning concrete from the customer, among others. This usable waste, which we have called Ecomaterial, although it is currently disposed of properly, we have identified a potential value for use by our allies and community boards.

But what type of constructions have we carried out with Ecomaterial?
Together with our allies, we have made sidewalks, double tracks, and pedestrian bridges; we have reshaped roads, ditches, and headwalls and we have managed to pave streets and other constructions for the benefit of the communities.

As proof of the success of this program we share with you the following data!

- In the last 30 months, we used approximately 12,000 tons of Ecomaterial, which is equivalent to the weight of 2,000 adult African elephants.
- We managed to benefit more than 10 towns between Panama City and Colón.
- We positively impacted more than 12,000 people directly and indirectly more than 100,000
- We achieved savings for the company of more than USD 70,000 in costs for sludge disposal, and more than 96,000 dollars in savings transfer to the community boards, in the purchase of construction materials.

We invite you to **replicate our initiative** and to contact us if you have questions, because **together we are more!**

Green Sack Program in Colombia

MANAGEMENT OF OUR WASTE

We remain firm in our commitment to implement actions that reflect the principles of the circular economy: waste prevention, reduction, reuse and recycling. We do this through comprehensive management of the waste generated and compliance with current regulations. Some key initiatives are:

- Post-consumer agreements that reflect the principle of extended producer responsibility, returning waste electrical and electronic equipment, luminaire and lead acid batteries to suppliers.
- Composting programs for organic waste from our food services.
- Donation of cement and concrete waste to local communities to improve their infrastructure.
- Sale of metal scrap waste to be reincorporated into other production processes.

TEN YEARS OF GREEN SACKS

In 2023, the Green Sacks program, a leading Colombian pioneer in the use of packaging waste through reverse logistics, reached a significant milestone in celebrating its 10th anniversary. Find more information about this program at PAGE 119.

48%

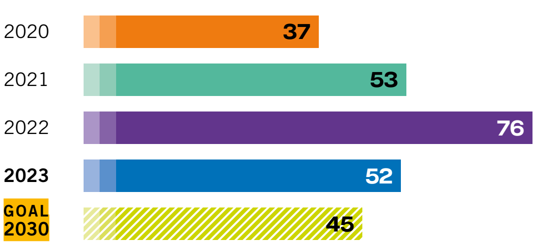
OF THE WASTE GENERATED
in our operations were reintegrated into the production cycle in 2023.

Other emissions

We are focused on the adequate measurement, control and reduction of SO_2 emissions, NOx and particulate matter (PM) generated by our processes, as well as on the prevention and mitigation of our dispersed emissions of particulate matter (dust) through operational control, optimization and renewal of emissions control systems.

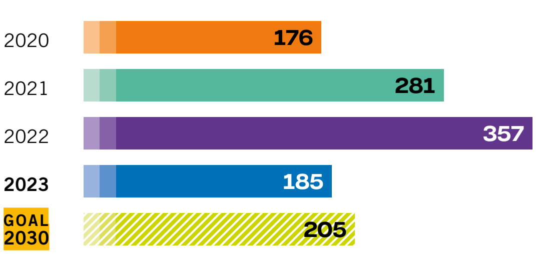
In 2023, there was a considerable improvement in PM, NOx and SO_2 emissions, with reductions of 32%, 15% and 48%, respectively, compared to the previous year. These reductions are attributed, above all, to the stabilization in the variability of the quality of coal available on the market and changes in burner technologies in our Rioclaro, Cartagena, Newberry and Harleyville plants. In addition, all our operations guaranteed legal compliance with the applicable regulations in each of the regions where we operate.

Specific emissions of particulate matter
MP (gMP/t clinker)



Specific NOx emissions (gNOx/t clinker)

Specific SO_2 emissions (gSO_2 /t clinker)



CHALLENGES AND OPPORTUNITIES

- Expand the biodiversity-related risk assessment methodology to prioritized suppliers and customers.
- Establish our roadmap towards a net positive impact on nature.
- Establish closure and rehabilitation plans for all of our facilities and biodiversity management plans for all of our facilities located in high-value areas.
- Ensure the integration and alignment of our circular economy roadmap, focusing on the effective articulation of the six defined axes, which will allow us to maximize the impact of our actions in the circular economy.
- Ensure a constant supply of high-quality raw materials and alternative fuels. Furthermore, maximizing the use of waste and by-products, not only contributes to the efficiency of our processes but also acts as a key factor in reducing CO_2 emissions. For more information about our management of climate change, SEE P .120.
- Continue with the implementation of control measures for the reduction of PM, SO_2 and NOx emissions, to achieve the goals established in the environmental strategy, taking into account the energy crisis that is occurring in the world.

SDG

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Impact on business

- Income generation

Strategic pillar

- Customer centricity

Hardware store in Colombia

ON THE WEB

CUSTOMER EXPERIENCE

Our customers are our reason for being; therefore, our commitment is to provide them with extraordinary solutions through a differentiated, safe and effective service through technological proposals and products that are accessible, affordable and innovative and that allow them to improve their management and even save time and costs.

In this way, we are mobilizers of industry transformation, market leaders and strategic allies of those who build and bring construction materials to communities to make their housing and infrastructure dreams come true.

At Cementos Argos we are motivated to team up to always provide more value to our customers, delivering extraordinary solutions, with passion, from the mine to the market. **This is our way of saying that we are Green Light for society.**

MANAGEMENT OBJECTIVES

For the company

Know and activate the mobilizers that drive our customers to connect and transact with our brand, to focus on the attributes of the value offer that are most appreciated by them. This management of the experience enables repurchase and loyalty, as well as the activation of new ones due to the recommendations that the market gives about the brand.

For society

Be key allies for our customers and society in the promotion of sustainable, smart and interconnected cities, promoting innovation with solutions that promote competitiveness.

HOW IT IS MANAGED

As a company, we have stated that, in our culture, the customer is our passion; this is why it is at the centre of our decisions. The path towards this strategy is led by the organization's management team; with them we delve into the current experience of our customers and their needs and we focus on:

- The development of customer-focused culture capabilities and methodologies designed for the interaction of employees with the consumer.
- Customer service processes and channels, established through customer experience models.
- The evaluation system that allows the monitoring of results and the action of improvement opportunities.

Hardware store employee in Colombia

2023 PERFORMANCE

CONSTRUYÁ, the loan to build your dreams

Seventeen years ago we launched one of the company's most beautiful programs: Construyá. This is a program that, through various allies, such as Mi Banco, Somos EPM and Soluciones de Crédito, has allowed the development of the hardware channel, making it possible for its unbanked customers to access financing that allows them to purchase our products and other complementary construction materials, to improve or remodel the infrastructure and health conditions of their homes or businesses.

+155,000

FAMILIES have benefited since 2006 from the purchase of construction materials in more than 2,000 warehouses and hardware stores in our marketing network.

9.5

BILLIONS were disbursed in 2023.

Transferring knowledge to our hardware allies and master builders

One of the ways we have implemented to generate permanent value for our customers has been through the transfer of knowledge. We are doing this mainly through two mechanisms:

1.

ACCOMPANIMENT IN CONSTRUCTIONS

The objective is to share technical and product knowledge with our customers and provide them with experiences on-site that promote safe practices and inspire innovation and industry excellence.

We have identified that, for our customers, this initiative helps them to acquire higher standards that have an impact on the success of their business and, for the company, it strengthens our relationships of trust and opens the opportunity for them to give us more direct feedback; this helps us to implement improvements in a more agile way and, therefore, to increase their satisfaction in the experience of using our products.

Along these lines, we want **to highlight the case of our operations in Panama,** where training and practical sampling of products has been established systematically seeking to reach the customer's needs and not the other way around. This has allowed us to consolidate a team that has been in charge of capturing new sales opportunities.

In 2023, we made more than **two hundred demonstrations** of our products, which included ready mixes, adhesives and grouts, road cement and applications, quality concrete and mortars.

2.

OFFERING FORMAL TRAINING PROGRAMS

Through educational programs (training, education and certifications) and with the support of public and private entities and unions in the sector, the objective is to strengthen and enhance the management skills and knowledge around the world of construction of our customers.

In 2023, the main topics addressed in the different courses offered were focused on: strategies to boost sales, how to inspire and motivate teams, business process improvement, consultative sales and leadership workshop, marketing for hardware stores, smart cities, applied technology for the sale of social housing and accessories such as tax compliance.

Additionally, the company has a platform called "360° Community in Concrete", which has the objective that builders, hardware dealers, masters and expert or enthusiastic self-builders have the same channel to learn, share and comment on ideas about the industry and the world.
of the construction.

I am very grateful to Argos for allowing us to train on such useful topics around the world of construction. I have participated in plans interpretation and budgeting classes; "These have been very useful for our lives."

René Mauricio Valeriano
Master builder

Discover René's testimony.

360 EN CONCRETO

+4,800

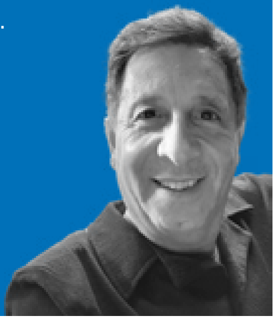
PEOPLE, among hardware dealers, shop assistants and master builders, were trained so far this year in all the markets where we participate.

We invite you to join our knowledge community, see the learning routes we offer or participate in one of the **more than ninety courses and content that we have available.**


Construction customer in Panama

To consolidate our customer-centric culture, this year **we began communicating our culture statement to all teams** and we shared the key indicators that we must know to guarantee the experience of our customers.

> *Cementos Argos is more than a supplier, it is an ally of our business, an ally that promotes mutual growth through the support of its services and products, the value of its brand and a relationship of trust that strengthens us as its customers."*
>
> **Hugo Toro**
> Touch S. A.



Customer experience evaluation

Measuring customer experience is a discipline that has been gradually and systemically adopted since 2019 and has, to date, reached 89% coverage of our revenue.

The purpose of this is to know the perceptions of our customers in their transactions, connection with the brand and value offer. To achieve this objective and after having implemented the required mechanisms to collect data in real-time, we have decided to dynamically measure the Net Promoter Score (NPS), which is one of the tools most used by the largest companies in the world to understand both the perception of their customers and their intention to continue purchasing products and services from them.

We want to highlight the management of the Colombia Regional, which reached an NPS of 75.7% and in the last two years has shown a very significant growth trend and a high response rate thanks to the strategies and efforts made in this regard.

+36,000
NPS ASSESSMENTS
received in 2023

62.8%
CONSOLIDATED NPS[10]
results at the 2023 level

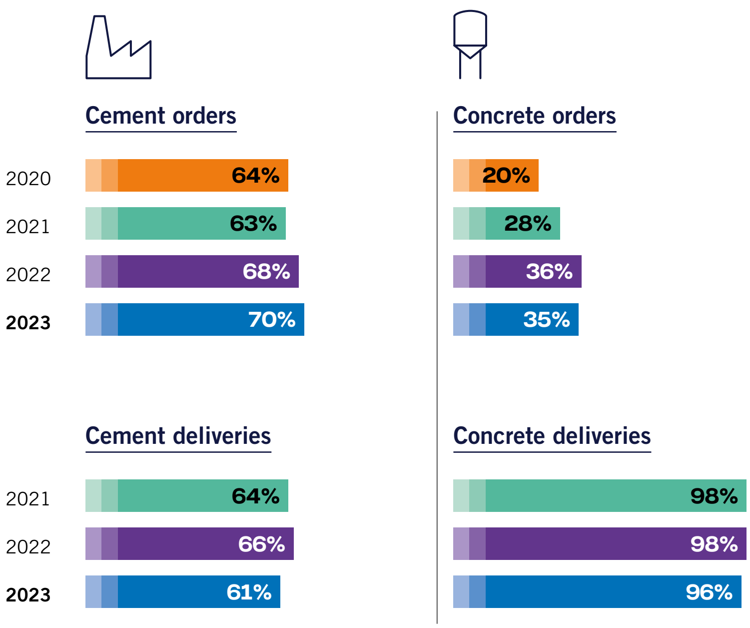
10 According to Retently, one of the leading providers of NPS software*, the average score for the construction industry is 45%, while QuestionPro ranks it at 52%. In NPS, the relative comparison with industry players is more important than the absolute score, but Bain & Co (creators of the indicator) suggest that above 20% is good, above 50% is excellent, and above 80% is world-class performance.*

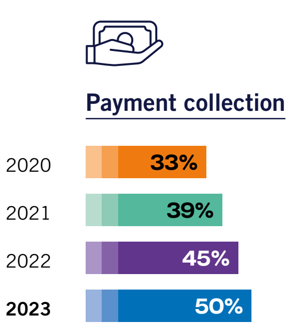
Argos One, our digital strategy

We continue strengthening our Argos One digital platform in Colombia, the United States, Panama, Honduras and Puerto Rico. With this, we integrate the different digital services that we make available to our customers, simplifying and streamlining their interactions with our company through an agile and friendly experience through modern technologies, such as artificial intelligence (AI), and chatbots with AI generative and process automation.

Security in the transactions and operations of our digital ecosystem is a central element in our management to create relationships of trust with our customers. Therefore, in 2023 we increased efforts to identify and mitigate security vulnerabilities on the platform.

During 2023, digital adoption maintained stable and positive behavior by our customers:





In Colombia we highlight that this year we began to measure the Digital Global Score indicator, which allows us to identify the level of digital adoption at all customer interaction points, from purchase to payment. For this region, in 2023 this indicator closed at 69% for cement and 57% for concrete. By 2024, we hope to apply this metric in the rest of the geographies where the company has a presence.

In United States we focused our efforts on the digital experience throughout the customer journey. We highlight the implementation of an Online Loan Application to offer our customers a first-contact digital experience for their credit application in a few minutes, a process that previously could take several days. At the end of 2023, more than one hundred applications were received and there was an adoption of 17% in just three months, with the potential to be the main method of credit requests in the coming years. We also automated the one-click download of lien waiver certificates, which waive the right of retention for customers and projects in the construction industry.

By 2024, we will continue working to make the necessary adjustments in light of the new operation with Summit Materials, adapting the required processes and co-creating solutions, guaranteeing business continuity and the satisfaction of our customers at all times.

During 2023, we implemented a data party strategy in Colombia, Panama and Honduras. This strategy seeks to capture information about customers' digital behavior, to make data-based decisions to improve their experience and strengthen our relationship with them.

WhatsApp chatbot

The WhatsApp chatbot has been a key tool in strengthening the company's digital strategy.

In the case of Honduras, this strategy has allowed the country's digital adoption to increase by fourteen percentage points compared to the result of January 2023.

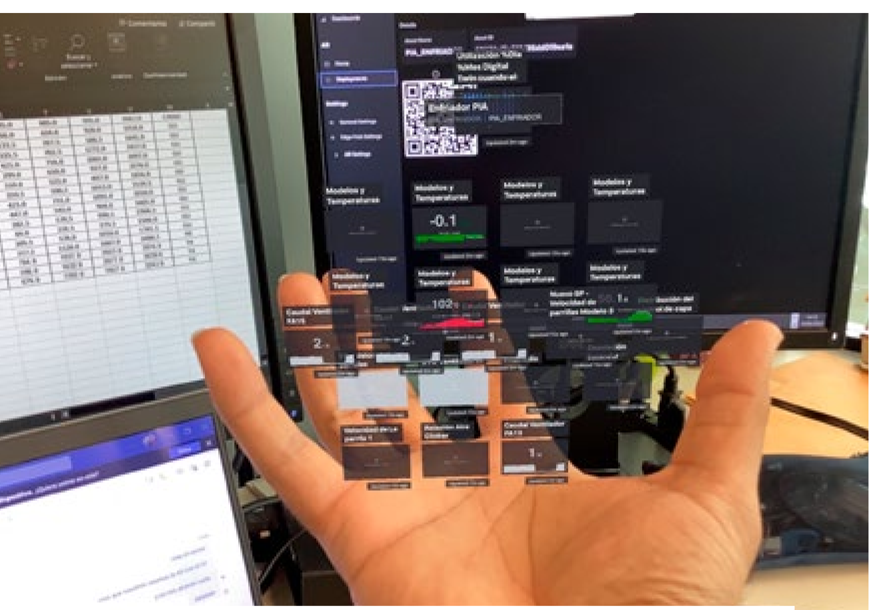
In Panama, customers such as the Panama Norte Metro line consortium, which currently manages close to 90% of its orders through our digital platform, have reported significant efficiencies in their concrete scheduling and dispatch process.

In Puerto Rico, this has been the first digital strategy incorporated in the country and during the year 2024 the objective is to massify this channel and incorporate other functionalities and capabilities.

Finally, in Colombia, in 2023, nearly forty customers were part of a pilot to adopt this new experience and, in addition to streamlining their concrete scheduling and dispatch processes, they have provided permanent feedback for the continuous evolution of the channel.

We continue to successfully implement the customer profiling strategy to provide scheduling alternatives that offer greater availability to those with the best performance in their scheduling habits, volumes and time on site.

> *My experience at the Argos Store has always been memorable; it is an agile, intuitive and reliable portal. Each order placed arrived without incident and we always had the shipping information. The platform always had the information I needed and, in addition, it had an excellent support team for any questions that might arise during the purchasing process, especially at the beginning. I loved it."*
>
> **Margarita Cossio**
> Store User



Digital twins with augmented reality offer a more complete and accurate view of industrial processes.

Argos Store

We continue to strengthen our e-commerce channel (B2C) through the Argos Store, a platform designed to comprehensively address the needs of our users in the construction and remodelling processes. The Argos Store has emerged as a key reference for our customers, providing a fluid and efficient shopping experience. Its intuitive interface makes it easy for our users to search and purchase our products.

Visit our Argos Store.

Hardware Retailer's Day Celebration in Honduras

Faithful customers

At Argos we know that the key to creating lasting relationships with our customers and building loyalty is having a differentiating factor, offering quality advice and achieving specific knowledge of their needs.
However, in addition to that, in some of our regions, such as Colombia and Honduras, we have loyalty programs that reward our customers' commitment and loyalty to the company.

260

END USERS registered and loyal

+801,000

PESOS IN INCOME for loyalty sacks

GANAMÁS+

In Honduras, the Earn More loyalty plan is focused on two segments:

1. **Hardware customers:** Cementos Argos customers earn points for the purchase of cement.
2. **Hardware store seller and final consumer:** The clerks who sell within our customer's hardware store and the final consumers earn points per cement purchase invoice entered into the loyalty plan.

6

HARDWARE STORES registered to date and 10 new hardware stores to enter in December 2023

AMIGOS DE ARGOS

In Colombia, our Friends of Argos loyalty program is divided into three segments:

1. **Friends of Argos for the main hardware customers and their mass business employees:** Hardware dealers accumulate points for purchases from Cementos Argos month by month and shop assistants accumulate points for the sales of Argos products they make.
2. **Friends of Argos for master builders:** seeks to retain this audience by accumulating points for purchase invoices for Argos products in hardware stores.
3. **Friends of Argos for employees and referrals:** benefit for employees, their friends and family, which allows them to purchase the company's products at special prices.

In both programs, points can be redeemed for rewards customized to their specific needs. Likewise, important dates are celebrated with them, such as Construction Worker's Day, and Seller's Day, among others.

The introduction of these personalized loyalty plans strengthens the connection with our customers, offering those who participate in the chain benefits that seek to expand the impact on the marketing of our products positively.

+14,000
ENROLLED END USERS

4
BILLION PESOS in purchases from referrals and family members

220
MILLIONS PESOS at points charged to hardware dealers and shop assistants

150
MILLIONS PESOS loaded on employee incentives

Customers and employee in Colombia

CHALLENGES AND OPPORTUNITIES

- Increase the response rate received in transactional NPS measurement surveys (order and delivery transactions), as this will help us have a better understanding of our performance.
- Increase the penetration of digital initiatives to be leaders in the digital transformation of the value chain in those markets with great technological opportunities.
- Systematically implement the measurement of customer experience in the Caribbean countries where we have a presence.

SDG

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
17 PARTNERSHIPS FOR THE GOALS

Impact on business

- Income generation

Strategic pillar

- People revolution

Administrative employees in Honduras

ON THE WEB

TALENT MANAGEMENT AND INCLUSION

At Argos, we recognize the importance of having talent to advance our objective of contributing to the transformation of society. We strive to establish optimal working conditions that promote the personal and professional development of our team, in favour of a balance between profitability and social and environmental responsibility. We seek to create work environments that promote respect and appreciation of differences, aspiring to contribute to the construction of a society in which all people have the opportunity to develop their potential to the fullest.

MANAGEMENT OBJECTIVES

For the company

Consolidate an extraordinary team that welcomes change as an opportunity, that creates shared value in collaborative and inclusive work environments to face current and future challenges and that is an ally for business growth and the generation of innovative solutions, in a clear balance between profitability, social development and environmental impact.

For society

Transform our society through the development and empowerment of people who are aware of their environment, who transcend, who generate value with each of their actions and who are willing to make a difference in the societies they impact. The above, under criteria of diversity and inclusion and behaviours that go beyond our operations and generate well-being and positive impact in the communities.

HOW IT IS MANAGED

Our talent management is human-centred and seeks to offer the best experience to our employees so that they become protagonists of their development. We are convinced that diversity enriches and adds value; therefore, it is necessary to have people who assume their development decisively and comprehensively, being architects of their growth, while contributing the best of themselves. At Argos, talent potential is managed through three fundamental lines:

1.

DEVELOPMENT, MAINTENANCE AND STRENGTHENING OF CRITICAL COMPETENCIES

Our continuous performance management program ensures that feedback is timely and that each employee is the protagonist and responsible for his or her growth process, with the support of its leader. Additionally, our training program is aimed at developing, maintaining and strengthening critical competencies at each stage of the employee's evolution.

2.

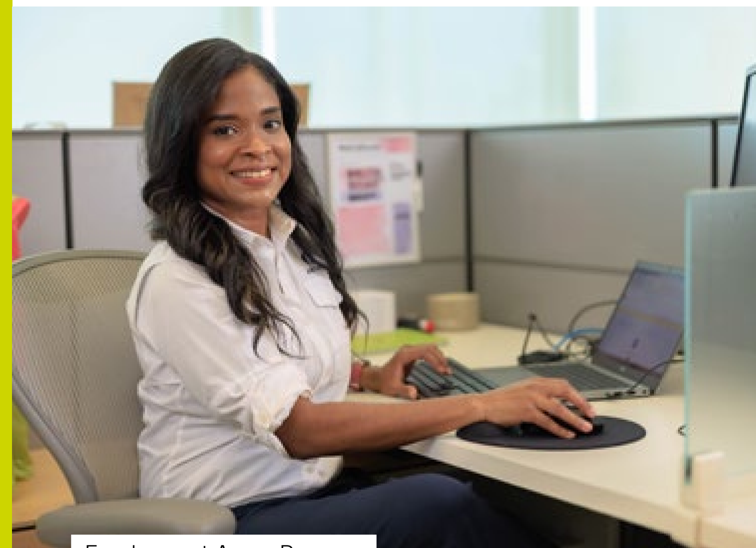
RECRUITMENT, RETENTION AND DEVELOPMENT OF THE BEST TALENT

The objective is to have the right people to perform successfully in each job position. For this, we structure and develop programs through which we identify and evaluate our talent, their priorities, ambitions and goals, to execute growth plans that strengthen talent in the medium and long term.

3.

PROMOTION OF HIGH STANDARDS IN WORK PRACTICES

We are passionate and committed to diversity, equity and inclusion and firmly believe in the transformative power of these values. Furthermore, we are confident in its ability to generate competitive advantages to guarantee the construction of a multicultural and interdisciplinary company. Therefore, we are committed, internally and externally, to guaranteeing the right to free association, promoting social dialogue, equal participation in processes and respect for diversity and inclusion.



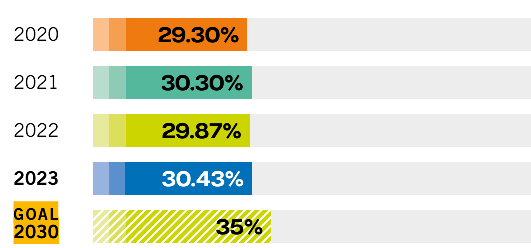
Employee at Argos Panama

2023 PERFORMANCE

Management development with emphasis on gender equality

Committed to female leadership and in search of superior development of their capabilities in this aspect, we welcomed the second participating cohort of the management capabilities development program with an emphasis on gender equity, this time with a focus on developing professionals from the different company operations. This cohort, made up of 33 women, prioritized personal development as a fundamental pillar to promote future leadership.

Leadership positions held by women



30.43%

OF LEADERSHIP POSITIONS are held by women.

Employee at terminal San Juan, Puerto Rico

Development and succession routes

Our challenge is to guarantee business continuity, facilitate the transfer of critical knowledge and ensure the integrity of the organizational structure. In 2023, we consolidated and strengthened our processes related to succession plans for critical positions and the development routes of our employees.

Internal mobility rate

2020	6.85 %
2021	9.18 %
2022	10.72 %
2023	11.96 %

14.28%

OF VACANCIES IN CRITICAL POSITIONS in 2023 have been filled by people participating in the development and succession plan.

SUCCESS STORY

SUMMA: FROM THE DIVERSITY OF BEING, WE ENABLE GROWTH AND TRANSFORMATION

“Summa, beyond a service center, is a strategic ally of Cementos Argos. It has a team of more than 900 people who are passionate about serving, learning and positioning themselves in a sector in which automation, digitalization and creativity are fundamental elements for providing world-class services in areas such as finance, procurement, technology and human resources management, enabling businesses to focus their efforts on strengthening their strategy and core business, which, in the case of Cementos Argos, is the production and sale of cement, concrete and aggregates.

Summa has positioned itself as a dynamic, flexible and adaptable company that is characterized by seeking solutions and focusing on the development of its human team, being a source of opportunities for young people, for many who need experience and find there, for example, their first job. Summa's strategy is focused on offering quality employment based on knowledge, adding value to its customers and offering opportunities to new generations. In 2023, it had more than 132,000 hours of training, which demonstrates the company's commitment to generating development opportunities.

We maintain a constant search for alternatives that allow us to be better every day and maximize the trust of our stakeholders through inspiring and reliable solutions, which lead us to be allies in the transformation of the country, providing tools, knowledge and resources to everyone. our team of employees and transforming the future of all those who choose us as the best place to work.”

Martha Ligia Delgado
Summa General Leader

+50%

OF THE EMPLOYEES from Summa are experiencing their first formal job.

Conversations for Development

Performance management and valuable, transparent and continuous conversations are fundamental pillars to guarantee a healthy work environment, align our goals, strengthen teams and enhance the growth of our employees and the company.

Excellence and openness to constructive dialogue begin with example; therefore, performance management starts from senior management, with annual cycles in which Conversations for Development and evaluations are activated. Additionally, the possibility of providing comprehensive feedback and recognition between leaders, peers and subordinates is permanently enabled.

Performance management is supported by a technological tool that acts as a repository and facilitates the traceability of the different events, as follows:

This exercise covered **100% at the executive level,** senior management, middle management and specialist level. In **the operation, 85%** of the workforce was reached.

- In Colombia, the value of the Conversations for Development was redefined at an operational level, and a satisfaction indicator for the initiative was reached above 74%.
- In the United States, the Conversations for Development were launched, with the participation of more than 90% of employees.
- Feedback was established as a behavioral habit in Central America and the Caribbean.
- In Honduras, more than 1,622 recognitions were made that seek to inspire and mobilize the culture of recognition among employees.
- In Central America, we implemented the 360-720 feedback for leaders and senior management, which aims to measure progress and evolution with two measurements made by the same evaluators at both times.

PERFORMANCE MANAGEMENT
Permanent annual cycle

START
At the beginning of performance conversations, competencies and annual objectives to strengthen are defined. These elements guide the leader-employee process, which is continually developed and documented throughout the year.

CLOSING
At the end of the cycle, the objectives and fit with the company culture are individually evaluated. To strengthen organizational leadership, the process is enriched with a 360 evaluation, guaranteeing a comprehensive view of the performance and development of each individual.

Types of evaluations: management by objectives, 360 evaluations and permanent and agile conversations.

academia
protagonista de tu desarrollo

Argos consolidates itself as a learning ecosystem

The reconfiguration of the corporate model of competencies of the business group, a road map for the development of our talent, drives the creation of the Argos Academy. The Academy is a program that contributes to strategy, enables development and increases performance, based on agile, meaningful and progressive learning. The person, the management and the team is the winning triad that makes up our academy. With this, Argos consolidates itself as a learning ecosystem under the motto of "protagonist of your development."

238,328
TRAINING HOURS
in 2023, of which 6.95% are related to leadership development.

Knowledge management leverages reliable operations

Our purpose is to ensure the reliability of our operations; therefore, we seek to strengthen knowledge management as a key and critical element within our process.

In this sense, in Colombia, we implement a knowledge management model that responds to our needs and seeks to identify, secure and provide the critical knowledge that drives the development and sustainability of operations.

Learn more about our management indicators **here**.

In 2023, **904 required skills were identified,** of which 7% are critical and are being managed to mitigate the risk of loss and impact on operations.

Employee in Puerto Nare, Colombia

The satisfaction and commitment of employees, evaluated through the measurement of the work environment, showed a **93% favorability.**

Committed to the well-being and quality of life of employees

During 2023, we carried out the work environment measurement, which reached participation of 92% and had a notable improvement, compared to previous measurements, in dimensions such as employee experience and satisfaction, which reflects the emotional connection and alignment of our team with the company's values.

At Argos we continue to focus on flexibility with responsibility; 602 of our employees are teleworkers in some form: supplementary, self-employed or remote.

Additionally, committed to guaranteeing the best health and working conditions for all our employees, we implemented the psychosocial risk diagnosis in Colombia, Central America and the Caribbean, in which the factors evaluated show a positive profile for the company, with no high-risk alert; the presence of protective factors, such as the sense of belonging and positive leadership styles, stands out.

For more details on our management of safety, health and personal well-being, SEE PAGE 156.

Diversity, Equity and Inclusion (DEI)

Committed to closing gender gaps and promoting inclusion and diversity in all the geographies in which we have a presence, we continue to carry out affirmative actions that leverage our purpose.

- **In Honduras** we signed a collaboration agreement with the United States Agency for International Development, USAID, to continue promoting the employability of women and young people. Within the framework of this agreement, the training program for women as forklift and machinery operators was launched, in conjunction with the Honduran Chamber of the Construction Industry, with which twelve Honduran women were certified.
- **In the United States** for the first time, the executive team was made up of a woman, in the position of Chief Financial Officer (CFO).

We have **329** **WOMEN** in operational roles in the company: **56** in Central America and the Caribbean, **186** in Colombia and **87** in the United States.

Diversity multipliers

It is a program whose objective is to annually train approximately 100 employees of the Grupo Empresarial with the necessary influence capacity to promote the management of diversity and inclusion in the organization. This program constitutes a network of leaders with the knowledge and empowerment necessary to implement concrete actions in the business units. Participants can recognize unconscious biases and know the different aspects of diversity and inclusion.

Work practices

In 2023, different negotiation spaces and collective bargaining discussions took place in Colombia, Panama and the United States, where the agreements reflect the joint commitment to ensure the sustainability of the company. Additionally, within the framework of the commemoration of the ten years of the creation of the policy and the beginning of affirmative actions for diversity, equity and inclusion at Argos, we signed a declaration of commitment with the union organizations of Colombia, Panama and Honduras, which represents the effort to create respectful, equitable and inclusive work environments.

CHALLENGES AND OPPORTUNITIES

- Leverage a better customer experience from our culture.
- Guarantee the continuity of operations, through the identification of emerging talent and prioritizing its development.
- Drive and encourage data-based decision making for all levels of human management teams.

ADHESIONS, AWARDS AND RECOGNITIONS

- In the Merco Talento Colombia measurement, we ranked position 13.
- In the Ranking of Inclusive Companies in Latin America, we are in 14th place.
- In SUMMA magazine's ranking of the most sustainable companies in Central America and the Dominican Republic, we ranked 9th.
- In Colombia, we obtained the Equipares Labor Equity Seal, gold category, for our efforts in gender equity and diversity.
- We achieved the recertification of "Sí Género", a gold level gender equality seal, in Panama.
- We achieved the "Igualando" certification, bronze seal, in the Dominican Republic, which positions us as the first cement company to obtain it in the country.
- We participated in the first edition of the Ranking Merco in the Dominican Republic.

SDG

Impact on business
- Risk

Strategic pillar
- People revolution

Employees in Honduras

ON THE WEB

SAFETY, HEALTH AND PERSONAL WELL-BEING

Safety and health in our lives are the main values for building our dreams and of those around us. Our strategy and values in comprehensive health and safety transcend the most demanding global standards for risk management and mobilize us every day to achieve our objectives.

At Argos we focus on strengthening and making visible leadership and relationships of trust as key elements to take care of each other; we are inspired to contribute to the development of a safe and healthy society. Therefore, we focus beyond ZERO (zero injuries, illnesses and effects on our employees and stakeholders) to raise awareness about well-being and the value of life.

MANAGEMENT OBJECTIVES

For the company

Remain safe and healthy inside and outside the company facilities through teamwork, strengthening leadership and empowering everyone, providing safe and healthy conditions to all our employees, contractors and visitors.

For society

Transcend our workplaces and schedules to contribute to the development of safe and healthy territories and thus generate a positive impact on the well-being of our contractors, employees and their families and the different stakeholders with whom we interact.

HOW IT IS MANAGED

I Promise: The heart of our culture!

Since 2014, our I Promise management system has been the main mobilizer of culture towards care and well-being since it provides our employees and contractors with a toolbox to discuss and experience safety as an integral part of all our processes and thus be able to achieve and sustain our goal of zero occupational injuries and illnesses.

I Promise has responded to global needs and trends; therefore, since 2022, we have implemented **I Act for empathetic and conscious leadership,** a program that strengthens and boosts leaders' abilities to inspire and influence teams. During 2023, we will integrate health and well-being with a personal approach, developing a model that will leverage the purpose of becoming a healing organization and that will be progressively integrated into our current health and safety strategy.

Employee at Piedras Azules Plant

Our priority plans to achieve the safety, health and well-being strategy are:

LEADERSHIP AND RESPONSIBILITY

We share our vision in safety, health and well-being ensuring that we all understand, take responsibility and are empowered to achieve and sustain zero.

Goal:
Zero serious injuries to our employees and contractors by 2025.

DEVELOPMENT OF SKILLS AND COMPREHENSIVE RISK MANAGEMENT

We work so that we all know the risks and apply control measures to avoid occupational injuries and illnesses.

Goals:
- Reduce by **50%** total injuries by 2025, to achieve a maximum of 306 cases.
- Reduce by **30%** occupational diseases by 2025.

COMMUNICATION AND CULTURE

We inspire work teams to choose to work safely and healthily, applying, understanding and being aware of the consequences of complying or not with adequate management.

Goal:
Formulate annually at least **a project** that enhances the change in trends in the prioritized indicators.

OPERATIONAL EXCELLENCE

We continually learn and improve, sharing our best practices, and promoting safety and health as a habit and a value that permeates daily actions and decisions.

Goals:
- Decrease by **50%** absenteeism due to general illness by 2025.
- **100%** of high-risk situations will be intervened within the deadlines established in the security application.

2023 PERFORMANCE

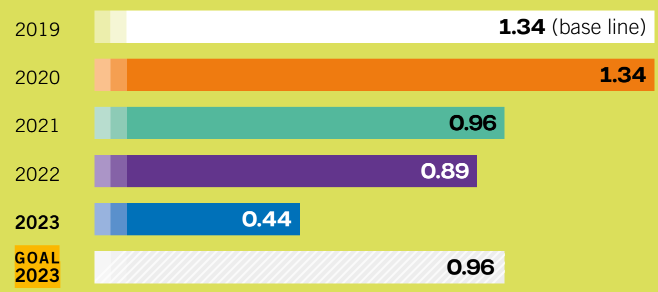
The extraordinary results of 2023 have been achieved as a result of the conviction of the teams to do each task safely, being aware of the impact of their actions on others; they were also supported by a solid governance structure, committed and present in the **moments of value** [11] and **monthly committees,** through which the strategic indicators are monitored and reports are prepared for escalation to the Board of Directors and its Sustainability and Corporate Governance Committee.

35

MOMENTS OF VALUE
with the Steering Committee, that is, an increase of 25% compared to 2022.

Our management in figures

1. FREQUENCY INDEX



0.44

IS THE OVERALL FREQUENCY INDEX
reached in 2023.

We highlight that for the fifth consecutive year, we achieved a decrease of 67% compared to the baseline (2019). Concerning our contractors and suppliers, the frequency rate achieved is 0.26, which means a reduction of 57% compared to 2022.

2. FATALITIES

0

FATALITIES in direct employees and contractors for the third consecutive year.

Recurring goal

ZERO

3. SERIOUS INJURIES

66%

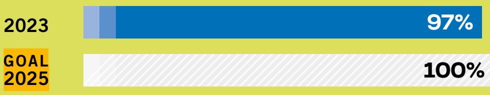
WAS THE REDUCTION
of serious injuries compared to 2019.

Goal by 2025

ZERO
serious injuries

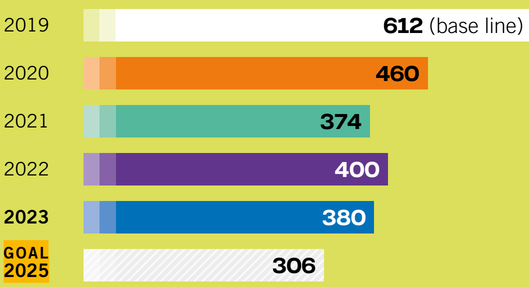
11 Moments of value are recurring spaces for sharing experiences, situations, research results or emerging issues in the countries' operations, and are accompanied or directed by the members of the Steering Committee.

4. HIGH RISK SITUATIONS



During 2023, we managed to intervene promptly in 97% of the high-risk situations that were identified in operations, through scheduled and unscheduled inspections.

5. TOTAL INJURIES



38%

WAS THE REDUCTION

of total injuries compared to the baseline.

6. HEALTH AND WELL-BEING INDICATOR

In 2023, this indicator was implemented, which reflects comprehensive and proactive management in health and well-being. It contains five sub-indicators: healing organizations, control of health risks at work, psychosocial risk, cardiovascular risk and health policy accidents.

In this first year of measurement, we achieved a result of 58% with the countries that achieved its implementation: Colombia, Panama, Honduras, Dominican Republic and Puerto Rico. We hope, by 2024, to complete its implementation, including all countries, and thus be able to establish a baseline on which a medium-term goal is projected.

Employees in Honduras

7. INCIDENCE OF OCCUPATIONAL ILLNESS

The reduction in occupational diseases is a result that is visualized in the long term, and the indicator is affected by legal and administrative aspects. During 2022, the responsible entities accelerated the legal processes of disease classification, which resulted in a more efficient issuance of opinions, which resulted in a numerical increase in cases, from 8 in 2022 to 12 in 2023. Similar behavior is expected during 2024.

8. ABSENTEEISM DUE TO GENERAL ILLNESS

This aspect had an increase in 2023 when reaching **1,801 days lost for every million man-hours worked.** New actions will be reviewed to implement in 2024 to achieve better results and the goal established for 2025.

Management Walks: another vision of operations

Influencing and inspiring our teams to work safely and healthily, and raising their level of awareness to make the best decisions when facing risks, requires willingness and enthusiasm from leaders.

This, in line with our priority plan **leadership and responsibility,** we have achieved this through the Management Walks initiative, in which our leaders, with their presence, conversation, active and close listening, understand the day-to-day challenges and motivate their teams to expedite the approach to the opportunities found.

We highlight the impact of this program in the Central America and Caribbean Region, where the total injury rates, which had been increasing during 2022, have improved their trend and have allowed us to sustain actions and motivate teams to remain committed and participate in continuous improvement and operational excellence.

Employee in Colombia

The **ADAS** allow us to increase safety, facilitate driving and prevent incidents, since, thanks to your support, we have reduced rollovers by 100% compared to 2022.

You are never alone on the road: Advanced Driver Assistance Systems (ADAS)

Our drivers' working days are very demanding due to city traffic and road conditions.

Aware of this, Argos has decided to accompany and support them in these critical activities through our **ADAS** (Advanced Driving Assistance Systems).

These assistants allow our drivers, in the event of inattention, any sign of erratic driving or any failure to comply with internal procedures, to react appropriately and prevent the occurrence of an event. This technology also records all information that can be used to improve road safety and training processes.

In our fleet of trucks, we have seventy own and contractor vehicles that have ADAS; of these, 100% have not been involved in road incidents.

Do you know what a high-risk task is?

A high-risk task is one that, due to its nature or place where it is performed, involves greater exposure to danger, and that can more frequently cause severe or, sometimes, fatal accidents.

In our operations, we perform high-risk tasks such as the following:

- Change or repair roofs, just as you do in your house.
- Confined spaces, just like you see sewer work on the streets.
- Hot work, which is mainly welding of structures.
- Energy isolation, such as when you are changing an outlet in your house.
- Load lifting, which is the lifting of parts using different equipment such as cranes or forklifts.

At Argos, scheduled equipment maintenance can take 20 days and involve 840 high-risk tasks implemented simultaneously; this is why it is so important that our leaders have the skills and experience to approve and execute these tasks.

Taking into account the above, during 2023 and faithful to our commitment to the **development of skills and comprehensive risk management,** we updated the technical criteria of the work permit for high-risk tasks. We trained 700 leaders in the safe execution of scheduled maintenance.

Technologies at the service of health, safety and well-being

Today our employees immerse themselves in a world of learning through experimentation with simulators that confront them with risk situations recreated in controlled environments such as:

- Falls due to not using the three points of support on stairs or vehicles
- Falls while working at heights
- Burns in cyclone unclogging processes
- Carrying out tasks with energy isolation
- Safe driving and rollover prevention

With these experiences, we address our priority plan for operational excellence and enable the improvement of the teams' preparation to make appropriate decisions and prevent the repetition of unwanted events.

This learning process is not static, it constantly evolves to offer a more immersive experience.

For example, in the driving simulators, we now not only control the speed of the simulator, as was done in its initial phase but also promote awareness of the safe distance between vehicles and educate about defensive driving to prevent inappropriate reactions. With this, we have recorded an 80% reduction in overturns compared to 2022.

In the case of the United States, since 2019 and as a result of the number of events (simple collisions and rollovers), the virtual reality simulator of rollovers in concrete operations was designed and implemented.

This equipment works by recreating the road conditions, the interaction with other road actors, situations to which drivers are exposed and the results of their decisions; in short, it is a total immersion that connects with experiences lived while driving the equipment and that fixes in the memory of those who live the experience the way events occur.

+3,200 EMPLOYEES

have actively participated in these simulation spaces; this has contributed 20% to the decrease in the company's frequency and total injury rate.

Learn more here about our management indicators.

Employees in Antilles

Emotional security, an emerging issue for a healthy organization - Mia

In 2023 after a successful process, we arrived at Mia, a chatbot that uses artificial intelligence to, based on a WhatsApp conversation, predict the risk of having a consequence on mental health in the next three to six months.

- It is active 24/7.
- Provides information for the company in real time.
- Depending on the level of risk detected, the boarding protocol is activated.
- It has a crisis network: if it detects a case, it activates the immediate attention of an expert (with a reaction time of three minutes).
- Mia has the ability to communicate in different languages and adapt to colloquial language.
- 100% of people at high, very high and medium risk have been directed according to the protocol.
- More than 80% of people at high and very high risk had not identified it as such; therefore, it has worked as a predictive, therefore preventive, tool.

One of the most relevant challenges for the company is the management of emotional and mental health since it depends on many individual aspects and the changing environments in which we move daily. Identifying the emotional health states of employees will allow us, as a company, to generate closeness and provide the necessary assistance at opportune times, to remain safe and healthy both inside our operations and outside of them.

The way of approaching employees, the timely reactions and the possibility of providing the necessary privacy so that each employee feels calm about opening up a little in their daily life and detecting possible alerts that could affect their emotional and mental health were the elements that were taken into account to identify a tool that would allow us to predict, anticipate, connect permanently, guide and direct our employees in the appropriate way in this aspect.


Distribution Center in Colombia

Reconnection with I Promise

In our Colombia Regional, we have more than 15,000 direct employees and contractors carrying out some activity for the continuity of our operations. This data is equivalent to having 15,000 inhabitants of a town doing work of any kind and always working to make it safe; for example, the one who sweeps the streets, the one who assists you in the service office, etc.

Taking this into account, we reconnected the components of the I Promise management system and its relevance to daily interaction in operations.

+500

LEADERS participated

4,400

TRAINING HOURS

in leadership and alignment of I Promise

Do you activate your conscious mind in the face of risk?

Can you imagine working on a program that helps you identify these thoughts and also where your body is?

Generally, while we are driving or just walking, countless thoughts come to our mind such as, where did I leave the keys, I have to make a call, I have to send this, I didn't do a task and all of this can constantly lead us to not perceive the risks of the environment such as a hole, a vehicle or a fall of material that can finally cause us an injury.

Our program **leaving a Footprint** had the participation of approximately 1,000 direct employees trained in having a conscious mind and taking care of their body, especially the hands, which are the most affected part because they are considered an extension of the tools, just as for soccer players their work tool is the feet and it is where they get injured the most.

CHALLENGES AND OPPORTUNITIES

- The high turnover of temporary personnel and contractors in operations represents the main challenge, since, despite going through a rigorous induction process, the time spent in our operations is not enough to fully internalize the concept of co-responsibility and the pillars of culture (behaving like owners and being a team) that have been key to achieving and sustaining extraordinary results in other operations where turnover is minimal.
- The involvement of senior leadership and the construction of a company goal based on the commitment that each business unit has towards security indicators has been essential for achieving the goals in advance.

SDG

Impact on business
- Risk

Strategic pillar
- Social value creation

Salitre Community Volunteering in Colombia

ON THE WEB

SOCIAL VALUE

We create value for society through a transparent relationship with all our stakeholders, promoting responsible action and the construction of relationships of trust that generate opportunities for joint growth. In this way, we promote the progress of the territories in which we are established, facing the challenges of society, transcending our role and participating as an ally of development.

MANAGEMENT OBJECTIVES

For the company

Guarantee the sustainability of the business and compliance with corporate objectives, minimizing social risks and strengthening the support of communities and enabling us to continue operating with a high reputational standard.

For society

Promote development to increase the quality of life and improve social conditions in the territories where we have a presence while addressing the long-term development needs of communities through an equitable relationship, mutual recognition and respectful and transparent dialogue.

HOW IT IS MANAGED

We create value for society through our community engagement and social impact strategy, which is based on:

1. **Act responsibly** promoting respect for human rights in our operations. By 2030 we commit to:
   - **Zero** materialization of risks for the community
   - **Zero percent** of operations with high and critical risks of affecting communities
2. **Build trusting relationships** through a fluid and transparent dialogue. By 2030 we commit to:
   - **Zero** repeated complaints from the community
   - To achieve the **70%** satisfaction in communities
3. **Generate opportunities** of development to promote the growth of the territories. By 2030 we commit to:
   - Achieve the **30%** of resources leveraged with third parties
   - Achieve **630,000 people impacted** through social investment programs

The above is continuously monitored and integrating the elements of our Local Relationship Plan (LRP), which contributes to the management of relations with the community in the territories:

Learn more of our communities strategy.

LOCAL RELATIONSHIP PLAN

Operations
↓
Communities
↓
Local stakeholders
↓
Relationship Purpose
↓
Initiatives

Risks

Events
→ Materialization of risks
→ Risk materialization alert
→ PQRS, publications in media and social networks

Characterization
Relevant issues
Strategic operation goals

Maluma and House for Me in Colombia

2023 PERFORMANCE

Act responsibly

In 2023 we minimize impacts to communities through our "act responsibly" pillar. We assessed the risks arising from the interaction with our communities in 95% of our active operations, which allowed us to manage current and emerging social risks and leverage the actions and resources necessary to increase positive impacts to reduce the materializations of risks to communities.

In addition, we increased dialogue with communities with ethnic groups, we participated in territorial work tables of authorities and unions, which allowed us to increase our knowledge of the environment, learn about new social dynamics and update the context analysis to strengthen our institutional presence.

We have mechanisms such as public environmental hearings, a space for community participation in which the company, together with the authority, reports on the scope of the project being carried out to provide clarity and resolve any doubts that may arise from the community.

Conecta Volunteer Program, in Colombia

STUDENT VISIT TO THE DORADO PLANT

We seek to sow a legacy in our stakeholders and we are sure that involving new generations in our actions and operations is essential. In 2023, we reached a significant milestone by directly impacting the education of high school and university students; we cooperate so that education goes beyond the school classroom and transfers it to practice. We had university students from the Manatí Technological Institute visit our cement plant to learn first-hand about its production process.

By being part of the trajectory of the students of Puerto Rico, we forge initiatives that transcend the limits of convention.

Build trusting relationships

To strengthen trust with our communities, we have mechanisms for receiving complaints and claims, which help identify and manage impacts that take place in the territory.

We focus on actions that will allow us to maintain the 71.7% satisfaction rate we have in our communities. Along these same lines, we strengthened the management of our Corporate Volunteering, with which we achieved individual social action of our employees and strengthened trust, closeness and genuine relationships with our communities. We have more than 930 volunteers, who have dedicated 4,745 work and non-work hours to benefit the territory.

Learn more of this initiative and the Grupo Argos Foundation.

ESTABLISHING RELATIONSHIPS OF TRUST IN THE NORTHWEST

We have permanent interaction channels with our communities. As a result of these workshops, specifically in the northwest area of the Colombia Regional, the Concretando initiative emerged, a name that was born from the moments shared at the dialogue tables and the collaborative actions that are carried out in the territories; this brings us closer to our communities and allows us to build long-term relationships.

Generate opportunities

Through social investment, we positively impact the quality of life of the people who live in the territories where we operate. This year, our social investment was COP 35,155,809,161, 14% more than in 2022; this is reflected in aspects such as housing, citizenship for development and climate change. In line with this, we ally ourselves with actors in the territory to generate a greater impact; in 2023 we increase leverage by 10%, reaching more than 461,000 beneficiaries.

Through the strengthening and expansion of social programs such as Casa para Mí, Vesta, Healthy Homes y Works-for-taxes, we have improved the local management of the operation with a genuine commitment to contribute to a more sustainable, prosperous and inclusive society:

35,155,809.161

OF PESOS was our social investment in 2023

In **93%**

WE INCREASE social investment in housing, with a contribution of around **COP 20 billion.**

Healthy Homes in Nazareth, Colombia

+10,000

HOMES IN COLOMBIA

we have improved since 2021; our goal by 2026 is more than 16,000.

Since 2014, we have managed to reach more than **310 Dominican families, improving their quality of life.** In 2023, with the development of Stage V, in alliance with Habitat for Humanity, we will impact **86 families from rural communities** through changing soil floors to polished concrete, repairing roofs, expanding homes and installing bathrooms with ferrocement technology.

GREEN LIGHT FOR WOMEN'S INSIGHTS

We are committed to contributing to reducing the gender gap in the construction sector. We train women from the Quebrancha community in Panama in topics such as forklifts, plumbing, among others, which makes it possible not only to access this knowledge but also to expand their capabilities and encourage entry into new job opportunities.

In 2023 we accompany the training of **more than 35 leaders.**

HEALTHY HOMES

This is a program, framed in the strategy We Create Social Value[12], which seeks to improve the living conditions of vulnerable families through housing improvement interventions in apartments, kitchens and bathrooms. It is developed under a joint work model between Argos, the communities and other allies such as: local mayors, social pastoral organizations, foundations, other companies and educational institutions. The program includes basic construction training for family members, which seeks to leave the installed capacity in the territory and prepare them for future self-construction processes.

Learn more about the Healthy Homes program.

12 Initiative of the Grupo Empresarial Argos from which the social role of the company is deepened and made visible, aimed at providing opportunities, and its contribution to the development of the country.

SUCCESS STORY

VESTA, ALLIANCE FOR ACCESS TO HOUSING

In 2023, together with Comfama, we launched Vesta, a social innovation initiative that was born to contribute to the reduction of the quantitative housing deficit and improve the quality of life of families. This is a support and advisory program that connects them with housing offers, mortgage loans, available subsidies and other financial possibilities. The program provides advice and support throughout the entire home purchasing process, from financial preparation to delivery.

Vesta is aimed at families prepared to buy their first social housing (VIS, in Spanish), who have not previously been beneficiaries of subsidies, and who have a formal job and wish to be advised and accompanied throughout the process. The support goes on until they complete their financial closure and includes the stages of choosing the VIS project of their preference, advice on applying for subsidies (such as those from family compensation funds and the national government), as well as with choosing the mortgage loan that best suits families' conditions so that they finally fulfil their goal of becoming homeowners.

Vesta supports **200 families** in home purchase**,** has advised **more than 800 in financial habits** and has generated alliances with **more than 40 VIS housing projects.**

Find more information **here**.

Social value in Montes de María

Since 2005, Argos has carried out environmental compensation forestry projects in the Colombian region of Montes de María, in response to the invitation made by the State to contribute from the private sector to the recovery of the social fabric of an area hit by violence. For several years, the company developed Teak cultivation, while generating decent, quality employment for hundreds of community residents, building homes, educational institutions and roads, and contributing to the training of leaders and the inclusive economy.

As a result of Law 1148 of 2011 and the presentation of land restitution demands, Argos decided, in 2015, to transform the forestry project into a peace and rural development initiative, through the Crecer en Paz Foundation. In 2023 and early 2024, this entity donated more than 1,400 hectares to eight farmer associations, which represent more than 400 families who now own land, with a supply, distribution and marketing chain for their products. Likewise, donated 2,100 hectares to the National Land Agency of Colombia for the agrarian reform projected in the government plan.

Get to know here the complete history.

Transforming communities:
the **social commitment** of Argos

We have various initiatives that focus on the development of the territory and the people. The following infographic highlights some programs that, together with the Grupo Argos Foundation, have woven stories of change in communities. We invite you to explore these projects that go beyond building structures; they build hope, education and well-being.

Learn more about our transformation stories.

AWARDS

- Socially Responsible Company Seal, from FundahRSE, for **a fifth consecutive year,** Honduras.
- Private Social Investment Index, **6th place in the ranking** of the companies with the best private social investment practices in Colombia.
- **Business Merit 2023,** of the Business Council, for the Development of San Cristóbal, Dominican Republic.
- **Corporate Social Responsibility Award,** from Camacol Antioquia, Atlántico and Cali (Colombia).
- **Sustainability Seal, from Corantioquia,** in the maximum category, Colombia.

CHALLENGES AND OPPORTUNITIES

One of the challenges identified in the company's community management are the sociopolitical changes in the countries where we have operations. These have impacted the dynamics, expectations and collective interests of the communities, generating changes in the relationship.

One of the opportunities we have is the implementation of the technological transformation project of the community area, which will accelerate decision-making based on the traceability of local, regional and corporate data and will allow greater efficiency in the allocation of resources for risk management and the generation of development opportunities.

SDG

Impact on business
- Risk

Strategic pillar
- Social value creation

Employee at Sogamoso plant

ON THE WEB

HUMAN RIGHTS

Within our vision of sustainability, we integrate human rights as one of the main levers for the creation of value inside and outside the company. In addition to representing a global commitment, they are a management guide and relationship with stakeholders.

In all our relationships and communication channels, we ensure the protection of human rights; likewise, we promote them to contribute to the goals set out in the sustainable development objectives, with a vision of generating value, development and growth in all the areas where we have a presence and with the actors with whom we interact:

Prioritized players[13]

EMPLOYEES

- We maintain ethical labour practices that include equality and equity in remuneration, non-discrimination, fair working conditions, respect for union rights, prohibition of forced and child labour, workplace safety, protection of privacy, complaint mechanisms, development and training, and regulatory compliance, among others.
- We guarantee treatment based on respect and compliance with labor laws and regulations to protect your rights at all stages.

COMMUNITIES

- Our relationship is governed by a community strategy based on trust and respect for the rights of our neighbors. The above includes consultation, impact assessment, social investment actions, mitigation of negative impacts, respect for minority rights, transparency, accountability, complaints mechanisms and compliance with regulations. Through these, we consider the social and environmental impacts of our operations, to guarantee respect and protection of the rights of local communities.

13 These are the most relevant actors in the management of human rights, given their direct impact on operations and the supply chain, in addition to the reputational and legal risks that incurring a violation of their rights entails.

SUPPLIERS

- We promote human rights throughout our value chain and respect for these in all people who have a direct or indirect relationship with the company.
- We have practices that include the responsible selection of suppliers, fair contracts, compliance with labour and ethical standards, audits and monitoring, complaint channels, education and training, collaboration for continuous improvement, risk management and compliance with codes of conduct.
- We guarantee that our suppliers comply with ethical and human rights standards at all stages of our business relationship.

JOINT VENTURES[2]

- We raise our commitment and good practices in matters of human rights to all those organizations in which we have participation.
- We guarantee that these investments are in companies that respect people's rights through permanent due diligence processes.

CUSTOMERS

- Our relationship with customers is based on respect, transparency and trust. We ensure that we maintain practices that include product quality and safety, transparency, non-discrimination, privacy protection, access to justice, accurate and complete information, risk management and regulatory compliance. In this way, we generate lasting relationships that positively impact society through long-lasting and reliable housing and infrastructure projects.

INVESTORS

- We respect the rights of investors thanks to practices that include transparency in information, non-discrimination and equality in access to information for decision-making, protection of the property right, participation in decisions, access to justice, risk management and regulatory compliance.
- We provide fair information and access to legal mechanisms, if necessary.

Since 2014, our Human Rights Policy **governs all operations and countries where we have a presence;** through this**, we monitor the risks and impacts** of our activities on our stakeholders.

MANAGEMENT OBJECTIVE

For the company

Promote and raise awareness among stakeholders about respect for human rights and the prevention of actions that generate risks in this matter, to maintain trust and avoid impacts on the environment and the integrity of people.

For society

Manage human rights risks, mobilize our cultural pillars and maintain relationships of trust and respect with all stakeholders to seek; the protection of people and the environment with the implementation and promotion of an ethical and responsible environment.

2 Currently, our joint ventures are actors with whom we maintain permanent relationships and share good practices. Shared responsibility between companies implies the need to ensure practices that respect human rights; this is vital to avoid legal risks and protect the reputation of the companies involved. Additionally, regulatory compliance, long-term sustainability, talent and customer attraction, stakeholder relationships, and conflict prevention are benefits associated with its effective management.

Customer in Honduras

HOW IT IS MANAGED

The principles of human rights are reflected in actions, operations and daily relationships with all our stakeholders. We have permanent due diligence and risk management processes that allow us to monitor the behaviour of the company and our prioritized groups.

This process consists of five steps:

1. **Identification of risks**: Identification of risks according to the level of violation of human rights in the prioritized groups.

2. **Action and remediation plans**: Definition of action and remediation plans that reduce risks or close gaps.

3. **Tracking and monitoring**: Dialogue channels to execute action plans, monitor impacts and generate alerts regarding increased risks.

4. **Risk update**: Permanent updating of risk information through different mechanisms.

5. **Communication**: Communicate human rights management to promote transparency, participation and build trust.

RELEVANT HUMAN RIGHTS RISKS

- Discrimination in the hiring process, promotion and working conditions based on gender, race, religion, sexual orientation or other protected characteristics.
- Violation of due process:
  - Unfair disciplinary procedures
  - Limit access to justice for local communities
  - Failure to provide transparent and complete information about operations and their impacts
- Restriction of the right to free association and collective bargaining.
- Child labor contracting in the value chain.
- Harassment behaviors.
- Affectation and exposure to natural disasters or resource limitations, derived from the use of natural capital.

2023 PERFORMANCE

A look at our materiality through human rights

Human rights are transversal to the management we carry out in all areas and processes; therefore, in 2023 we included a look at these rights within each of our material topics. We carry out this analysis in two moments: understanding how we can generate more value by involving them and determining the risks that not doing so brings for each material issue.

PARAMETERS TO REVIEW THE ANALYSIS OF EACH MATERIAL TOPIC

- **Material Theme Name**
- **Target Audience**
- Relationship between the material issue and human rights
- Human rights that are prioritized in this material issue

Healthy Homes in Colombia

Profitable growth and fundamental value of the company

Investors

Human rights are part of the requirements made by authorities, States, control entities and even banks. Our relationship, reputation and funding depend on the commitment we assume to human rights; this is how we ensure the profitability and sustainability of the company.

- Equality and non-discrimination
- Privacy and good name

Mitigation and adaptation to climate change

All

Extreme climate events have consequences on people and the enjoyment of their rights. As a company, we are committed to mitigating and adapting to the climate crisis through responsible practices that promote a just and equitable climate response.

- Healthy environment
- Water
- Life and personal integrity
- Nutrition
- Housing

Customer experience

Customers

We create solid relationships with our customers based on dignified treatment, respect and fairness.

- Equality and non-discrimination
- Information
- Privacy
- Good name

Resilient supply chain

Suppliers

We respect and protect human rights at all stages of the chain and manage any negative impacts.

- Labor rights
- Health Rights
- Security
- Social Security
- Privacy
- Equality and non-discrimination

Customers in French Guiana

Talent management and inclusion
Employees

We contribute to a more just and equitable society through the management and promotion of diversity and inclusion in the work environment.

- Labor rights
- Health, safety, social security
- Privacy
- Equality and non-discrimination
- Free association
- Good name

Safety, health and personal well-being
Employees, communities and suppliers

We guarantee a safe and healthy work environment, where the human rights of employees, communities and suppliers are respected and promoted.

- Life and physical integrity
- Labor rights
- Equality and non-discrimination
- Participation
- Privacy
- Security

Social value
All

We promote development and investments in the territories, to promote access and enjoyment of human rights in our communities.

- Equality and non-discrimination
- Information
- Privacy
- Good name

Business ethics, compliance and integrity
All

We promote an ethical and transparent operation, in which human rights are respected in all its activities.

- Life and personal integrity
- Labor rights
- Equality and non-discrimination
- Decent work
- Participation
- Privacy

Sustainable products and solutions
Customers

We promote the protection of the human right to a healthy environment through a portfolio of sustainable products and solutions that promote more equitable access to natural resources.

- Participation
- Healthy environment
- Housing

Environmental management
All

We consider the human right to a healthy environment in decision-making, seeking to promote equitable and fair access to natural resources.

- Healthy environment
- Water
- Life and personal integrity
- Nutrition
- Housing

Visit of customers from the Dominican Republic to our Argos Center for Innovation (CAPI, in Spanish)

Evaluation of our human rights management system

This system has different mechanisms that allow us to implement due diligence, to guarantee respect and promotion of human rights and contribute to access to reparation, in case of violations. In search of continuous improvement of this process, we relied on a consultant who reviewed, evaluated and recommended good practices to strengthen and maintain relationships of trust based on respect.

Among the plans to implement in 2024 are:

- Communication and active training on human rights with our stakeholders.
- Identification, management and communication of due diligence mechanisms in the organization and in joint ventures.
- Update of human rights risks by stakeholder.

Human Rights Committee

Since 2022, we have consolidated a Human Rights Committee that includes representatives of our stakeholders. In this, we seek to generate permanent dialogue spaces to review and implement the best practices and trends that improve our management.

In 2023 we had:

+10
MEETINGS

+20
HOURS
of training

Participation of **more than** **10**
REPRESENTATIVES AND EXPERTS
in each of the spaces

CHALLENGES AND OPPORTUNITIES

- Integrating human rights transversally into the company's material issues implies an articulation challenge so that stakeholders are aligned with the commitments acquired for its implementation. These must be part of the organizational culture to guarantee their protection.
- Promote constant and meaningful dialogue with stakeholders to maintain their adherence to effective implementation. This, through effective and transparent communication routes.
- Increase communication and training in human rights.
- Position the company as a benchmark for good practices in human rights, giving it visibility and even reputational and competitive benefits that can attract customers and investors.

WE ARE GREEN LIGHT

TOGETHER WE MAKE DREAMS COME TRUE

ANNEXES

04

CERTIFICATION FROM THE COMPANY'S LEGAL REPRESENTATIVE

Dear
Shareholders
Cementos Argos S. A.
Barranquilla

The undersigned Cementos Argos S.A. Legal Representative

HEREBY CERTIFIES:

That the Annual Consolidated Financial Statements ended on December 31, 2023, do not contain any faults, inaccuracies, or substantial errors that might prevent knowing the actual equity situation or the operations undertaken by Cementos Argos S.A. The foregoing is with the purpose of complying with Article 46 from Act 964/2005.

In witness whereof, I have hereunto set my hand on February 20, 2024.

Juan Esteban Calle Restrepo
Legal representative

CERTIFICATION FROM THE COMPANY'S LEGAL REPRESENTATIVE AND THE ACCOUNTING CORPORATE MANAGER

The undersigned Cementos Argos S.A. Legal Representative and Accounting Corporate Manager do hereby certify that, in accordance with Article 37 from Act 222/1995, the annual consolidated financial statements ended on December 31, 2023, have been faithfully taken from the books and that before being made available to you and third parties, we have verified the following statements contained therein:

1. All existing assets and liabilities, as well as all transactions recorded, have been carried out during said years.

2. All economic facts carried out by the Company have been recognized.

3. Assets represent probable future economic benefits (rights), and liabilities represent probable future economic engagements (obligations), obtained by or on behalf of the Company.

4. All elements have been recognized by their appropriate values according to the applicable Financial Reporting Standards in Colombia.

5. All economic facts affecting the Company have been correctly classified, outlined, and revealed.

In witness whereof, we have hereunto set our hands on February 20, 2024.

Juan Esteban Calle Restrepo
Legal representative

Óscar Rodrigo Rubio Cortés
Corporate Accounting Manager
P.C. 47208-T

KPMG S.A.S.
Calle 90 No. 19c - 74
Bogotá D.C. - Colombia

Phone +57 (601) 618 8000
+57 (601) 618 8100

www.kpmg.com/co

(FREE TRANSLATION OF THE REPORT ISSUED IN SPANISH)
STATUTORY AUDITOR'S REPORT

To the Shareholders:
Cementos Argos S.A.:

Opinion

I have audited the consolidated financial statements of Cementos Argos S.A. and Subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2023 and the consolidated statements of comprehensive income, of changes in equity, and of cash flows for the year then ended, and their respective notes that include the summary of significant accounting policies and other explanatory notes.

In my opinion, the aforementioned consolidated financial statements attached to this report present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023, the consolidated financial performance of its operations, and its consolidated cash flows for the year then ended, in conformity with Accounting and Financial Reporting Standards accepted in Colombia, applied uniformly with the previous year.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) accepted in Colombia. My responsibilities under those standards are further described in the Statutory Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group, in accordance with the Accounting Professionals Code of Ethics Issued by the International Ethics Standards Board for Accountants (IESBA Code), included in the Information Assurance Standards accepted in Colombia together with the ethical requirements established in Colombia that are relevant to my audit of the consolidated financial statements, and I have fulfilled my ethical responsibilities in accordance with these requirements and the IESBA Code mention. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a consolidated opinion on these matters.

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Evaluation of the deferred tax asset's recoverability (See Note 9 to the consolidated financial statements)	
The Company has recognized in the consolidated state of financial position a significant deferred tax Asset for $250.136 million COP, originated from tax losses coming from the Cementos Argos S.A. Company. This represents a key audit matter because assessing the recoverability of such assets involves complex judgments related to the determination of estimates on the company's projected taxable profits, as well as in estimating the periods over which the asset is expected to be recovered.	My audit procedures to assess the recoverability of deferred tax assets included but were not limited to, the following: – Involvement of professionals with experience and knowledge in valuation, comparison of key assumptions used by the Company in determining projected pre-tax results, with independent recalculations and information obtained from external sources, when available. – Involvement of professionals with experience and knowledge in taxes, evaluation of the main assumptions on which the tax adjustments made to pre-tax income determined based on the financial projections, as well as the period of reversal of temporary differences, the expiration of tax losses and other tax credits, and the tax strategies proposed by the Company.

Other Matters

The separated financial statements as of and for the year ended December 31, 2021 are presented solely for comparative purposes, were audited by me and I expressed an unmodified opinion on those financial statements in their report dated February 21, 2022. I expressed an unqualified opinion thereon.

Other Information

Management is responsible for the other information. The other information comprises the Integrated Report but does not include the consolidated financial statements and my auditors' report thereon. The information include in the Integrated Report, is expected to be made available to me after the date of this auditors´ report.

My opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When reading the content of the integrated report if I conclude that there is a material error in that other information, I am required to report this fact to those charged with governance.

Responsibility of management and those charged with corporate governance for the consolidated financial statements

Management is responsible for the preparation and reasonable presentation of this consolidated financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes designing, implementing and maintaining such internal control as management deems necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable under the circumstances.

In preparing the consolidated financial statements, Management is responsible for assessing the Group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with corporate governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements.

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events so that the consolidated financial statements are reasonably presented.

- I obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Group´s audit. I remain solely responsible for my audit opinion.

I communicate with those charged with Group governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with Group governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, the related safeguards.

From the matters communicated with those charged with corporate governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Original version issued in Spanish and signed by)
Gonzalo Alonso Ochoa Ruiz
Statutory Auditor of Cementos Argos S.A.
Registration 43668 - T
Member of KPMG S.A.S.

February 20, 2024

Cementos Argos S. A. and subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2023 and 2022 | Millions of Colombian pesos

	Notes	2023	2022
ASSETS			
Cash and cash equivalents	5	$ 1,008,527	$ 790,086
Derivative financial instruments	6	135,390	66,715
Other financial assets	7	127	470,805
Trade and other accounts receivable, net	8	1,184,294	1,353,453
Tax assets	9	199,616	173,580
Inventories	10	1,219,898	1,502,691
Other non-financial assets	24	234,567	244,559
Assets held for sale	18	236	40,944
Total current assets		**$ 3,982,655**	**$ 4,642,833**
Trade and other accounts receivable, net	8	41,208	47,705
Investments in associates and joint ventures	12	39,238	49,084
Derivative financial instruments	6	34,916	87,544
Other financial assets	7	852,755	1,219,082
Intangible assets, net	14	484,712	669,344
Right-of-use assets in lease, net	20	433,223	580,846
Biological assets	11	16,164	19,470
Property, plant and equipment, net	15	11,523,084	13,401,459
Investment property	16	240,569	266,953
Goodwill, net	17	1,601,761	2,011,850
Deferred tax assets	9	250,136	259,645
Other non-financial assets	24	10,318	10,117
Total non-current assets		**$ 15,528,084**	**$ 18,623,099**
TOTAL ASSETS		**$ 19,510,739**	**$ 23,265,932**
LIABILITIES			
Financial Liabilities	19	1,819,111	1,197,958
Lease liabilities	20	103,151	126,980
Trade liabilities and accounts payable	21	1,160,101	1,383,501
Tax liabilities	9	49,078	94,530
Employee benefits liability	22	252,106	173,361
Provisions	23	71,504	109,179
Other financial liabilities	26	88,266	85,018
Derivative financial instruments	6	226,270	21,908
Outstanding bonds and preferred shares	25	196,845	458,288
Other non-financial liabilities	24	265,213	272,419
Total current liabilities		**$ 4,231,645**	**$ 3,923,142**
Financial Liabilities	19	2,234,376	3,119,319
Lease liabilities	20	422,628	563,899
Employee benefits liability	22	232,015	191,913
Derivative financial instruments	6	114,138	649
Provisions	23	185,436	189,720
Outstanding bonds and preferred shares	25	2,497,133	2,740,742
Deferred tax liability	9	518,369	467,394
Total non-current liabilities		**$ 6,204,095**	**$ 7,273,636**
TOTAL LIABILITIES		**$ 10,435,740**	**$ 11,196,778**
Issued capital	27	2,242,552	2,242,552
Repurchased own shares	27	(157,995)	(113,797)
Reserves	28	684,841	451,540
Retained earnings		1,431,318	1,789,968
Other comprehensive income	28	4,154,687	6,648,207
Total equity attributable to controlling interests		**$ 8,355,403**	**$ 11,018,470**
Non-controlling interests	30	719,596	1,050,684
EQUITY		**$ 9,074,999**	**$ 12,069,154**
TOTAL LIABILITIES AND EQUITY		**$ 19,510,739**	**$ 23,265,932**

Notes are an integral part of the consolidated financial statements.

Juan Esteban Calle Restrepo
Legal representative
(See attached certification)

Óscar Rodrigo Rubio Cortés
Corporate Accounting Manager
T.C. 47208-T
(See attached certification)

Gonzalo Alonso Ochoa Ruiz
Statutory Auditor P.C. 43668-T
KPMG S.A.S. Member A. S.
(See my report of February 20, 2024)

Cementos Argos S. A. and subsidiaries

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

Years ended December 31, 2023 and 2022 | Millions of Colombian pesos

	Notes	2023	2022
Continued operations			
Ordinary activities income	31, 32	$ 12,717,345	$ 11,684,055
Cost of sales	10	(9,816,120)	(9,627,196)
Gross profit		**$ 2,901,225**	**$ 2,056,859**
Administrative expenses	33	(951,521)	(745,458)
Selling expenses	33	(353,434)	(331,495)
Other operating income, net	34	44,375	196,440
Impairment of non-current assets	17	(204)	(724)
Operating income		**$ 1,640,441**	**$ 1,175,622**
Financial income	36	139,249	52,303
Financial expenses	37	(947,408)	(658,399)
(Loss) gain by difference in foreign exchange, net	35	(50,112)	3,421
Net interest in investee income	12	(1,482)	7,461
Income before taxes		**$ 780,688**	**$ 580,408**
Income tax expense	9	(387,627)	(365,594)
net income	**39**	**$ 393,061**	**$ 214,814**
Period income attributable to:			
Controlling interests	38	319,945	142,287
Non-controlling interests	30, 38	73,116	72,527
Net income	**39**	**$ 393,061**	**$ 214,814**
OTHER COMPREHENSIVE INCOME NET FROM TAX			
Items that will not be reclassified to profit or loss			
(Loss) gain remeasurements of post-defined benefit	22	(61,024)	39,686
(Loss) gain from equity investments at fair value		(364,433)	339,736
Income tax	9	20,968	(12,628)
Total items that will not be reclassified to profit or loss		**$ (404,489)**	**$ 366,794**
items that may be reclassified to profit or loss			
Net (loss) gains on cash flow hedges		(56,225)	55,281
(Loss) gains by exchange differences on translation of foreign operations		(2,228,938)	1,822,448
Income tax	9	22,749	(15,590)
Total items that may be reclassified to profit or loss		**$ (2,262,414)**	**$ 1,862,139**
Other Comprehensive Income net from taxes		**$ (2,666,903)**	**$ 2,228,933**
TOTAL COMPREHENSIVE INCOME FOR THE PERIODO		**$ (2,273,842)**	**$ 2,443,747**
Other period income attributable to:			
Controlling interests		(2,444,624)	2,045,241
Non-controlling interests	30	(222,279)	183,692
Other Comprehensive Income		**$ (2,666,903)**	**$ 2,228,933**
Total comprehensive income attributable to:			
Controlling interests		(2,124,679)	2,187,528
Non-controlling interests	30	(149,163)	256,219
Total comprehensive income		**$ (2,273,842)**	**$ 2,443,747**
Basic and diluted earnings per share:			
Attributable earning to controlling interests	39	273.50	121.56

Notes are an integral part of the consolidated financial statements.

Juan Esteban Calle Restrepo
Legal representative
(See attached certification)

Óscar Rodrigo Rubio Cortés
Corporate Accounting Manager
T.C. 47208-T
(See attached certification)

Gonzalo Alonso Ochoa Ruiz
Statutory Auditor P.C. 43668-T
KPMG S.A.S. Member A. S.
(See my report of February 20, 2024)

Cementos Argos S. A. and subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Years ended December 31, 2023 and 2022 | Millions of Colombian pesos

	Notes	Issued capital	Repurchased own shares	Legal reserve	Other reserves	Accumulated results	Other Comprehensive Income and other equity components	Total equity attributable to controlling interests	Non-controlling interests	Total equity
Balance as of January 1, 2022		**$ 2,242,552**	**(113,797)**	**126,865**	**261,316**	**2,130,215**	**4,602,967**	**9,250,118**	**954,687**	**10,204,805**
Period income	38	-	-	-	-	142,287	-	142,287	72,527	214,814
Other Comprehensive Income for the period, net from tax		-	-	-	-	-	2,045,241	2,045,241	183,692	2,228,933
Comprehensive period income		**$ -**	**-**	**-**	**-**	**142,287**	**2,045,241**	**2,187,528**	**256,219**	**2,443,747**
Ordinary dividend provided in cash	29	-	-	-	-	(329,139)		(329,139)	(75,339)	(404,478)
Preferred dividend provided in cash	29	-	-	-	-	(56,400)	-	(56,400)	-	(56,400)
Reserves constitution		-	-	43,164	20,195	(63,359)	-	-	-	-
Deferred tax rate changes for 2022		-	-	-	-	(33,700)	-	(33,700)	(42)	(33,742)
Purchase commitments to non-controlling interests	26.2	-	-	-	-	-	-	-	(85,018)	(85,018)
Other variations by equity method subsidiaries		-	-	-	-	64	(1)	63	177	240
Balance as of December 31, 2022		**$ 2,242,552**	**(113,797)**	**170,029**	**281,511**	**1,789,968**	**6,648,207**	**11,018,470**	**1,050,684**	**12,069,154**
Balance as of January 1, 2023		**$ 2,242,552**	**(113,797)**	**170,029**	**281,511**	**1,789,968**	**6,648,207**	**11,018,470**	**1,050,684**	**12,069,154**
Period income	38	-	-	-	-	319,945	-	319,945	73,116	393,061
Other Comprehensive Income for the period, net from tax		-	-	-	-	-	(2,444,624)	(2,444,624)	(222,279)	(2,666,903)
Comprehensive period income		**$ -**	**-**	**-**	**-**	**319,945**	**(2,444,624)**	**(2,124,679)**	**(149,163)**	**(2,273,842)**
Reacquisition of ordinary shares		-	(40,174)	-	-	(538)	-	(40,712)	-	(40,712)
Reacquisition of preferred shares		-	(4,024)	-	-	(78)	-	(4,102)	-	(4,102)
Ordinary dividend declared in cash	29	-	-	-	-	(377,526)	-	(377,526)	(112,757)	(490,283)
Preferred dividend declared in cash	29	-	-	-	-	(64,988)	-	(64,988)	-	(64,988)
Reserves constitution		-	-	64,622	169,662	(234,284)	-	-	-	-
Reserve release		-	-	-	(982)	982	-	-	-	-
Purchase of non-controlling interest	30	-	-	-	-	-	(48,897)	(48,897)	(72,892)	(121,789)
Purchase commitments to non-controlling interests	26.2	-	-	-	-	-	-	-	(3,248)	(3,248)
Other variations by equity method subsidiaries		-	-	(1)	-	(2,163)	1	(2,163)	6,972	4,809
Balance as of December 31, 2023		**$ 2,242,552**	**(157,995)**	**234,650**	**450,191**	**1,431,318**	**4,154,687**	**8,355,403**	**719,596**	**9,074,999**

Notes are an integral part to these consolidated financial statements.

Juan Esteban Calle Restrepo
Legal representative
(See attached certification)

Óscar Rodrigo Rubio Cortés
Corporate Accounting Manager
P.C. 47208-T
(See attached certification)

Gonzalo Alonso Ochoa Ruiz
Statutory Auditor P.C. 43668-T
KPMG S.A.S. Member A. S.
(See my report of February 20, 2024)

Cementos Argos S. A. and subsidiaries

CONSOLIDATED CASH FLOW STATEMENT

Years ended December 31, 2023 and 2022 | Millions of Colombian pesos

	Notes	2023	2022
CASH FLOW FROM OPERATION ACTIVITIES			
Year net income	38	$ 393,061	$ 214,814
Adjustments to reconcile profit or loss:			
Depreciation & Amortization	38,2	966,105	961,740
Income tax	9	387,627	365,594
Financial expenses, net	36, 37	808,159	606,097
Provisions and post-employment benefit obligations		225,469	172,227
Financial assets and inventory impairment, net		41,525	23,509
(Loss) gain by the difference in foreign exchange	35	50,112	(3,421)
Gain from fair value measurement of investment properties and biological assets	11, 16	(5,052)	(13,801)
Interest of net (gain) loss from associates and joint ventures	12	1,482	(7,461)
Gain on non-current assets and business disposal		(43,923)	(109,217)
Other adjustments to reconcile profit or loss		1,469	(34,703)
Total adjustments to reconcile profit or loss		**2,432,973**	**1,960,564**
Changes in working capital of:			
Decrease (increase) in inventories	10	38,913	(338,800)
Increase in trade accounts receivable	8	(37,745)	(39,729)
(Decrease) increase in accounts payable and others	21	(66,090)	165,287
Increase or decrease in other assets and liabilities, net		(318,241)	(286,604)
Taxes paid		(284,133)	(250,969)
Net cash flow from operating activities		**$ 2,158,738**	**$ 1,424,563**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant, and equipment, and investment properties		(851,970)	(716,897)
Proceeds from sale of financial investments		702,036	320,116
Payments for financial assets		(237,656)	(785,322)
Proceeds from sale of property, plant and equipment and investment property		112,426	33,540
Proceeds from business sales	15	-	383,942
Received dividends		33,906	21,036
Interest received		97,312	17,765
Payments for intangible assets		(2,455)	(5,685)
Proceeds from intangible assets		8,151	1,648
Interests purchase in associates and joint ventures	12	-	(6,942)
Payments for Acquisition of subsidiaries net of cash acquired	13	(774)	-
Proceeds from sale of Biological assets		3,109	1,753
Proceeds from sales of non-current assets held for sale		6,985	-
Net cash flows (used) in investing activities		**$ (128,930)**	**$ (735,046)**
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of loans and debt instruments	26.10	(1,780,352)	(3,445,553)
Amounts from loans	26.10	2,215,246	4,056,338
Paid interest	26.10	(860,549)	(485,960)
Paid dividend on ordinary shares	29	(543,805)	(324,392)
Paid dividend on preferred shares	29	(82,181)	(44,120)
Amounts from bonds issuance	25	-	302,771
Lease liabilities payments	26.10	(137,256)	(143,692)
Payments from financial derivatives contracts		(30,894)	(62,357)
Receivables from financial derivative contracts		114,532	76,775
Repurchase of own ordinary shares	27	(40,174)	-
Repurchase of own preferred shares	27	(4,024)	-
Outstanding bond payments		(479,844)	(381,149)
Other cash outflows		(25,108)	(25,026)
Net cash flow used in financing activities		**$ (1,654,409)**	**$ (476,365)**
Increase in cash and cash equivalents from operations		**375,399**	**213,152**
Variation effect in exchange rate on cash		**(156,958)**	**93,705**
Net increase in cash and cash equivalents		**218,441**	**306,857**
Cash and cash equivalents at the beginning of period		**$ 790,086**	**$ 483,229**
Cash and cash equivalents at the end of period		**$ 1,008,527**	**$ 790,086**

Notes are an integral part of the consolidated financial statements.

Juan Esteban Calle Restrepo
Legal representative
(See attached certification)

Óscar Rodrigo Rubio Cortés
Corporate Accounting Manager
T.C. 47208-T
(See attached certification)

Gonzalo Alonso Ochoa Ruiz
Statutory Auditor P.C. 43668-T
KPMG S.A.S. Member A. S.
(See my report of February 20, 2024)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2023 and 2022
(Million Colombian Pesos and American Dollars, unless otherwise specified)

NOTE 1: GENERAL INFORMATION

Cementos Argos S.A. (the Company) is a commercial corporation, incorporated in accordance with the Colombian laws on August 14, 1944, headquartered in the city of Barranquilla, Atlántico department, Republic of Colombia. The company's business purpose is the cement industry exploitation, the production of concrete mixes and any other materials or items made from cement, lime, or clay, the acquisition and exploitation of minerals or exploitable minerals deposits in the cement industry, and similar, the rights to explore and mine the aforementioned minerals, whether by concession, privilege, lease or another title. Its main address is in the city of Barranquilla and the term of the company expires on August 14, 2060, with an extended duration. The headquarters address is Carrera 53 N° 106–280 Centro Empresarial Buenavista Piso 17, Barranquilla. There are no branches established in Colombia or abroad.

Cementos Argos S. A. is part of Grupo Empresarial Argos, whose parent company is called Grupo Argos S.A. Note 13 details the companies that make up the group, its corporate purpose and the corresponding direct and indirect interest.

The Board of Directors authorized on February 20, 2024, the Consolidated Financial Statements issuance of the Group for the year ended on December 31, 2023.

NOTE 2: BASIS FOR PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1. Compliance status

Cementos Argos S.A. Consolidated Financial Statements have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia for entities in Group 1 (NCIF Group 1, by its Spanish acronym), which are based on the Unique Regulatory Decree 2420/2015, amended by Regulatory Decrees 2496/2015, 2131/2016, 2170/2017, 2483/2018, 2270/2019, 1432/2020, 938/2021 and 1611/2022. The NCIF Group 1 are based on the complete International Financial Reporting Standards (IFRS), issued and officially translated into Spanish by the International Accounting Standards Board (IASB).

Additionally, the Group, in compliance with laws, decrees, and other regulations in force, applies the following accounting criteria, specifically issued for Colombia by regulatory entities:

- External Circular No. 36/2014 from the Financial Superintendency of Colombia – The accounting treatment of the positive net differences generated in NCIF first-time application may not be distributed to stem losses, carry out capitalization processes, distribute profits and/or dividends, or be recognized as reserves. Negative net differences will not be considered for technical equity, minimum capital to operate, or other legal controls, for financial information preparers and security issuers subject to control.

- Decree 2496 dated December 23, 2015 – which determines that parameters for accounting post-employment benefits must correspond to Decree 2783/2001 as the best market approximation. For 2016, Decree 2131 dated December 22, 2016, eliminated the obligation to apply these assumptions for the measurement of post-employment benefits, allowing the application of the IAS 19 – Employee Benefits requirements, with these requirements being applicable only for financial information disclosure purposes. Decree 1625/2016 determines that the pension liabilities calculation must be disclosed in accordance with the parameters established in said standard and in the case of partial pension commutation, in accordance with Decree 1833/2016, as well as the differences arising from the calculation carried out in accordance with IAS 19 – Employee Benefits.

- Decree 2617 dated December 29, 2022 – Alternative recognition and presentation of the effects on deferred tax applicable in Colombia: The value of the deferred tax derived from the change in income tax rate and the change in the income tax rate for occasional gains, for the taxable period 2022, may be recognized within the entity's equity in the accumulated results of previous years.

For legal purposes in Colombia, the Separate Financial Statements are the main financial statements.

2.2. Basis for preparation and accounting policies

2.2.1. BASIS FOR PREPARATION

The Consolidated Financial Statements include Cementos Argos S. A. and its subsidiaries (the Group) financial statements as of December 31, 2023. These have been prepared on a historical cost basis, except for the measurement of certain financial assets and liabilities, derivative financial instruments, investment properties, and biological assets that have been measured at fair value. The Group does not measure non-financial assets or liabilities at fair value on a recurring basis, except investment property, biological assets and certain financial liabilities. Financial statements are presented in Colombian pesos, which is the functional currency of the Group's parent company, and all values in Colombian pesos are rounded up to the closest million. Also, values in dollars are rounded up to the closest thousand, unless otherwise indicated.

The Consolidated Financial Statements have been prepared on the accounting basis of accumulation or accrual, except cash flow information. Usually, the historical cost is based on the fair value of the consideration granted in exchange for goods and services.

Fair value is the price that would be received when selling an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation method. When estimating the fair value of an asset or a liability, the Group considers the asset or liability characteristics if the market participants consider these characteristics to value the asset or liability at the measurement date. The fair value, for measurement and/or disclosure purposes of these financial statements, is determined on that basis, except for payment transactions based on actions within the IFRS 2 scope, leasing transactions within the IAS 16 scope, and measurements that have some similarities in fair value but are not fair value, such as the realizable value in IAS 2 or value in use in IAS 36.

Additionally, for financial information purposes, fair value measurements are categorized as Level 1, 2, or 3 based on the degree to which the entries to fair value measurements are observable and the importance of the entries to fair value measurements as a whole, which are described as follows:

- Level 1 entries are quoted (not adjusted) prices in active markets for identical assets and liabilities, to which the entity has access on the measurement date;
- Level 2 entries are entries different from the quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly; and
- Level 3 entries are unobservable entries for an asset or liability.

2.2.2. CONSOLIDATION PRINCIPLES AND ACCOUNTING POLICIES

CONSOLIDATION PRINCIPLES

Investments over which the Group has control are consolidated using the global integration method, in which all the subsidiaries' assets, liabilities, equity, income, costs, and expenses, prior elimination in the parent or controlling company of the investment carried out by it in the subsidiary equity, are added to the financial statements, as well as the reciprocal operations and balances existing at the consolidated financial statements preparation date.

The Group controls an investee when it has power over it, is exposed, or has the right to variable returns from its involvement in the investee, and can influence those returns through its power over it. The Group reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control mentioned above. In the control evaluation, the Group considers the existing substantive voting rights, the contractual agreements signed between the entity and other parties, and the rights and capacity to appoint and remove key management members, among other aspects.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are enough to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances when evaluating whether or not the voting rights of the Group in an investee are sufficient to grant power, including:

- The percentage size of voting rights of the Group regarding the size and dispersion of the percentages of other voting holders;
- Potential voting rights held by the Group, other shareholders, or other parties;
- Rights derived from contractual agreements; and
- Any additional fact or circumstance that indicates that the Group has, or does not have, the current ability to direct relevant activities at the time of decision-making, including voting patterns at previous shareholders' meetings.

Financial statements of subsidiaries are included in the consolidated financial statements from the date where the Group obtains control over the subsidiary, which may be different from the acquisition date, until the date where the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or sold during the year are included in the consolidated statement of profit and loss and Other Comprehensive Income, from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and non-controlling interests are adjusted to reflect changes in their relative interest in the subsidiary. Any difference between the amount at which the non-controlling interests were adjusted and the fair value of the consideration paid or received is directly recognized in equity and attributed to the parent company owners.

When the Group loses control of a subsidiary, the gain or loss is recognized in the results and is calculated as the difference between (i) the fair value aggregate of the consideration received and the fair value of the retained interest, and (ii) the previous carrying amount of the subsidiary’s assets (including goodwill) and liabilities, and any non-controlling interests. Amounts previously recognized in Other Comprehensive Income regarding that subsidiary are recorded as if the Group had directly sold the relevant assets (i.e., reclassified to profit or loss or transferred to another equity category as specified/allowed by the applicable IFRS). The fair value of the investment retained in the former subsidiary, on the date where control was lost, should be considered as the fair value for the initial recognition of a financial asset under IFRS 9 or, when applicable, the cost of the initial recognition of an investment in an associate or joint venture.

Non-controlling interests in the consolidated subsidiaries' net assets are presented separately from the Group's equity. Profit or loss for the period and Other Comprehensive Income are also attributed to the non-controlling and controlling interests. The total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests, even if the results in the non-controlling interests have a negative balance.

The financial information of consolidated subsidiaries is prepared on the basis of International Financial Reporting Standards (IFRS). However, some of the subsidiaries abroad prepare their financial statements for statutory purposes, applying the United States Generally Accepted Accounting Principles (USGAAP), so adjustments are included to align these principles with the NCIF applicable to Colombia.

The Management must make estimates and assumptions that affect the reported figures of assets and liabilities, income, costs and expenses disclosures of assets and liabilities as of the date of the consolidated financial statements. Note 4 details the critical accounting judgments and key estimates sources carried out by the Management.

SIGNIFICANT ACCOUNTING POLICIES

Below are the significant accounting policies applied by the Group in the preparation of these Consolidated Financial Statements:

1. BUSINESS AND GOODWILL COMBINATIONS

Business combinations are accounted for by the acquisition method. Identifiable assets acquired, liabilities, and contingent liabilities assumed by the acquiree are recognized at fair value at the acquisition date, acquisition costs are recognized in profit or loss, and goodwill as an asset in the Consolidated Statement of Financial Position.

The consideration transferred is measured as the sum of the fair value at the acquisition date, of the assets delivered, liabilities assumed, and equity instruments issued by the Group, including the fair value of any contingent consideration, to obtain control of the acquiree.

Identifiable assets acquired and liabilities assumed are recognized at their fair value at the acquisition date, except for:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit agreements are recognized and measured in accordance with IAS 12 Income Tax and IAS 19 Employee Benefits, respectively;
- Liabilities or equity instruments related to the acquiree's share-based payment agreements, or the Group share-based payment agreements carried out as a replacement for the acquiree's share-based payment agreements are measured in accordance with IFRS 2 at the acquisition date; and
- Assets (or group of assets for disposal) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and discontinued operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the value of any non-controlling interest, and as applicable, the fair value of any interest previously held in the acquiree, over the net value of the acquired assets, liabilities, and contingent liabilities assumed at the acquisition date.

When the consideration transferred is less than the fair value of the acquiree's net assets, the corresponding gain is recognized in profit or loss for the period, at the acquisition date.

Non-controlling interests that represent ownership interests and guarantee to their holders a proportionate share of the net assets of the entity, in the event of liquidation, could be initially measured at fair value or the proportional share of the non-controlling interests of the recognized amounts of the identifiable net assets of the acquiree. The measurement base selection is carried out on a transaction-on-transaction basis. Other types of non-controlling interest are measured at fair value or, where applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration agreement, the contingent consideration is measured at fair value at the acquisition date and is included as part of the consideration transferred in a business combination. Changes in the fair value of contingent consideration that qualify as measurement period adjustments are adjusted retroactively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments arising from additional information obtained during the "measurement period" (which may not exceed one year from the acquisition date) on facts and circumstances that existed at the acquisition date. The subsequent recording of changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not subsequently remedied and its subsequent cancellation is recorded within the equity.

Contingent consideration that is classified as an asset or liability is referred to its reporting date under IFRS 9 Financial Instruments, or IAS 37 Provisions, Liabilities and Contingent Assets, where appropriate, being the corresponding gain or loss recognized as profit or loss. In cases of business combinations carried out in stages, the Group's equity interest in the acquiree is remeasured at its fair value at the acquisition date (that is, the date where the Group obtained control) and the resulting gain or loss, if any, is recognized in profit or loss.

Amounts resulting from the interest in the acquiree prior to the acquisition date that had previously been recognized in Other Comprehensive Income are reclassified to profit or loss, provided that such treatment is appropriate, in the event that such interest is sold.

If the initial accounting for a business combination is not completed at the end of the period where the combination occurs, the Group reports the provisional amounts of the items for which the accounting is incomplete. During the measurement period, the acquirer recognizes adjustments to the provisional amounts or recognizes additional necessary assets or liabilities to reflect new information obtained on facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognized at that date.

Goodwill is not amortized. It is measured at cost minus any accumulated impairment loss. If the cash-generating unit recoverable amount is less than the unit carrying amount, the impairment loss is allocated first to reduce the goodwill carrying amount allocated to the unit and then to the other unit assets, proportionally, based on the carrying amount of each unit asset. Cash-generating units to which the goodwill is allocated are subject to impairment assessments annually, or more frequently if there is an indication that the unit may have suffered impairment. Impairment losses are recognized in the statement of comprehensive income in the profit and loss section of the period. The impairment loss on goodwill cannot be reversed in the following period. In the event of withdrawal of a cash-generating unit, the goodwill attributable amount is included in the profit or loss calculation on withdrawal.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Statement of Financial Position and in the Cash Flow Statement include money in cash and in banks, highly liquid investments that are easily convertible into a certain amount of cash and subject to an insignificant risk of changes in value, with a three-month maturity or less from the acquisition date.

3. FINANCIAL INSTRUMENTS

Financial assets and liabilities are initially recognized at fair value plus (minus) directly attributable to transaction costs, except for those that are measured later at fair value with changes in the Income Statement. The Group subsequently measures financial assets and liabilities at an amortized cost or fair value, depending on the Group's business model for managing financial assets and the contractual cash flows characteristics of the instrument.

Financial Assets

Financial assets other than those at amortized cost are subsequently measured at fair value with recognized changes in the Income Statement. However, for investments in equity instruments that are not held for negotiation purposes, the Group may choose, during the initial recognition and irrevocably, to present the profits or losses from fair value measurements in Other Comprehensive Income. When disposing of investments at fair value in Other Comprehensive Income, the accumulated value of profits or losses is directly transferred to retained earnings and are not reclassified as income for the period. Cash dividends received from these investments are recognized in the Income Statement. The Group has chosen to measure some of its investments in equity instruments at fair value in Other Comprehensive Income. A financial asset is subsequently measured at amortized cost, using the effective interest rate, if the asset is held within a business model whose objective is to hold them in order to obtain contractual cash flows, and its contractual terms grant, on specific dates, cash flows which are only capital and interest payments on the outstanding capital value.

A financial asset or part of one is written off from the Consolidated Statement of Financial Position when it is sold, transferred, it matures or control is lost over the instrument contractual rights or cash flows, or when the financial asset is transferred and transfer meets with derecognition requirements. A financial liability or part of one is written off from the Consolidated Statement of Financial Position when the contractual obligation has been settled or has matured. When derecognizing a financial asset or part of one, the difference between its book value and the sum of the consideration received is recognized in profit or loss (including any new asset obtained minus any liability assumed).

When an existing financial liability is replaced by another from the same counterparty on substantially different terms, or if the terms of an existing liability are substantially modified, such an exchange or modification is treated as an original liability write-off and the new liability recognition, and the difference in the respective book values are recognized in the Income Statement.

Financial Assets Impairment

The impairment model, in accordance with IFRS 9, reflects expected credit losses. The Group records expected credit losses from debt securities, trade accounts receivable, and leases at the end of the reporting period. In the calculation of expected credit losses under IFRS 9, the Group applies a simplified approach, which allows not to track changes in the credit risk, but to recognize a provision for losses based on expected credit losses during the asset's lifetime on each reporting date, i.e., to recognize the expected credit losses resulting from possible breach events during the expected financial instrument lifetime. In cases where there is objective evidence that a financial asset is impaired, the Group recognizes an individual impairment loss provision, excluding the collective impairment evaluation under the expected loss model.

To determine the expected credit losses, the Group has used a provision matrix based on the number of days that a trade account receivable is in default, i.e., by grouping the portfolio by ranges of overdue days and applying to the accounts receivable balance an expected default percentage on the measurement day for each range of overdue days. The default percentage according to overdue days in the portfolio is determined using the transition matrix methodology, according to Markov chain theory. Each subsidiary portfolio is segmented into two homogeneous groups, industrial and massive business.

Loss from impairment is recognized in the administrative expense and costs of sale in the Group's Consolidated Income Statement. When there is confirmation that the trade account receivable will be uncollectible, the gross book value of the account receivable is then written of in accounts against the associated provision.

Expenses associated with an initial public offering (IPO)

The expenses directly related to the IPO preparation are analyzed to determine which are expenses in the income statements and which should be a lower value of the issued equity (capital and/or premium). As of December 31, 2022, those disbursements that will be offset in equity were recognized in other non-financial assets, and once the capital issuance is made, the asset will be derecognized in order to offset it with equity. In the event that the IPO is not completed, or its completion is not probable, said capitalized expenses will become an expense for the period.

Financial Liabilities

The financial liabilities initial recognition is carried out at fair value and subsequently valued at the amortized cost using the effective interest method. Losses and profits are recognized in the Income Statement when liabilities are written off, as well as accrued interest using the effective interest method. The amortized cost is calculated considering any discount or premium on acquisition and installments or costs that are an integral part to the effective interest method.

The effective interest method is the method used to calculate the amortized cost of a financial asset or a financial liability and for the distribution and recognition of interest income or interest expense in the income for the period throughout the corresponding period. The amortized cost of a financial asset or financial liability is that at which it was measured at initial recognition, minus capital repayments, plus or minus, the accumulated amortization, using the effective interest method, of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any value correction for losses.

Liabilities with non-controlling interests have been recognized in accordance with IAS 32 Financial Instruments: Presentation in the "Other financial liabilities" account to the extent that there are selling options for non-controlling owners and purchase obligations by the Group, even if the possibility of exercising said option is remote. Selling options are accounted for as transactions between owners. For this reason, in subsequent measurements, the liability is remeasured at fair value and its change is reflected in equity.

Financial Derivatives

Financial derivatives are recorded in the consolidated statement of financial position at their fair values, considering the market curves in force at the valuation date. The accounting for changes in the fair value of derivatives depends on the derivative use and its designation as an accounting hedging instrument. Certain derivatives embedded in other financial instruments (implicit derivatives) are treated as separate derivatives when their risk and characteristics are not closely related to the main contract, and it is not recorded at fair value with its unrealized profits and losses included in the Income Statement.

To mitigate risks in foreign currency transactions and exposure to interest rates, the Group undertakes natural hedging and financial hedging operations by using derivative financial instruments, mainly derivative swap contracts and forward contracts. All derivatives in force have been designated as accounting hedging instruments for cash flow or fair value in accordance with the criteria of IAS 39 Financial Instruments. The Group does not use derivative instruments or any other financial instruments for speculative purposes.

Certain derivative transactions that do not qualify to be accounted for as derivatives for hedging are treated and reported as derivatives for negotiation, even though they provide effective hedging for the management of risk positions. The Group formally appoints and documents the relationship for derivatives that qualify to be accounted for as hedge accounting, at the beginning of the hedging relationship, as well as the goals for the risk management and the hedging strategy. At the end of December 2023, the Group executed financial option contracts that allowed it to mitigate the impact on net income of possible falls in share prices in the United States market, pursuant to the contract executed on September 7, 2023, with Summit Materials Inc. (Note 43). Considering that this transaction is not highly probable as of December 31, 2023, as it is subject to approval by the General Shareholders' Meeting during 2024, this derivative was classified for accounting purposes as a bargaining tool and hedge accounting was not applied.

Financial swap operations ("Swap") correspond to financial transactions in which the Group, through a contractual agreement with a bank, exchanges cash flows to reduce currency, rate, term, or issuer risks, as well as assets or liabilities restructuring.

Forward transactions and currency swap transactions are used to hedge the exchange rate risk in foreign currency debt operations, to hedge future cash flows with a high probability of occurrence, such as the Group's monthly exports, and to balance the Group's currency exposure by taking advantage of what, in the Management's opinion, are considered favorable market conditions. The existence of this agreement has no impact on the underlying debt valuation.

The Group also uses interest rate swaps to manage its exposure to interest rates. In the case of interest rate swaps, there is no exchange of capital, the Group is responsible for its debts with defined amounts and terms, its accounting record is independent of the swap. These swaps are intended to convert financial instruments, either from a fixed rate to a variable rate or from a variable rate to a fixed rate, there may be instruments that in the long term are negotiated with a variable rate at a variable rate and when market conditions are optimal, they are converted from variable rate to fixed rate.

The Management documents the hedging relationship from the time of initial recognition. This documentation includes, but is not limited to, the following:

- The designation, including identification of the hedging instrument, hedged item or transaction, or hedging relationship, hedging objective, and risk management strategy;
- Designation and hedging relationship, hedging objective and risk management strategy;
- Designation date of the accounting hedge; and
- Procedure to assess the effectiveness of the hedging and method to evaluate the effectiveness of the prospective and retroactive hedging and its periodicity.

Such hedges are expected to be highly effective in offsetting the changes in fair value or cash flows and are being constantly evaluated to determine that this has been so throughout the reporting periods for which they were designated. For hedge accounting purposes and for those applicable to the Group, hedges are classified and accounted for as follows, once the strict criteria for accounting are met:

- Fair value hedges, when they hedge exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments. In fair value hedging relationships, changes in the fair value of the hedged item and the hedging instrument are recognized and offset in the Consolidated Income Statement for the period, presented as financial cost or income. The change in fair value of the hedged item attributable to the hedged risk is recorded as part of the book value of the hedged item and is also recognized in the Statement of Comprehensive Income under the income statement section as a financial income or cost.

- Cash flow hedges, when hedging exposure to variations in the cash flows attributed either to a particular risk associated with a recognized asset or liability or to a highly probable foreseen transaction, or to the exchange rate risk related to an unrecognized firm commitment. In cash flow hedging relationships, changes in the fair value of the hedging instrument are recognized directly in the Consolidated Other Comprehensive Income by the effective hedging portion, the ineffective portion is recognized in the consolidated financial income or expenses. The profits or losses recognized in equity are reclassified later to the Consolidated Income Statement when the hedged item affects the Group's consolidated income.

In highly probable transactions hedging relationships, changes in the fair value of the hedging instrument are directly recognized in the Consolidated Other Comprehensive Income by the effective hedging portion. Thus, the ineffective portion is recognized in the consolidated financial income or expenses. Profits or losses recognized in equity are reclassified at the end of the hedging relationship to the same account of the hedged item.

The effective portion of the profit or loss from measuring the hedging instrument is immediately recognized in the Other Comprehensive Statement, whereas the ineffective portion is immediately recognized in the Statement of Comprehensive Income under the income statement section as a financial cost.

Values recognized in the Other Comprehensive Income are reclassified to the Statement of Comprehensive Income under the income statement section when the hedged transaction affects the income, as well as when the hedged financial income or financial expense is recognized, or when the foreseen transaction takes place. When the hedged item constitutes the cost of a non-financial asset or liability, the values recognized in the Other Comprehensive Income are reclassified to the initial book value of the non-financial asset or liability. If the foreseen transaction or firm commitment is no longer expected to take place, the cumulative gain or loss previously recognized in the Other Comprehensive Income is reclassified to the Statement of Comprehensive Income, under the income statement section.

If the hedging instrument matures or is sold, resolved, or exercised without a replacement or successive renewal of a hedging instrument for another hedging instrument, or if its designation as a hedge is revoked, any cumulative profit or loss previously recognized in Other Comprehensive Income remains in the Other Comprehensive Income until the foreseen operation or firm commitment affects the result.

Derivatives that are not designated as hedges for accounting purposes under IFRS 9 are measured at fair value.

4. PROVISION FOR DECOMMISSIONING, RESTORATION AND REHABILITATION

The Group recognizes as part of the cost of a property, plant, and equipment item the current value of the estimated future costs expected to be incurred for dismantling or restoration, when there is a legal or implicit obligation to dismantle an asset or restore the site where it was built.

The provision for decommissioning or restoration is recognized at the current value of estimated future disbursements to pay the obligation. Cash flows adjusted to reflect liability risks are discounted at a risk-free rate before taxes.

The estimated future cash flows for decommissioning or restoration are reviewed periodically. Changes in estimates, in the expected disbursement dates, or in the discount rate used to discount flows are recognized as an increase or decrease of the decommissioning cost included in the property, plant, and equipment item. The change in the provision value associated with the passage of time is recognized as a financial expense in the statement of comprehensive income.

5. EXPLORATION AND EVALUATION DISBURSEMENTS

The Group recognizes as a period expense for mineral resources evaluation and exploration, those disbursements incurred before demonstrating the technical feasibility and commercial viability of an exploitation project, even if they are directly related to or associated with the activity of mineral resources exploration and evaluation. If disbursements meet the conditions for recognition, then they are recorded as intangible assets. These expenses will be recognized at the disbursed value at the time they are incurred.

6. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received when selling an asset or would be paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value of all financial assets and liabilities is determined as of the financial statements' presentation date, for recognition or disclosure in the notes to the separate financial statements. Judgments include data such as liquidity risk, credit risk, and volatility. Changes to the hypotheses about these factors might affect the reported fair value for financial instruments.

7. FOREIGN CURRENCY

Transactions in foreign currencies corresponding to those transactions in currencies other than the functional currency of the entity are recorded initially at the exchange rate of the functional currency in force on the transaction date. Later, the monetary assets and liabilities in foreign currencies are converted at the exchange rate of the functional currency in force on the closing date of the period. Non-monetary items measured at their fair value are converted using the exchange rates of the date when their fair value is determined, and non-monetary items measured at historical cost are converted using the exchange rates determined to be applicable on the date of the original transaction and have not been re-converted.

All exchange rate differences of monetary items are recognized in the income statement, except for monetary items that provide an effective hedge for a net investment in a foreign business, as well as those that come from investments in shares classified at fair value through equity. For the presentation of the Group's consolidated financial statements, the assets and liabilities of foreign operations have been converted into Colombian pesos at the exchange rate in force on the reporting period closing date. Revenues, costs and expenses, and cash flows are converted at the average exchange rates of the period unless these fluctuate significantly during the period, in which case the exchange rates of the date of the transactions are used. Any exchange rate differences that arise, as the case may be, are recognized in Other Comprehensive Income and are accumulated in equity (attributed to non-controlling interests when appropriate).

When disposing of a foreign operation, including the disposal of the Group's total interest in a foreign operation and disposal involving the partial sale of a stake in a joint venture or associate that includes a foreign operation in which the retained interest becomes a financial asset, all exchange differences accumulated in equity relating to that attributable operation and the owners of the Group are reclassified from equity to income for the consolidated period.

Additionally, regarding the partial subsidiary disposal (which includes a foreign operation), the entity will attribute again the proportional share of the accumulated amount of the exchange differences to the non-controlling interests, and these are unrecognized in profit or loss. For any other partial disposals (i.e., the partial disposal of associations or joint agreements that do not involve the loss of significant influence and joint control by the Group), the entity will reclassify to profits or losses only the proportional share of the cumulative amount of exchange differences.

Adjustments corresponding to goodwill and the fair value of identifiable acquired assets and liabilities generated in the acquisition of a foreign operation are treated as foreign operation assets and liabilities and are converted at the exchange rate in force at the end of each reporting period. Any exchange differences that may arise will be recognized in Other Comprehensive Income.

8. IMPAIRMENT VALUE OF NON-FINANCIAL ASSETS

At the end of each period, the Group evaluates the existence of any indications that an asset's value may be impaired. If there are indications of impairment or at least annually for goodwill, from intangible assets with an indefinite useful life and intangible assets that are not yet in use, the recoverable asset value or the cash-generating unit(s) is estimated, the latter level when it is not possible to estimate the recoverable amount of the individual asset. When a reasonable and consistent basis of distribution is identified, common assets are also allocated to the cash-generating units or distributed to the smallest group of cash-generating units for which a reasonable and consistent distribution basis might be identified.

The recoverable value of an asset is the highest value between the fair value minus the costs of sales, whether it is an asset or a cash-generating unit, and its value in use. When estimating the value in use, estimated future cash flows are discounted from the current value using a discount rate before taxes that reflect current market valuations of the temporary money value and the specific risks for the asset, for which the estimated future cash flows have not been adjusted. When the book value of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired, and the value is reduced to its recoverable amount.

When an impairment loss is reversed later, the book value of the asset (or cash-generating unit) is increased to the revised estimated value of its recoverable amount, so that the increased book value does not exceed the book value that would have been measured if the asset's (or cash-generating unit's) impairment loss had not been recognized in previous years. The reversal of an impairment loss is recognized in income. Goodwill impairment losses cannot be reversed.

9. TAXES

The expense for income tax represents the sum of the payable current income tax and the deferred tax.

Current income tax

Current assets and liabilities for the income tax of the period are measured by the values expected to be recovered or paid to the tax authority. The expense for income tax is recognized in the current tax according to the refinement carried out between the income tax and the accounting profit or loss affected by the income tax rate for the current year and pursuant to the tax standards provisions of each country. The tax rates and regulations used to compute these values are those that have been approved or substantially approved by the end of the reporting period, in the countries in which the Group operates and generates taxable profits.

Deferred tax

Deferred income tax is recognized using the liability method calculated on the temporary differences between the assets and liabilities tax bases and their book values. The deferred tax liability is recognized for temporary taxable differences and the deferred asset tax is recognized for temporary deductible differences and future offset of tax credits and unused tax losses, to the extent that the availability of future taxable income against which they may be allocated is likely. These assets and liabilities are unrecognized if the temporary differences arise from the initial recognition (other than the business combination) of other assets and liabilities in an operation that does not affect the tax profit or the accounting profit. Furthermore, deferred tax liabilities are unrecognized if the temporary difference arises from the initial goodwill recognition.

Liabilities deferred due to temporary taxable differences associated with investments in subsidiaries and associates and interests in joint ventures, except those where the Group can control the reversal of the temporary difference, and when there is the possibility that this might not be reversed in the near future, it must be recognized. Deferred tax assets that arise from deductible temporary differences associated with such investments and interests are only recognized to the extent that the entity will likely have future taxable profit, against which the temporary differences might be charged and when there is the possibility that these might be reversed in the near future.

The book value of a deferred tax asset should be subject to revision at the end of each reporting period and should be reduced to the extent it is likely that it will not have sufficient taxable profits in the future, in order to allow the asset to be recovered, either in total or in part. Deferred tax assets and liabilities should be calculated using the tax rates that are expected to be applicable during the period in which the asset is realized or the liability is settled based on the rates (and tax laws) that have been approved or practically approved by the end of the reporting period, after the approval process has been completed. The measurement of deferred tax liabilities and deferred tax assets will reflect the tax consequences that would occur from the manner in which the entity expects to recover or settle the book value of its assets and liabilities at the end of the reporting period. Deferred taxes are not discounted.

Deferred tax is recognized in the period income, except those related to items recognized outside the income. In this case, they will be presented in Other Comprehensive Income or directly in equity. In the case of a business combination when current or deferred tax arises from the initial accounting for the business combination, the tax effect is considered within the accounting for the business combination.

See note 2.1. on treatment adopted in accordance with Decree 2617 dated December 29, 2022.

10. INTANGIBLE ASSETS

Intangible assets acquired separately are initially calculated at cost. The cost of intangible assets acquired in business combinations are recognized separately from goodwill by its fair value at the acquisition date (which is regarded as its cost). After the initial recognition, intangible assets are carried at cost minus any accumulated amortization and any accumulated impairment losses. Internally generated costs for intangible assets, except for development costs that meet recognition criteria, are not capitalized and when disbursed, these are recognized in the Statement of Comprehensive Income at the time when they are incurred.

Disbursements arising from research activities are recognized as an expense in the period in which they are incurred. An internally generated intangible asset as a result of development activities (or of the development phase of an internal project) is recognized if, and only if, the following conditions are met:

- Technically, it is possible to complete the production of the intangible asset so that it may be available for use or sale;
- Its ability to complete the intangible asset in question, either to use it or to sell it;
- Its ability to use or sell the intangible asset;
- How the intangible asset will generate probable economic benefits in the future;
- The availability of adequate technical, financial, or other kinds of resources, to complete its development and to use or sell the intangible asset; and
- Its ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognized for an internally generated intangible asset will be the sum of the disbursements incurred from the time when the item meets the conditions for recognition, which were set forth above. After the initial recognition, an internally generated intangible asset will be accounted for at cost minus the amortization and the accumulated amount of impairment losses, on the same basis as intangible assets that are acquired separately.

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at least at the end of each period. Changes in the estimated useful life of the asset are prospectively recognized. The expense for the amortization of intangible assets with finite useful lives is recognized in the Statement of Comprehensive Income. Intangible assets with indefinite useful lives are not amortized, but rather tested for impairment.

An intangible asset is written off at the time of disposal, or when no future economic benefits from its use or disposal are expected. Profits or losses arising from the write-off of an intangible asset, calculated as the difference between the net income from the asset sale and its book value is recognized in the consolidated profits or losses at the time the asset is written off.

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in financial policy and operational decisions of the investee, but without having absolute or joint control over it.

A joint venture is a joint agreement, whereby the parties that have joint control have rights to the net assets of the agreement. Joint control is shared control contractually agreed upon, which only exists when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The results, assets, and liabilities of the associate or joint venture are incorporated into the consolidated financial statements using the equity method unless the investment or a portion thereof is classified as held for sale, in which case it is accounted under IFRS 5. Under this method, the investment is initially recorded at cost and adjusted with the changes in the Group's interest and are subsequently adjusted to account for the Group's interest in profits or losses and Other Comprehensive Income for the associate or joint venture, minus any losses due to impairment of the investment.

When the Group's interest in the losses of an associate or joint venture exceeds the Group's interest in the associate or joint venture (including any long-term interest that is basically a part of the Group’s net investment in the associate or joint venture), the Group ceases to recognize its interest in future losses. Additional losses are recognized as long as the Group has acquired a legal or implicit obligation or has made payments on behalf of the associate or joint venture.

When the equity method applies, the necessary adjustments are carried out to standardize the accounting policies of the associate or joint venture with those of the Group. The share belonging to the Group is included in the obtained profits or losses and unrealized losses from transactions between the Group and the associate or joint venture. The equity method is applied from the date where the investee becomes an associate or joint venture. This is because, for example, it can occur in stages, and it is not the acquisition date, until significant influence or joint control over the entity is lost. In the investment acquisition in the associate or joint venture, any excess of the investment cost on the net fair value distribution of identifiable assets and liabilities of the investee is recognized as goodwill, which is included in the amount book value for the investment.

Any excess in the Group’s distribution of the net fair value of identifiable assets and liabilities over the investment cost, after having been revaluated, is immediately recorded in profit or losses for the period where the investment was acquired. IFRS 9 requirements are applied to determine whether it is necessary to account for an impairment loss regarding the Group’s investment in an associate or joint venture. The entire investment carrying amount (including goodwill) is tested for impairment under IAS 36 Impairment of Assets, as an individual asset by comparing its recoverable amount (highest between the use-value and the fair value minus the disposal costs) to its book value. Any recognized impairment loss is part of the investment carrying amount. Any reversal of that impairment loss is recognized under IAS 36 until the recoverable investment amount increases later.

The Group stops using the equity method on the date where the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group has a stake in a former associate or joint venture and the holding is a financial asset, the Group measures the holding at fair value on that date, and the fair value considered as its fair value during the initial recognition, according to IFRS 9. The difference between the carrying book amount of the associate or joint venture on the date the use of the equity method was discontinued and the fair value of any retained interest and any result from the sale of a part of the interest in the associate or joint venture, is included in determining the gain or loss on the sale of the associate or joint venture.

Additionally, the Group records all previously recognized amounts in Other Comprehensive Income regarding that associate or joint venture on the same basis that would have been required if the associate or joint venture had directly sold the financial assets or liabilities. Therefore, if a profit or loss previously accounted in Other Comprehensive Income by the associate or joint venture had been reclassified to profits or losses upon selling the related assets or liabilities, the Group would reclassify the profit or loss from equity to profits or losses (as a reclassification adjustment) at the time when they stop using the equity method.

The Group continues using the equity method when an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate. There is no recalculation at fair value at the time of such changes in ownership interests. When the Group reduces its equity share in an associate or a joint venture but continues to use the equity method, the Group reclassifies to profits or losses the share of the profit or loss that had been previously recognized in Other Comprehensive Income regarding that reduction in the shareholding, if such a profit or loss were reclassified to profit or losses upon the sale of the corresponding assets or liabilities.

If a Group entity enters into a transaction with a Group's associate or joint venture, the profits and losses resulting from such transactions are accounted for in the separate financial statements of the Group, solely for the share portion in the associate or joint venture that is not related with the Group. Goodwill arising from the acquisition of an associate, or a joint venture is included in the investment carrying amount and is not individually amortized or subjected to impairment tests.

12. INVESTMENT PROPERTIES

Investment properties are properties (i.e. land or buildings considered, either in whole or in part, or both) that are held (by the Group or by a lessee under a financial lease) to earn income, capital gains, or both, instead of a) using it for goods or services production or supply, or for administrative purposes, or b) selling it in the ordinary course of operations, including investment properties under construction for such purposes. These are measured initially at their acquisition price, plus all costs associated with the transaction and non-recoverable indirect taxes, after deducting financial or commercial discounts, as well as the directly attributable costs to placing the investment property under the necessary conditions for it to operate in the manner intended by the Management. After the initial recognition, investment properties are measured at fair value, regarding the price that would be received on the measurement date, when disposing of the asset in a market transaction. In the determination of the reasonable value, the Group hires independent experts with recognized professional capability and experience in property appraisal. Changes in the fair value of investment property are recognized in the period income as they arise. Investment property may be transferred from and to property, plant, and equipment.

An investment property is written off when it is disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected to be received from its sale. Any profit or loss arising from writing off the property (measured as the difference between the net income from the sale and the asset book value) is included in the consolidated income for the consolidated period where the property was written off.

13. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets and groups of assets for disposal are classified as held for sale if their book value and may be recovered through a sales transaction, rather than through their continued use. These assets or groups of assets are presented separately as assets and liabilities in the statement of financial position, at either their book value or fair value minus sales costs and are not depreciated or amortized from their classification date.

This condition is considered to be met only when the sale is highly likely and the asset (or group of assets for disposal) is available for immediate sale in its present condition, subject only to the usual terms adapted for the sale of these assets (or group of assets for disposal). The Management must be committed to the sale, which should be recognized as a completed sale within one year after the classification date.

When the Group is committed to a sales plan involving loss of control of a subsidiary, all assets and liabilities of that subsidiary are classified as held for sale when they meet the criteria described above, regardless of whether the Group is going to keep a non-controlling interest in its former subsidiary after its sale.

When the Group is committed to a sales plan involving the sale of an investment, or a portion of an investment in an associate or joint venture, the investment or portion of the investment that will be sold is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method regarding the portion that is classified as held for sale. Any portion retained of an investment in an associate or a joint venture that has not been classified as held for sale, will continue to be accounted under the equity method. The Group discontinues the use of the equity method at the time of sale when the sale results in the Group losing significant influence over the associate or joint venture.

The subsidiary sale commitment signed in September 2023 (Note 43) did not lead to classification of the subsidiary's net assets as non-current assets held for sale, considering that, as of December 31, 2023, the transaction was not highly probable as it is subject to approval by the shareholders of Summit Materials, which was given during January 2024. This transaction is a subsequent event that does not require adjustment in accordance with IAS 10 paragraph 22.

After the sale is carried out, the Group recognizes any interest retained in the associate or joint venture under IFRS 9, unless the interest retained is still an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding the influence over an associate or joint venture). In cases where the Group undertakes to distribute an asset (or group of assets for disposal) to the owners, said non-current asset (or group of assets for disposal) is classified as held for distribution to owners. For this to be the case, the assets must be available for immediate distribution in their current conditions, and the distribution must be highly likely, i.e. activities must be underway to complete the distribution and should be expected to be completed within a year from the classification date. The Group has classified its subsidiaries in liquidation processes as groups of assets to distribute to the owners.

Revenues, costs, and expenses from a discontinued operation are presented separately from those from continuing operations–in a single item after income taxes–in the Consolidated Income Statement for the current period and the comparative period of the previous year, even though the Group retains a non-controlling interest in the subsidiary after the sale.

The Group impairs a net investment in an associate or joint venture if, and only if, objective evidence indicates that one or more events, which occurred after initial recognition, have had an impact on the future cash flows of the net investment and that impact can be reliably estimated. The following events make it possible to establish whether there is objective evidence that these investments might show impairment:

- Significant financial difficulties of the associate or joint venture;
- Contract violations, such as defaults or delays in payment by the associate or joint venture;
- The granting of concessions to associates and joint ventures that would not have been granted in other circumstances;
- It becomes probable that the associate or joint venture will go into bankruptcy or some other form of financial reorganization;
- The disappearance of an active market for net investment due to financial difficulties of the associate or joint venture;
- Significant changes with adverse effects that have taken place in the environment, technological, market, economic or legal aspects, in which the associate or joint venture operates; or
- A significant and prolonged decrease in the fair value of an investment in an associate or joint venture that is an equity instrument below its cost.

14. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment includes the amount of land, buildings, furniture, vehicles, equipment, computing equipment, and other facilities owned by the consolidated entities, and which are used for the entity's operations. The Group recognizes an item of property, plant, and equipment when it is likely that the asset will generate future economic benefits, it is expected to be used for a period longer than one year, or all the risks and benefits inherent to the asset have been received and its value may be reliably measured. Spare parts and permanent maintenance equipment are recognized as an item of property, plant, and equipment as they meet the recognition criteria.

The fixed assets are measured at cost minus accumulated depreciation and accumulated impairment losses, if any. Trade discounts, rebates, and other similar items are deducted from the acquisition cost of the fixed asset. Properties under construction for administrative, production, or service supply purposes are recorded at cost minus any recognized impairment loss. The cost includes professional fees, decommissioning and removal direct costs, and in the case of qualifying assets, capitalized loans costs following the Group accounting policy. These properties are classified in the appropriate property, plant, and equipment categories at the time of their completion and when they are ready for their intended use. Depreciation of these assets, as in the case of other property assets, begins when assets are ready for use. Depreciation begins when the asset is available for use and is calculated on a straight-line basis over the estimated technical useful life of the asset as follows:

Buildings and constructions	40 to 70 years
Aqueduct, networks and communications routes	20 to 40 years
Machinery and production equipment	10 to 30 years
Office, computer, and communication equipment	3 to 10 years
Overland transport equipment	3 to 10 years
River transport fleet	3 to 45 years
Mines, quarries, and mineral deposits	2 to 38 years

Property land is not depreciated.

An item of property, plant, and equipment will be written off at the time of disposal or when economic future benefits are no longer expected from their continued use. The profit or loss arising from writing off an asset of property, plant, and equipment is measured as the difference between sales revenue and the asset book value, and it is recognized in profit or losses. The assets' residual values, useful lives, and depreciation methods are reviewed and adjusted prospectively at each year-end if required.

15. LEASES

The Group recognizes leases, sub-leases, and contracts with similar characteristics and circumstances considering the lessor or lessee capacity, the underlying asset, and the contract term.

At the beginning of a contract, the Group assesses whether a contract is, or contains a lease. A contract is or contains a lease if the contract transfers the right to control the use of an identified asset for some time in exchange for consideration. To assess whether a contract transfers the right to control the use of the identified assets, the Group uses the lease definition in IFRS 16.

The Group as a Lessee

As a lessee, at the beginning or in the modification of a contract that contains a lease component, the Group assigns consideration in the contract to each lease component based on their relative independent prices.

The Group initially recognizes on the lease start date a right-of-use asset that represents the right to use the underlying asset of the contract, as well as a lease liability, that represents its obligation to make the payments agreed upon in the contract. Right-of-use assets are measured at cost, minus any accumulated depreciation and impairment losses, and are adjusted with new lease liabilities measurements. The cost of right-of-use assets includes the value of recognized lease liabilities, initial direct costs incurred, and lease payments made before the contract start date minus any lease incentives received. Unless the Group has reasonable assurance of obtaining ownership of the leased asset at the end of the lease term, the assets recognized by the right-of-use are amortized in a straight line over the lease term. Right-of-use assets are subject to impairment.

On the lease start date, the Group recognizes the lease liabilities at the current value of the lease payments to be made during the lease term. Lease payments include fixed payments (including essentially fixed payments) minus lease incentives receivable, variable lease payments depending on an index or rate, and amounts expected to be paid based on residual value guarantees. Lease payments include the year's price of a purchase option when the Group has reasonable assurance that it will be exercised and the penalties for canceling the lease if the lease term reflects that the Group will exercise an option to terminate the lease. Variable lease payments that do not depend on an index or a rate are recognized as an expense in the period where the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate on the lease start date if the interest rate implicit in the lease may not be readily determined. After the start date, the lease liabilities value is increased to reflect interest accrual and is reduced by the lease payments made. In addition, the lease liabilities book value is remeasured if there is a modification, a change in the lease term, a change in essentially fixed lease payments, or a change in the valuation to acquire the underlying asset.

The Group recognizes the depreciation of the right-of-use assets and distributes the lease payments between the financial expense and the lease obligations reductions. Financial expense is charged directly to income unless it is directly attributable to eligible assets, in which case these are capitalized following the general borrowing costs policy. The Group recognizes leases payments for contracts with a lease term of 12 months or less and no purchase option, or contracts whose underlying asset is of low value (i.e. assets whose new value is equal to or less than 3,500 dollars for assets intended for operation, and 5,000 dollars for administrative use assets), as a lease expense minus lease incentives related, in a straight-line basis during the term corresponding to the lease, unless another systematic distribution basis is more representative to more adequately reflect the temporal pattern of the lease benefits to the lessee.

The Group presents the right-of-use assets in the lease and the lease liabilities separately in the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within the investment property item.

The Group presents interest expense on the lease liability separately from the asset depreciation charge for the lease right-of-use. Interest expense on the lease liability is a financial costs component, which is presented separately in the consolidated statement of comprehensive income.

The Group classifies in the Consolidated Cash Flow Statement, cash payments for capital and interest from lease payments as financing activities, as well as payments for short-term leases and payments for leases of low-value assets as operating activities.

Short-term leases and low-value asset leases.
The Group has decided not to recognize the lease right-of-use assets and the lease liabilities for leases with a lease term of 12 months or less and no purchase option (short-term leases), and leases whose underlying asset is of low value (i.e., assets whose new value is equal to or less than 3,500 dollars for assets intended for operation and 5,000 dollars for administrative use assets), including IT equipment. The Group recognizes the lease payment associated with these leases as a linear lease expense over the lease term.

The Group as a Lessor
At the beginning or when modifying a contract that contains a lease component, the Group assigns the consideration in the contract to each lease component based on their relative independent prices.

As a lessor, the Group classifies the leases as financial or operating at the beginning of the lease, evaluating the extent to which the risks and benefits derived from the asset ownership affect it. The Group classifies a lease as financial when all the risks and benefits inherent to the property are substantially transferred and operating when all the risks and benefits inherent to the property are not substantially transferred.

The Group recognizes amounts owed by lessees under finance leases as accounts receivable at the amount of the Group's net investment in the leases. Finance lease income is distributed over the accounting periods to reflect a regular rate of return that is constant on the Group's net pending investment regarding the leases.

Revenue stemming from operating leases is recorded using the straight-line method over the same period as the lease term. Initial direct costs incurred upon negotiating and agreeing on an operating lease are added to the leased asset’s book value and recorded on a straight-line basis over the lease term.

16. BORROWING COSTS
The Group capitalizes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset if these costs could have been avoided and if no disbursements had been carried out for the asset. Borrowing costs are capitalized as part of the cost of the asset when they are likely to generate future economic benefits and maybe reliably measured. The capitalization of borrowing costs starts as part of the cost of a qualified asset on the date on which the following conditions are met: a. Disbursements are incurred regarding the asset, b. Borrowing costs are incurred, and c. Necessary activities to prepare the asset for its intended use or sale are carried out.

The Group suspends borrowing costs capitalization during the periods where the activities development of a qualifying asset are interrupted. However, borrowing costs capitalization is not interrupted by leases during a period if important technical or administrative actions are being carried out. Borrowing costs capitalization will not be suspended either when a temporary delay is necessary as part of the preparation process of a qualified asset for its intended use or sale.

Borrowing costs capitalization ends when all necessary activities to prepare a qualified asset for its intended use or sale have been substantially completed. If the asset has components and these components may be used separately while the construction continues, the borrowing costs capitalization on these components should be stopped.

17. BIOLOGICAL ASSETS
The Group recognizes a biological asset or agricultural product when it controls the biological asset or agricultural product as a result of past events, it is likely it will generate future economic benefits and the cost of the biological asset or agricultural product may be reliably measured.

The Group measures biological assets both at the beginning and at the end of the period, at fair value minus selling costs. The biological asset's fair value is established by its quoted market price in an active market. In the event there are different active markets for the same biological asset, the asset fair value will be determined by the price quoted in the most relevant asset market.

If there is no asset market, the Group uses the following information to determine the fair value, provided it is available, and select the most reliable: a) the price of the most recent market transaction, assuming there have been no significant changes in economic circumstances between the transaction date and the end of the reporting period, b) the market price of similar assets, adjusted to reflect existing differences, c) sector benchmarks, such as plantations value expressed as a function of surfaces or capacity, weight or volume units.

Profits or losses arising from the initial recognition of a biological asset or agricultural product at fair value minus selling costs and from changes in this value are included in the income statement of the consolidated period when they occur.

18. PROVISIONS

Provisions are recognized when the Group has a current, legal or implicit obligation as a result of a past event, the Group will likely have to dispose of resources to settle the obligation, and the obligation value may be reliably estimated. In cases where the Group expects the provision to be partially or fully reimbursed, the reimbursement is recognized as a separate asset, only when such reimbursement is virtually certain, and the amount of the account receivable may be reliably measured.

Provisions are measured with the Management's best estimate of the future disbursements required to settle the current obligation and it is discounted using a risk-free rate. The expense related to the provisions is presented in the income statement, net from any reimbursement. The provision increase due to the passage of time is recognized as a financial expense in the income statement. The Group recognizes the present obligations, derived from an onerous contract, as provisions. An onerous contract is one in which the unavoidable costs of meeting the obligations it implies exceed the economic benefits expected to be received from it.

Contingent Liabilities

Possible obligations arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly under the control, are unrecognized in the consolidated statement of financial position, but are disclosed as contingent liabilities.

Contingent liabilities acquired in a business combination are initially measured at their fair values on the acquisition date. At the end of the subsequent reporting periods, such contingent liabilities are measured either between the amount at which it would have been recognized under IAS 37 and the amount at which it was initially recognized minus the accumulated amortization recognized under IAS 15 Revenue from ordinary activities.

19. POST-EMPLOYMENT BENEFIT PLANS

The Group recognizes liabilities related to pensions, pension securities and bonds, retirement premiums, and other post-employment benefits under the IAS 19 Employee Benefits requirements.

On December 22, 2016, the Ministry of Commerce, Industry and Tourism issued Decree 2131, whereby it is required to disclose the pension liabilities calculation, following the parameters established in Decree 1625/2016 and, in the case of partial pension commutation, under Decree 1833/2016, as well as the differences arising from the calculation carried out under IAS 19 Employee Benefits. This information is included in Note 22 employee benefits.

The Group recognizes the benefit plans classified as contribution plans in the consolidated income statement as administrative or sales expense, or cost of merchandise sold according to a submission by function on the date where it occurs. The Group recognizes benefit plans classified as benefit plans defined as an asset or liability in the statement of financial position by the difference between the fair value of the plan assets and the current value of the obligation of said plan, using the Projected Unit Credit Method to determine the current value of the obligation related to the defined benefits and the cost of the current service and, where applicable, the cost of past services, at least once a year. Plan assets are measured at fair value, which is based on the market price information, and, in the case of quoted securities, it constitutes the published purchase price.

The Projected Unit Credit treats each period of service as a generator of an additional entitlement unit to benefits and measures each unit separately to build up the final obligation. The Group deducts the total value of post-employment benefits obligation, even if part of it is to be paid within the twelve months following the reporting period. The estimate of the liability for post-employment benefits is carried out by an independent actuary.

Actuarial profits or losses, the yield on plan assets, and changes in the effect of the asset ceiling, excluding amounts included in the net interest on the liability (asset) of the defined net benefits, are recognized in the Other Comprehensive Income. Actuarial profits or losses include the effects of changes in actuarial assumptions, as well as experience adjustments. The net interest on the liability (asset) of defined net benefits includes income from interest on plan assets, interest costs for the defined benefit obligation, and interest on the effect of the asset ceiling.

The current service cost, the past service cost, any liquidation or reduction of the plan are recognized immediately in the Statement of Comprehensive Income, in the statement section for the period where they arise.

20. INVENTORY
Assets acquired with the intention of selling them in the ordinary course of business or to be consumed in the rendering services process are classified as inventories. The inventory of raw materials, products in process, merchandise not manufactured for sale, and finished products are measured at the acquisition cost. The Group recognizes a decrease in the value of inventories of finished goods, materials, spare parts, and accessories if the cost exceeds the net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, minus the estimated costs of finalization and the estimated costs necessary to make the sale. Inventories include goods in existence that do not require transformation, materials such as minor parts and accessories for rendering services, as well as goods in transit and held by third parties.

Inventories are valued using the weighted average method and its cost includes costs directly related to the acquisition and those incurred to give them their current condition and location.

21. INCOME
IFRS 15 requires the recognition of ordinary income when the promised goods or services are transferred to customers, for the amounts that reflect the consideration that the entity expects to receive in exchange for said goods or services, through the application of a five-step approach: Step 1: Identify the contract(s) with the customer; Step 2: Identify performance obligations within the contract; Step 3: Determine the transaction price; Step 4: Assign the transaction price to each performance obligation based on the individual relative sale price of each good or service; and Step 5: Recognize ordinary income when (or to the extent that) the entity meets performance obligations by transferring control of promised goods and services to the customer. Performance obligations may be fulfilled at a point in time or over some time.

Sale of Goods
In the sale of goods, a single performance obligation is established. The Group recognizes revenue when the obligation is fulfilled, i.e., when control of the goods or services underlying the performance obligation has been transferred to the customer, at a point in time.

Rendering Services
The Group renders some services that are sold on their own in contracts with customers or bundled with the sale of goods to a customer. In both scenarios, revenues from service contracts are satisfied at a point in time.

IFRS 15 excludes from its scope the recognition requirements for dividend and interest revenues and operating leases, for which the Group continues to apply the same accounting treatment.

Dividends and Interest Income
Income from investment dividends is recognized once the shareholders' rights to receive this payment have been established–as long as it is probable that the economic benefits will flow to the company and that ordinary income can be reliably measured. Income from dividends generated from investments, where the equity method has previously been recognized on the distributed profits, is recognized as lower investment value.

Interest income from a financial asset is recognized when it is probable that the Group will receive the economic benefits associated with the transaction and the amount of revenue from ordinary activities can be reliably measured. Interest income is recorded on a time basis, about the outstanding principal and the applicable effective interest rate, which is the discount rate that exactly equals the estimated receivable or payable cash flows along with the life expectancy of the financial instrument with the net book value of the financial asset upon initial recognition.

Operating Leases Revenue
The Group policy for the revenue recognition from operating leases consists of recognizing the payments received as revenue in the Income Statement on a straight-line basis throughout the useful life of the contract, unless another basis of distribution is deemed representative.

22. OPERATING SEGMENTS
An operating segment is a component of the Group that develops business activities from which it can earn revenue and incur expenses, whose operating results are regularly reviewed by the highest authority in the Group's operating decision-making, to decide on the resources to be allocated to the segment, evaluate its performance and relating to which differentiated financial information is available.

The Management has determined its operating segments based on financial information provided to the Group's Steering Committee, which is used by its members in making operational decisions to allocate resources and evaluate performance. The Steering Committee evaluates the performance of the operating segments based on the net sales, operating profit and EBITDA for each segment. On the other hand, the total assets and liabilities by operating segment are not evaluated internally for administrative purposes and therefore, are not disclosed by the Group.

23. RELATED PARTIES

The Group considers as a related party Grupo Argos S.A. subsidiaries and associates and direct joint ventures, the entities that exercise joint control or significant influence over Cementos Argos S.A., and the key management personnel, which includes the members of the Board, Nomination and Remuneration Committee, Audit and Finance Committee, Sustainability and Corporate Governance Committee, Directive Committee (made up by the President and Vice President), and any other committee that directly depends on Cementos Argos S.A. and Grupo Argos S.A. Board of Directors, as well as the Managers who have the ability to direct, plan and control activities and their close relatives.

Transactions between related parties are considered as any transfer of resources, services, and obligations between the Group and a related party, as well as the outstanding balances between them at the preparation date of the consolidated financial statements, including any commitment and guarantee granted or received between both parties.

The information that is disclosed with related parties is provided according to the categories established by IAS 24 Related Party Disclosures, which correspond to transactions with (a) the parent company, (b) entities with joint control or significant influence over the entity, (c) subsidiaries, (d) associates, (e) joint ventures, (f) key management personnel, and (g) other related parties. Likewise, items of similar nature are grouped for disclosure purposes.

The transactions characteristics with related parties do not differ from those carried out with third parties, nor do they imply differences between market prices for similar operations.

24. MATERIALITY

The Group considers that information is material if its omission, inappropriate expression or obscuring could reasonably be expected to influence the decisions made by the main users regarding financial statements. The Group materiality assessment is carried out along the following 4 phases:

- Phase 1: The Group identifies information about transactions and conditions that the main users might need to understand the decision-making about the flow of resources to the Company. The primary users are existing and potential investors, lenders, and other creditors. The Company intends to satisfy common information needs, which includes resources, acquired rights (assets), obligations, commitments, rights against (liabilities and equity), changes in those resources (income and expenses) and the extent to which the Management and the governing bodies of the Company have efficiently and effectively fulfilled their responsibilities for the use of the entity's resources.
- Phase 2: The Group assesses whether the information identified in phase 1 is material. The evaluation includes elements judged regarding the specific circumstances of the Company in terms of its nature, magnitude and a combination of both. In this phase, quantitative and qualitative factors are assessed. To determine the quantitative factor, the Company takes as a reference the income, profitability, assets level, liabilities and equity. Within the qualitative evaluation, we consider internal (unusual transactions, with related parties, among others) and external (social, political, environmental, economic conditions, among others) factors.
- Phase 3: The information identified in phase 2 is classified and organized so that it is properly disclosed.
- Phase 4: This last phase allows reassessing the financial situation, financial performance and cash flows from a global perspective, to conclude that the information identified and revealed is indeed material for the main users. This review may lead to additional information, different disaggregation, or deletion of non-material information.

25. GOING CONCERN

Consolidated Financial Statements have been prepared on the a going concern basis, and as of December 31, 2023, there are no material uncertainties related to events or conditions that produce significant doubts about the ability of any firm within the Group to continue operating. The Group has the required liquidity and solvency to continue operating the business for the foreseeable future.

NOTE 3: ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

3.1. Not effective ifrs issued by the IASB

Listed below are the accounting pronouncements issued that are applicable to annual periods beginning after January 1, 2023 and 2024, but have not been applied in the preparation of these financial statements. The Company plans to adopt the corresponding accounting pronouncements on their respective application dates and not in advance.

STANDARDS AND AMENDMENTS ISSUED, APPLICABLE FROM JANUARY 1, 2023:

- IFRS 9 – Financial Instruments, IAS 39 – Financial Instruments: Recognition and Measurement, IFRS 7 – Financial Instruments: disclosure information: Reference Interest Rate Reform, amendments to IFRS 9, IAS 39 and IFRS 7
- IFRS 9 – Financial instruments, IAS 39 – Financial instruments: recognition and measurement, IFRS 7 – Financial instruments: disclosure information, IFRS 4 – Insurance contracts, IFRS 16 – Leases: Interest Rate Benchmark Reform – Phase 2:
- IFRS 3 – Business Combinations: Modifications by reference to the conceptual framework.
- IAS 16 – Property, Plant and Equipment. It is modified regarding products obtained before the intended use.
- IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, Onerous Contracts — Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018–2020. Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments and IAS 41 - Agriculture. Amendment to IFRS 1. Subsidiary adopting IFRS for the first time.
- IAS 1 – Presentation of Financial Statements. Modifications are carried out regarding the liabilities classifications as current or non-current.
- Extension for the Temporary Exemption of Applying IFRS 9 – Financial Instruments. Amendments to IFRS 4 – Insurance Agreements.

STANDARDS AND AMENDMENTS ISSUED, APPLICABLE FROM JANUARY 1, 2024:

- IAS 8 - Definition of Accounting Estimates
- IAS 1 - Disclosure of Accounting Policies
- IFRS 16 - Rental concessions related to Covid-19 beyond June 30, 2021
- IAS 12 - Deferred Taxes related to Assets and Liabilities arising from a Single Transaction

These accounting pronouncements issued (not yet in effect) are not expected to have a significant impact on the Company's consolidated financial statements.

NOTE 4: CRITICAL ACCOUNTING JUDGMENTS AND KEY ESTIMATES SOURCES

4.1. Judgments, other than those involving estimates, that the group has made in the process of applying the accounting policies and that have a significant effect on the amounts recognized in the financial statements

4.1.1. SUBSIDIARIES CONSOLIDATION AND INTEREST IN OTHER ENTITIES

The Group Consolidated Financial Statements include the accounts of the subsidiaries, associates and joint ventures on which Cementos Argos S.A. has control, joint control or significant influence. In the control assessment, the Group evaluates the existence of power over the entity, the exposure, or right, to variable returns from its involvement with the entity; and the ability to use its power over the entity to influence the amount of the Group's returns. Management applies its judgment to assess the time in which control exists and which type of control exists, if any, over an entity. Judgment is applied in determining the relevant activities of each entity and the ability to make decisions about these activities. For this aim, the Group evaluates the purpose and design of the entity, identifies the activities that most impact its performance and evaluates how decisions are made on the relevant activities. In evaluating decision-making, the Group considers existing voting rights, potential voting rights, contractual agreements entered into by and between the entity and other parties, and the rights and ability to appoint and remove key management members, in other aspects. Judgment is also applied in the identification of variable returns and the Group's exposure to them. Variable returns include, but are not limited to, dividends and other distributions of economic benefits from the entity, compensation for managing the entity's assets or liabilities, fees, and exposure to loss for providing credit or liquidity support.

4.2. Assumptions made about the future and other causes of estimation uncertainty, which have a significant risk of resulting in significant adjustments in the assets or liabilities book value within the following accounting period

4.2.1. GOODWILL IMPAIRMENT ASSESSMENT

The Group carries out goodwill impairment tests at least annually, or when market or business conditions present significant changes that give impairment cues. The assessment of goodwill impairment requires an estimate of the value in use of the cash-generating unit or group of cash-generating units (operating segment) to which cash has been assigned. The estimation of the value in use requires the estimation of the future cash flows of the cash-generating unit or groups of cash-generating units (operating segment) as well, and the estimation of financial assumptions such as the inflation rate, the discount rate and the growth rate in perpetuity. In the process of measuring expected future cash flows, Management carries out estimates of future operating results. Changes in valuation assumptions may cause adjustments to the Group's goodwill for the next reporting period, in the event of impairment.

4.2.2. CURRENT AND DEFERRED INCOME TAX

The Group recognizes significant amounts of current and deferred income tax in its consolidated financial statements given the volume of its operations and the multiple countries in which it operates. The determination of current and deferred tax is based on the best interpretation of the Administration of current and applicable laws, as well as the best practices of the jurisdictions where it operates. The reasonableness of this estimate depends significantly on the ability of the Management to integrate complex tax and accounting standards, to consider the changes in the applicable laws, and the evaluation, for purposes of recognizing the deferred tax asset from the existence of enough taxable profits for its realization.

An uncertain tax treatment is a tax treatment for which there is uncertainty, as to whether the taxing authority will accept the tax treatment under the tax law. The Group recognizes uncertain tax positions in accordance with IFRIC 23 requirements. The probability analysis to recognize uncertain tax positions is based on expert opinions and on the interpretation of current tax regulations in the applicable jurisdiction.

RECOGNITION OF DEFERRED TAX ASSETS FROM LOSSES OR UNUSED TAX CREDITS

Management applies its judgment to determine the value and recognize a deferred tax asset from losses or unused tax credits, evaluating whether the existence of enough tax profits from subsequent periods for compensation and/or recovery is probable, together with the strategies for future tax planning.

4.3. Other judgments and estimates made

In preparing the financial statements, the Group makes judgments and estimates in the application of accounting policies. Said judgments and estimates do not have a significant risk of causing material adjustments in the assets or liabilities book value. Some of these judgments and estimates are detailed below:

- Determination of cash generating units
- Determination of average exchange rates for financial statements conversion. The Group uses the moving average rate at the cutoff of each issuance of financial statements
- Determination of whether an instrument meets the hedge accounting requirements under IAS 39
- Assessment of non-financial assets impairment
- Determination of the lease term for contracts with renewal options and leases whose term is automatically extended to the end of the original term
- Derivatives and financial assets fair value
- Investment properties fair value
- Determination of expected credit losses from commercial debtors
- Provisions for dismantling, removal or rehabilitation
- Provisions for contingencies, litigation and demands
- Liabilities of pension plans and other defined post-employment benefits

NOTE 5: CASH AND CASH EQUIVALENTS

For purposes of the Consolidated Cash Flow Statement, cash and cash equivalents include cash and banks. Cash and cash equivalents at the end of the reported period in the Consolidated Cash Flow Statement and in the Consolidated Statement of Financial Position are:

	2023	2022
Cash and banks	1,008,527	790,086
Value of restricted or unavailable cash and cash equivalents for use	2,061	1,063

As of December 31, 2023 and 2022, Zona Franca Argos S. A.S., a Group subsidiary, maintains restricted use resources due to the constitution of a trust on May 29, 2019, by an amount of $1,424. The purpose of this operation is to manage the resources destined to contract the expansion works controlling interest for Zona Franca Argos private port in the city of Cartagena, in compliance with the obligations of the concession contract subscribed with the National Infrastructure Agency (ANI, by its Spanish initials) and the entity.

Additionally, the Group reports cash and cash equivalents balances restricted by agreements entered into with Universidad de Antioquia in the amount of $637, which is a research and development project that will increase capacities in the micro-algae pilot plant in Cartagena. The concepts considered in the project to execute the resources co-financed by Minciencias are the following: equipment, academic events, technological services, materials and supplies, publications and dissemination of results, and specialized consulting.

During the current year and comparative periods, the Group carried out the following investment and financing activities not reflected in the Consolidated Cash Flow Statement:

- In June 2023, the sale of the non-current asset held for sale (Note 18), corresponding to La Gabriela Lot for $39,394, generated $6,985 of cash inflows, the remaining value is pending payment.
- In November 2023, its own shares were repurchased from its minority shareholder Grupo Argos S.A. by the subsidiary Valle Cement for $121,789 (Note 13). This transaction is pending payment, and therefore, did not generate cash outflows as of December 31, 2023.
- In 2022, a financial liability for $88,266 (2022: $85,018) (Note 26.2) was established, which did not generate cash inflows.
- In June 2022, the associate SUMMA S.A.S. was capitalized for $1,490 making use of an advance given in previous years for said value.
- In December 2022, debts with the joint business Granulados Reciclados de Colombia-Greco were capitalized for $1,758, which meant the subscription of 171,000 shares and the increase in interest to 43.98%.

NOTE 6: DERIVATIVE FINANCIAL INSTRUMENTS

	2023	2022
Current	126,941	66,715
Non-current	34,916	87,544
Derivative financial assets designated as hedging instruments	**161,857**	**154,259**
Current	8,449	-
Derivative financial assets designated as a trading instrument	**8,449**	**-**
Total assets from financial derivatives	**170,306**	**154,259**
Current	214,804	21,908
Non-current	114,138	649
Derivative financial liabilities designated as hedging instruments	**328,942**	**22,557**
Current	11,466	-
Derivative financial liabilities designated as a trading instrument	**11,466**	**-**
Total liabilities from financial derivatives	**340,408**	**22,557**
Financial derivative (liabilities) assets, net	**(170,102)**	**131,702**

The financial derivatives in force as of December 31, 2023 and 2022, are:

SWAP OPERATIONS DESIGNATED AS HEDGING INSTRUMENTS

					Underlying value (1)		Fair value	
Swap type	Underlying	Underlying rate (1)	SWAP	Expiration	2023	2022	2023	2022
Interest rate	Short-term credit	15.01%	IBR + 4.69%	28-Aug-23	-	COP 30,000	-	(365)
Interest rate	Bonds	CPI + 2.24%	TF + 9.74%	25-Aug-24	COP 50,000	COP 150,000	(1,441)	(357)
Interest rate	Bonds	CPI+2.24%	TF + 9.60%	25-Aug-24	COP 50,000	-	(1,388)	-
Interest rate	Bonds	CPI+2.24%	TF + 9.55%	25-Aug-24	COP 50,000	-	(1,370)	-
Interest rate	Bonds	CPI + 7.19%	TF + 7.87%	28-Apr-24	COP 100,000	COP 150,000	404	3,902
Interest rate	Bonds	CPI + 7.19%	TF + 8.09%	28-Apr-24	COP 50,000	-	148	-
Interest rate	Bonds	CPI + 4.5%	TF + 9.69%	16-Aug-24	COP 150,000	COP 150,000	(3,493)	(292)
Interest rate	Bonds	CPI + 3.64%	TF +7.50% (first two years) and IBR - 2% (years 3-5)	24-Aug-27	COP 50,000	COP 50,000	1,160	309
Interest rate	Bonds	CPI + 3.64%	TF + 9.93%	24-Aug-24	USD 50,000	-	(1,513)	-
Interest rate	Bonds	CPI + 3.64%	TF + 11.63%	24-May-26	COP 100,000	-	(3,872)	-
Interest rate	Bonds	CPI + 3.64%	TF + 11.62%	24-Aug-26	COP 100,000	-	(4,917)	-
Interest rate	Bonds	CPI + 3.75%	TF + 11.47%	27-Sep-26	COP 150,000	-	(7,164)	-
Interest rate	Bonds	CPI + 4.04%	TF + 11.60%	27-Sep-26	COP 100,000	-	(4,543)	-
Interest rate	Bonds	CPI + 3.99%	TF +8% (first two years) and IBR - 2% (years 3-5)	24-Aug-27	COP 150,000	COP 150,000	2,974	14
Interest rate	Bonds	CPI + 3.99%	TF +7.4% (first two years) and IBR - 2% (years 3-5)	24-Aug-27	COP 150,000	-	3,621	-
Interest rate	Bonds	CPI + 3.99%	TF +8.28% (first two years) and IBR – 1.5% (years 3-5)	24-Aug-27	COP 50,000	-	144	-
Interest rate	Bonds	CPI + 4.47%	TF+8.30%	13-Jul-27	COP 150,000	-	(7,297)	-
Interest rate	Bonds	CPI + 4.21%	TF+8.30%	27-May-27	COP 200,000	-	(9,620)	-
Currency	Short-term credit	SOFR 6m + 1.95%	TF 13.46%	14-Apr-23	-	USD 10,000	-	(378)
Interest rate	Short-term credit	IBR + 8.40%	11.79%	25-Nov-23		COP 50,000	-	1,686
Interest rate	Short-term credit	IBR + 4.74%	11.39%	7-Jun-23	-	COP 30,000	-	345
Interest rate	Short-term credit	IBR + 4.52%	11.46%	22-Aug-23	-	COP 50,000	-	107
Interest rate	Short-term credit	IBR + 2.05%	11.73%	18-Feb-24	COP 53,175	COP 53,175	207	2,467
Currency	Short-term credit	SOFR 3m + 2.9%	15.40%	10-Nov-25	USD 40,000	USD 40,000	(55,534)	(8,046)
Interest rate	Long-term credit	IBR + 7.85%	11.31%	14-Jun-24	-	COP 50,000	-	3,386
Interest rate	Short-term credit	IBR + 7.85%	11.60%	14-Dec-23	-	COP 100,000	-	3,836
Interest rate	Long-term credit	Libor 6m + 2.25%	3.79%	21-Aug-26		USD 60,000		28,451
Currency	Long-term credit	Libor 3m + 1.32%	5.39%	18-Feb-26	USD 15,000	USD 15,000	8,427	28,472
Currency	Long-term credit	Libor 3m + 1.32%	IBR + 2.05%	18-Feb-26	USD 15,000	USD 15,000	4,540	20,543
Currency	Long-term credit	TF+7.43%	14.46%	26-May-26	USD 10,000	-	(7,164)	-
Currency	Long-term credit	SOFR 3m+3.58%	15.10%	26-May-26	USD 20,000	-	(14,028)	-
Currency	Long-term credit	SOFR 3m+2.25%	IBR+0.69%	9-Mar-24	USD 11,000	-	(12,146)	-
Interest rate	Long-term credit	5.28%	IBR + 1.85%	20-Nov-23	-	COP 160,000	-	(12,674)
Interest rate	Long-term credit	IBR + 4.93%	9.37%	24-Jul-25	COP 100,000	-	5,462	-
Interest rate	Long-term credit	IBR + 4.93%	8.69%	24-Jul-26	COP 100,000	-	8,589	-
SWAP Operations Fair Value							**(99,814)**	**71,406**

Some swaps disclosed as 'currency' type hedge interest rate risk in combination.

FORWARD OPERATIONS DESIGNATED AS HEDGING INSTRUMENTS

Forward type	Underlying	Underlying value (1)	Forward rate	Expiration	2023	2022
Purchase	Financial Liabilities	USD 26,798	4,044	30-May-23	-	23,019
Purchase	Financial liabilities - Interco	USD 15,796	4,097	8-Jun-23	-	12,864
Purchase	Financial liabilities - Interco	USD 8,434	4,159	14-Jun-23	-	6,410
Purchase	Financial Liabilities	USD 15,632	4,666	29-Jun-23	-	4,589
Purchase	Financial Liabilities	USD 11,300	4,456	12-Jan-23	-	4,078
Purchase	Financial Liabilities	USD 27,000	4,742	29-Aug-23	-	7,439
Purchase	Financial Liabilities	USD 8,377	4,733	24-Aug-23	-	2,342
Purchase	Financial Liabilities	USD 5,177	4,918	14-Apr-23	-	(73)
Purchase	Financial Liabilities	USD 10,304	4,979	26-May-23	-	(372)
Purchase	Short-term credit	USD 11,746	5,086	11-Jan-24	(14,706)	-
Purchase	Short-term credit	USD 11,796	4,993	1-Apr-24	(12,617)	-
Purchase	Short-term credit	USD 5,000	4,765	12-Apr-24	(4,183)	-
Purchase	Short-term credit	USD 5,000	4,885	17-Apr-24	(4,733)	-
Purchase	Short-term credit	USD 5,969	4,862	11-Apr-24	(5,560)	-
Purchase	Interco credit	USD 27,000	4,907	17-Jun-24	(25,312)	-
Purchase	Short-term credit	USD 10,000	4,851	22-Mar-24	(8,785)	-
Purchase	Short-term credit	USD 8,000	4,488	16-Jul-24	(3,901)	-
Purchase	Short-term credit	USD 15,059	4,538	12-Jul-24	(8,095)	-
Purchase	Short-term credit	USD 40,000	4,240	25-Jul-24	(9,924)	-
Purchase	Short-term credit	USD 8,000	4,455	17-Sep-24	(3,268)	-
Purchase	Short-term credit	USD 5,000	4,781	17-Apr-24	(4,235)	-
Purchase	Short-term credit	USD 1,500	3,978	11-Jan-24	(224)	-
Purchase	Short-term credit	USD 1,500	3,972	11-Jan-24	(214)	-
Sale	Dividends	USD 1,500	4,195	31-Jan-24	520	-
Purchase	Short-term credit	JPY 24,170	0.007(2)	14-Aug-24	36,899	-
Purchase	Short-term credit	JPY 677	0.007(2)	14-Aug-24	1,067	-
Forward operations fair value					**(67,271)**	**60,269**

Operations with Options designated as a trading instrument

Forward type	Underlying	Underlying value (1)	Option amount	Option rate	Expiration	2023	2022
Buy Put	Equity Hedging	USD 219,230	1,161,912	188,68	12-Jan-24	4,201	-
Buy Put	Equity Hedging	USD 219,230	1,162,066	188,68	12-Jan-24	4,248	-
Buy Put	Equity Hedging (3)	-	-	-	-	(11,466)	-
Forward operations fair value						**(3,017)**	**-**
Swap, forward and options operations fair value						**(170,102)**	**131,702**

(1) The underlying value is rounded to the nearest thousand units when it's expressed in dollars, and to the nearest thousand when it's expressed in Colombian pesos or Japanese yen.

(2) Japanese Yen

(3) Corresponds to the premium payable for the option.

At the end of December 2023, the Company signed financial option contracts that would allow it to mitigate the impact on net income of possible falls in share prices in the United States market, pursuant to the contract signed on September 7, 2023, with Summit Materials Inc. (Note 43). This instrument had a net impact on results of -US$789,487.

NOTE 7: OTHER FINANCIAL ASSETS

	2023	2022
Financial assets at fair value through changes in profit or loss - advances	2,276	-
Financial assets at fair value through changes in profit or loss	3,206	3,015
Financial assets at fair value through Other Comprehensive Income (Note 26.2.1)	847,400	1,216,230
Financial assets measured at amortized cost	-	470,642
Total - Other financial assets	**852,882**	**1,689,887**
Current	127	470,805
Non-current	852,755	1,219,082
Total - Other financial assets	**852,882**	**1,689,887**

The category of other financial assets at fair value with changes in Other Comprehensive Income includes investments held by the Group in Grupo de Inversiones Suramericana S. A. The investment is measured at fair value with changes in Other Comprehensive Income with a monthly frequency. In Note 26.2.1., Financial assets are measured at fair value with changes in Other Comprehensive Income, this investment value is detailed for the periods reported.

NOTE 8: TRADE AND OTHER ACCOUNTS RECEIVABLE

	2023	2022
Trade accounts receivable	1,103,772	1,316,748
Other accounts receivable	198,173	174,066
Impairment for expected credit losses and for doubtful accounts	(76,443)	(89,656)
	1,225,502	**1,401,158**
Current	1,184,294	1,353,453
Non-current	41,208	47,705
	1,225,502	**1,401,158**

The movement of impairment for expected credit losses and doubtful accounts of trade accounts receivable and other accounts receivable as of December 31 is detailed below:

	2023	2022
Movement in impairment of expected credit losses and doubtful accounts receivable		
Opening balance	**(89,656)**	**(88,858)**
Value impairment losses recognized on accounts receivable	(10,302)	(14,392)
Punishment of amounts considered uncollectible	6,669	24,515
Amounts recovered during the year	-	(496)
Reversed impairment losses	2,278	5,041
Foreign currency conversion result	14,568	(15,466)
Closing balance	**(76,443)**	**(89,656)**

The contractual amounts of financial assets written off during the reporting period that are still subject to enforcement activities are $681 (2022: $13,526).

As of December 31, 2023, Cementos Argos S.A. sold commercial debtors and other debtors to Bancolombia, BBVA and Bancóldex for a value of $313,272 (2022 $189,798), having an effect on income of $8,445 (2022 $3,023).

For each day range of non-payment of the portfolio, the following table presents the percentage of expected credit loss determined using the transition matrix methodology according to the Markov chains theory, the value of trade accounts receivable and other accounts receivable subject to credit risk before recognizing any loss due to value impairment, the values of expected losses determined individually and collectively and the value of accounts receivable after considering the expected impairment, at the end of the reporting period.

2023	Expected Credit Loss Rate	Gross Accounts Receivable	Impairment of Expected Credit Loss	Net accounts receivable
Impairment for expected credit losses explanation				
Not expired	0.11%	789,767	(904)	788,863
Between 0 and 30 days	0.33%	238,038	(793)	237,245
Between 31-60 days	1.21%	75,481	(912)	74,569
Between 61-90 days	4.66%	12,741	(594)	12,147
Between 91-120 days	11.22%	10,840	(1,217)	9,623
Between 121-150 days	8.18%	8,860	(724)	8,136
Between 151-180 days	4.40%	37,219	(1,638)	35,581
Between 181-360 days	9.94%	22,515	(2,238)	20,277
More than a year	63.32%	106,484	(67,423)	39,061
Total balances and impairment for expected credit losses		**1,301,945**	**(76,443)**	**1,225,502**

2022	Expected Credit Loss Rate	Gross Accounts Receivable	Impairment of Expected Credit Loss	Net accounts receivable
Impairment for expected credit losses explanation				
Not expired	0.10%	856,203	(855)	855,348
Between 0 and 30 days	0.22%	343,258	(765)	342,493
Between 31-60 days	0.69%	82,741	(574)	82,167
Between 61-90 days	3.72%	26,447	(984)	25,463
Between 91-120 days	7.18%	16,312	(1,171)	15,141
Between 121-150 days	24.61%	5,223	(1,285)	3,938
Between 151-180 days	23.13%	4,828	(1,117)	3,711
Between 181-360 days	16.02%	34,771	(5,572)	29,199
More than a year	63.90%	121,031	(77,333)	43,698
Total balances and impairment for expected credit losses		**1,490,814**	**(89,656)**	**1,401,158**

The average credit period over the sale of goods is 30.4 days. No interest surcharge is carried out on trade accounts receivable after the average credit period. The Group assesses at the end of the period on which it is reported and with the same periodicity of financial information. If there is objective evidence that financial assets are impaired, and if this is the case, it recognizes a loss in the income statement due to a value impairment. The Group recognizes an impairment on individual clients when they are in an economic insolvency state or when a financing or restructuring agreement of the account receivable is agreed upon, and collectively grouping the portfolio by default days ranges and applying to these values the non-compliance percentages using the transition matrix methodology according to the Markov chain theory. In determining the recoverability of a trade account receivable, the Group considers any change in the credit quality of the account from the date the credit was initially granted until the end of the reporting period. The concentration of credit risk is limited because the customer database is long and independent.

NOTE 9: INCOME TAX

The current tax provisions establish that the nominal income tax rates for 2023 and 2022 applicable to Cementos Argos S. A. and its subsidiaries located in Colombia, Antigua, Bermuda, Curacao, Dominica, United States, French Guiana, Guatemala, Haiti, Honduras, British Virgin Islands, Panama, Dominican Republic, Saint Maarten, Saint Thomas, Suriname, and Puerto Rico, are the following:

Country	2023	2022	Country	2023	2022
Antigua & Barbuda	25%	25%	Haiti	31%	31%
Bermuda	0%	0%	Honduras	30%	30%
Colombia (1)	35%	35%	British Virgin Islands	0%	0%
Colombia Free Zone (2)	15%	15%	Panama	25%	25%
Curaçao	22%	22%	Puerto Rico	37.5%	37.5%
Dominica	25%	25%	Dominican Republic	27%	27%
U.S.A. (3)	24.44%	24.50%	Saint Maarten	34.5%	34.5%
French Guiana	25%	25%	Saint Thomas	31%	35%
Guatemala	25%	25%	Suriname	36%	36%

(1) Income tax in Colombia is settled at a rate of 35% for 2023 and 2022.

(2) A special tax regime is presented for Free Zones whose benefits include an income tax rate of 15%. Zona Franca Argos has a Legal Stability Contract until 2028.

(3) The U.S. federal tax rate for 2023 and 2022 is 21%. Also, in the United States, there is the state rate, which varies in a range between 3% and 7%, depending on the state. In the state of Texas, there is a one-time rate of 1%, called the "Texas Margin Tax".

Below are the main legal rules and issues applicable to the Group, in the countries where the main activities are carried out:

COLOMBIA:

On December 13, 2022, the National Government issued Act 2277, the Equality and Social Justice Reform, whereby significant changes are introduced in terms of taxes, effective as of January 1, 2023.The most significant changes for income and complementary tax purposes were the following:

- The general income rate is maintained at 35% for national companies and their similar companies obliged to present the annual declaration of income and complementary tax in Colombia.
- In 2023, The Constitutional Court declared the articles of the tax reform that modified the rental rate of free zone users

enforceable. At the same time, it noted that users who met the conditions to access the regime before December 13, 2022 maintain the 20% tax.

- A minimum tax is established for residents in Colombia, setting an additional tax in the event that the adjusted income tax with some modifications is less than 15% of the accounting profit before taxes with certain adjustments. Therefore, taxpayers must: (i) Determine the Colombian taxpayer adjusted tax, or the adjusted tax of the group in case it becomes part of a business group; (ii) Determine the Colombian taxpayer or the group adjusted profit, in the event that it becomes part of a business group; and (iii) Determine the Colombian taxpayer or the group adjusted tax rate, in the event that it becomes part of a business group. If the effective rate (adjusted tax/adjusted profit) is less than 15%, the tax to be added must be calculated to reach the rate of fifteen percent (15%) of the taxpayer or of the group in case it becomes part of a business group. At the end of 2023, no adjustments were presented for this concept.
- The occasional income tax rate is increased, remaining at 15% (until 2021, 10%).
- The amount of the sum of some non-taxable income, special deductions, exempt income and tax discounts is limited to 3% per year of ordinary liquid income.
- In the last tax reform, Act 2277/2022, royalty payments referred to in articles 360 and 361 of the National Constitution are not deductible, regardless of the payment name, the accounting treatment and the payment method (money or kind). The non-deductible amount corresponds to the total cost of production of non-renewable resources. However, in 2023 the Constitutional Court declared article 19 of Act 2277 of 2022 unenforceable, which sought to prohibit the deductibility of royalties from income tax. This decision of the Court is of outmost relevance for the future of the oil industries, as well as for mining in Colombia.
- The possibility of taking as a tax discount 50% of the ICA value that has been effectively paid before filing the declaration is eliminated. 100% accrued and paid prior to filing the income statement will be deductible.
- 100% of the taxes, rates and contributions effectively paid in the taxable year, which are causally related to income generation (except income tax), continue to be deductible; 50% of the tax on financial movements (GMF) will be deductible, regardless of whether or not it has a causal relationship with the income-generating activity.
- Payments for affiliations to social clubs, labor expenses of support staff at home or other activities unrelated to the income-producing activity, personal expenses of partners, participants, shareholders, clients, and/or their relatives, will not be deductible, and will be considered income in kind for their beneficiaries.
- Tax on taxed dividends will be determined: (i) applying the income rate corresponding to the year in which they are decreed (35%) and (ii) the rate corresponding to the non-taxed dividend will be applied to the remainder, depending on the beneficiary. (If it is a resident natural person or illiquid succession of deceased resident, the table from Article 241 of the Tax Code shall apply).
- Dividends declared charged to profits from 2016 and prior years will retain the current treatment at that time; those corresponding to profits for 2017, 2018 and 2019 that are decreed as of 2020 shall be governed by the rates provided in Act 2010.

UNITED STATES OF AMERICA

In the United States, the Federal Tax rate is 21%. Also, there is a state tax rate, which varies by state from 3% to 7%. In the state of Texas, there is a particular rate of 1%, called the "Texas Margin Tax". Federal tax returns for 2016, 2017, 2018, 2019, 2020 and 2021 are subject to review and audit of exemptions applied by the tax authorities. In addition, statements with net operating losses are subject to revision even if the regulations have expired.

On March 27, 2020, the United States Congress and the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the COVID-19 pandemic in the U.S. Among many other provisions of the Act, the CARES Act allowed a temporary repeal of the 80% net operating loss limitation (NOL) for taxable years beginning before January 1, 2021, and amended the rules related to some types of recently generated carrybacks. However, since Argos has not been or is expected to be in a NOL position during the years affected by the law, no additional tax benefit is expected from these changes to the law. It should be noted that Argos USA tax losses were generated before January 1, 2017. Therefore, they are subject to the above rules, applicable to when the losses were generated, which allow a two-year carryback period and a 20-year carry-forward period to offset the taxable income. These net operating losses (NOL) may fully offset future taxable income until they are fully used. As of December 31, 2023, the federal net operating losses (NOL) of United States subsidiaries are estimated to be fully used.

On July 28, 2020, the Treasury Department published final regulations TD9905 reversing the proposed Section 163 (j) regulation, allowing the Company to add depreciation and amortization when calculating adjusted taxable income (ATI), even if its depreciation and amortization are capitalized in inventory under IRC Section 263A. However, beginning in tax year 2022, the TCJA removed the ability to add all depreciation and amortization into the ATI calculation. Therefore, the Company has modified the ATI calculation and, given the Company's significant taxable income in 2022, no interest limitation has occurred in the 2022 provision calculation, even with the inability to add depreciation and amortization. The Company will continue to monitor any further legislative developments, as well as future debt profiles, but currently does not expect interest capping in the coming years.

In January 2023, the IRS released interim guidance on the new 15% Corporate Alternative Minimum Tax (CAMT), which was enacted under the Inflation Reduction Act of 2022. The CAMT will take effect beginning in 2023 and will be applicable to entities whose three-year average adjusted annual revenue (AFSA) exceeds $1 thousand million from all foreign-parent multinational group members. The company is currently evaluating the implications of this recent guidance, especially as it relates to incoming foreign-owned entities, to determine the applicability of these rules to Argos North America Corp. (ANAC), its foreign parent, and its foreign affiliated companies. At this time, we do not expect the CAMT to affect ANAC based on the 2023 CAMT Analysis, which concluded that "ANAC is not an 'applicable corporate' that meets the $500 million, and $50 million thresholds under the Simplified Method provided in Notice 2023-7".

As of 2022, one of the delayed provisions of the Tax Cuts and Jobs Act FROM 2017 (TCJA) took effect, whereby research and development (R&D) costs and internal software development costs (IRS Section 174 costs) must now be capitalized and amortized over 5 years for activities carried out in the United States and over 15 years if conducted outside the United States. This law change had an immaterial impact on the 2022 income provision. However, this change could have a more pronounced impact in the coming years, as the company expands its research and development activities and increases its use of proprietary software technology.

PANAMA

The income tax rate (ISR) applicable for 2023 is 25% (2022: 25%).

Act No. 8 dated March 15, 2010, amends the Alternate Calculation of Income Tax (CAIR), forcing a legal person which gives rise to income above one million five hundred thousand dollars (US$1,500,000) to determine as a taxable income, the greater amount between: (a) the net taxable income calculated by the ordinary method established in Title I from the Fourth Book of Panama Fiscal Code, and the net taxable income that is applied to the total taxable income, the four-point sixty-seven percent (4.67%).

Legal entities that incur losses due to the tax calculated under the presumptive method or that, due to the application of the said presumptive method, their effective rate exceeds the applicable tax rates for the fiscal period in question, may request the General Directorate of Revenue to be authorized to calculate the tax under the ordinary calculation method.

In accordance with the regulations, the income tax returns of companies incorporated in the Republic of Panama are subject to review by tax authorities for the last three years.

In accordance with the current Panamanian tax legislation, companies are exempt from paying income tax for profits from foreign sources. They are also exempt from income tax, interest earned on time deposits in local banks, interest earned on Panamanian state securities, and investments in securities issued through the Panama Stock Exchange.

Tax losses may be deductible from the taxable profit for the following five years, 20% each year, but limited to 50% of the tax result for each year.

HONDURAS

Companies residing in Honduras are taxed over territorial income. Non-resident companies are subject to corporate income tax (IRC) only on income derived from Honduran sources.

By Decree No. 25 dated December 20, 1963, the obligation to pay income tax to natural or legal persons engaged in civil or commercial activities was established. According to Article No. 22, subparagraph a) from the Income Tax Act, legal persons shall pay a rate of 25% on the net taxable income. On the other hand, by the Decree 278 dated December 2013, the Act of Tax Equity was amended, by establishing a surcharge on income tax called the Solidarity Contribution, equal to five percent (5%) applied on the net taxable income in excess above one million lempiras (L1,000,000), which must be paid in four quarterly payments on the following dates: June, September, December and the final payment in April of each year. The returns that are open to inspection are the periods 2020, 2021 and 2022.

As of 2017, the new Tax Code entered into force. However, this has not been regulated, and thus, there are no specific details for its application. This new regulation does not imply changes in tax rates, nor in assets or liabilities for taxes.

DOMINICAN REPUBLIC

Companies resident in the Dominican Republic are taxed on territorial income; that is, resident companies, branches, and permanent establishments are generally subject to income taxes from Dominican sources. The corporation tax rate (IRC) is 27%. In addition, the asset tax at the rate of 1% is considered an alternative minimum income tax, payable when the income tax is lower than the asset tax.

STRENGTH OF PURPOSE FOR STATEMENTS:

The parent company and its subsidiaries present open validity periods for review by the tax authorities of each country, which vary between 2012 and 20221. The company managements consider that no additional significant obligations will be generated as a result of possible reviews.

9.1. Income tax recognized in profit or loss for the period

	2023	2022
Current tax		
Regarding the current and previous year	209,677	191,882
Regarding the previous year	936	49,267
	210,613	**241,149**
Deferred tax		
Origin and reversal of time differences*	177,802	129,014
Changes in laws and tax rates	(79)	(6,510)
For unrecognized tax credits affecting deferred tax	(709)	1,941
	177,014	**124,445**
Current and deferred income tax expense	**387,627**	**365,594**

* The variation in deferred tax is mainly due to the deferred assets given by new tax credits during 2023.

The following table details the reconciliation of the effective tax rate applicable to the Group:

	2023	2022
Profit before income tax	**780,688**	**580,408**
Current tax expense at applicable legal rates	**212,347**	**159,418**
Dividends	280,931	203,503
Non-taxable dividends	(64,061)	(71,307)
ECE Regime (Foreign Controlled Entities Regime), net	26,655	22,493
Non-taxable income	(19,813)	(11,834)
Net effect on USA assets	-	39,516
Effect of changes in approved tax rates	(79)	(6,510)
Use of tax losses or presumptive income in excess not previously recognized	(1,304)	(281)
Non-deductible and other expenses, net	(47,049)	30,596
Current tax expense at applicable legal rates	**387,627**	**365,594**
Effective income tax rate	**49.7%**	**63.0%**

Variations between the statutory rates applicable to Cementos Argos S.A. and its subsidiaries, individually considered, and the effective rate generated in the consolidated financial statements, are mainly due to:

- Tax effect for dividends received by Cementos Argos as taxed, and deferred tax assets generated by indirect tax discounts from the dividends distribution from abroad.
- Tax effect in Colombia, for passive income recognized by the Regime of Foreign Controlled Entities (ECE) application.
- Effect of change of state rate in the USA. In the case of Colombia for 2022, the company availed itself of the voluntary exemption enshrined in article 1 from Decree 2617 dated 2022 on the recognition of the rate change effect, which established that it could be recognized within the entity's equity in the accumulated results of previous years.
- Non-deductible expenses and untaxable income treated as permanent differences in the income tax calculation.

OTHER EFFECTS

- Variation in deferred tax expense at Cementos Argos S.A. was mainly caused by the higher deferred asset generated by the indirect tax discount on the dividends distribution from abroad and the compensation effect of excess presumptive income and use of tax discounts during 2023.

- Tax benefits associated with a greater interest of the Zona Franca Argos S.A.S. subsidiary in operational activities, which is subject to a 15% rental rate by the Free Zone regime in Colombia. It should be noted that the company has a current legal stability contract signed with the Government in 2008 with a validity of 20 years.

9.2. Income tax recognized in other comprehensive income

	2023	2022
New measurements of defined benefit plans	18,434	(12,631)
Cash flow hedges	21,190	(12,363)
Difference in exchange for foreign business conversion	4,315	(3,227)
Measurement of equity investments at fair value	(221)	3
Income tax recognized in Other Comprehensive Income, total	**43,718**	**(28,218)**
Income tax recognized in Other Comprehensive Income, controlling interest	**43,328**	**(27,565)**

9.3. Balances in favor of taxes, and current tax liabilities and deferred tax balances

	2023	2022
Current tax assets	199,616	173,580
Current tax liabilities	(49,078)	(94,530)
Current tax assets, net	**150,538**	**79,050**
Deferred tax assets	250,136	259,645
Deferred tax liability	(518,369)	(467,394)
Deferred tax assets, net	**(268,233)**	**(207,749)**

The movement of the net deferred tax liability for the period ended December 31, 2023 and 2022 is detailed below:

		Recognized in:				
	Opening balance	Results	Other Comprehensive Income	Equity	Conversion effect	Closing balance
Deferred tax 2023						
Other current assets	17,946	(2,618)	-	-	(3,131)	12,197
Other equity investments	(21,322)	3,097	4,315	-	107	(13,804)
Property, plant and equipment	(840,349)	(31,610)	-	(113)	100,861	(771,211)
Intangible assets	(186,550)	31,503	-	-	40,153	(114,894)
Other non-current assets	27,322	(8,382)	-	-	(5,959)	12,982
Provisions	30,276	9,194	-	-	(2,731)	36,740
Employee Benefits	(176)	(12,812)	21,190	-	(1,608)	6,593
Financial Liabilities	53,433	33,297	-	-	(59,570)	27,160
Financial Instruments	(31,111)	706	18,213	-	55,866	43,674
Financial leases	34,189	3,029	-	-	(5,977)	31,241
Other liabilities	7,482	42	-	-	(1,643)	5,880
Unused tax credits	249,986	(17,156)	-	-	(3,824)	229,006
Unused tax losses	407,983	(147,657)	-	-	(39,618)	220,708
Unused presumptive income in excess	43,142	(37,647)	-	-	-	5,495
Deferred tax assets, net	**(207,749)**	**(177,014)**	**43,718**	**(113)**	**72,926**	**(268,233)**
Deferred tax 2022						
Other current assets	18,563	(3,834)	-	-	3,215	17,944
Other equity investments	(13,094)	(4,891)	(3,227)	-	(106)	(21,318)
Property, plant and equipment	(731,242)	13,475	-	(33,731)	(88,850)	(840,348)
Intangible assets	(168,268)	8,092	-	-	(26,374)	(186,550)
Other non-current assets	9,917	13,417	-	-	3,988	27,322
Provisions	34,109	(5,435)	-	-	1,602	30,276
Employee Benefits	11,239	(878)	(12,631)	-	2,094	(176)
Financial Liabilities	42,344	9,236	-	-	1,852	53,432
Financial Instruments	(1,464)	(16,597)	(12,361)	-	(690)	(31,112)
Financial leases	25,525	3,739	-	-	4,925	34,189
Other liabilities	(4,418)	11,345	-	-	554	7,481
Unused tax credits	200,984	45,342	-	-	3,661	249,987
Unused tax losses	508,775	(154,610)	-	-	53,818	407,983
Unused presumptive income in excess	85,986	(42,846)	-	-	1	43,141
Deferred tax assets, net	**18,956**	**(124,445)**	**(28,219)**	**(33,731)**	**(40,310)**	**(207,749)**

The Group evaluates the recoverability of its assets for deferred taxes from tax credits, reviewing the rights validity, the compensation times according to the regulation in each country, and estimating the probability of their use before their maturity, through the analysis of generation of sufficient future taxable income.

When analyses indicate that there is no high probability of using the deferred tax asset in its entirety, the asset is reduced to its recoverable amount. In such cases where it is concluded that it is not possible to use a deferred tax asset before its expiration, the asset is not recognized. Decreases in deferred tax assets are recognized in income tax expense in the period when it is concluded that there is no likelihood of full or partial recovery.

To assess the likelihood that income tax deferred assets will be realized, the financial and taxable income projections from the companies are considered, encompassing all available evidence both positive and negative, including, but not limited to, industry analyses, market conditions, expansion plans, tax strategies, tax structure and expected changes thereto, tax losses maturity and other applicable tax credits, and the future reversal of temporary differences. Likewise, variations are analyzed in each period between the actual results against the estimates, to determine whether such variations affect the amounts of such assets and to carry out the adjustments considered necessary, based on the relevant information available, which is recognized in income in the period in which its determination is conducted.

The active deferred tax recognition of the Colombia segment was based on the analysis of financial projections that Management has calculated, applying technical criteria in the generation of operational profit, which captures the most likely scenario of market share and costs and expenses association. Likewise, these projections capture through cash flows simulation, the variation of the obligations and associated financial expenses, obtaining the profit before tax, which is the fiscal analysis basis. Based on tax regulations in force in Colombia and the tax profile of each company, we proceed to calculate the tax base with the main tax premises identified in the financial projections for the companies: assets depreciation and amortization, ECE passive income (controlled entity from abroad) and taxable dividends. As a result of the above, the Management may conclude that sufficient taxable income is generated to use tax credits before their maturity.

The active deferred tax recognition of the US segment was based on the following evidence: The most conservative scenarios allow evidence of the total recovery of tax losses accumulated in more than satisfactory periods of time. The Management has technically and carefully analyzed the reversal probabilities and horizons of these losses. As a basis, projections for impairment calculation of assets prepared by Cherry Baker were taken, assuming that, for each test year, only the projections were known to date in the most conservative scenario. In these projections, through a cash flows and financial obligations simulation, financial expenses were calculated to finally reach fiscal profit before taxes, ratifying the prompt recoverability of the losses incurred. After adjusting, mitigating, and even stabilizing growth in the medium term, projections results show persistence and consumption of accumulated losses. Tax loss balances have been offset over the past two years.

9.4. Unrecognized deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, presumptive income in excess, unused tax losses, and unused tax credits for which deferred tax assets have not been recognized are attributable to the following:

	Unused Losses and Tax Credits		Total tax benefits for which deferred tax was not recognized	
	2023	**2022**	**2023**	**2022**
Between one and five years	41,307	73,148	41,307	73,148
More than five years	18,178	22	18,178	22
No time limit	145	145	145	145
Total tax benefits	**59,630**	**73,315**	**59,630**	**73,315**

9.5. Impact on income tax on dividends proposed or declared before the financial statements issuance and on the potential dividends payment to its shareholders

No proposed dividends are presented before the consolidated financial statements have been authorized for issuance, on which an impact on income tax could be expected.

The Group has no potential consequences on tax return in case of dividends payment to its shareholders.

9.6. Group tax risk management

Tax risks are a formal part of the Board of Directors' supervision mandate. Each quarter, the Board's Risk Committee receives reports on the evolution of strategic risks, including tax risks, included within the Group's 16 strategic risks, and reviews and advises on possible impacts that could negatively affect relationships with key stakeholders and brand reputation.

Tax teams ensure that their pairs at Cementos Argos S. A. fully understand the tax function and legal requirements, including tax planning, policies and procedures. For this reason, the tax teams work with regional teams to provide clear, timely, and relevant advice to the tax issues that arise, recommending alternative strategies (if identified) to achieve the business results expected with the more efficient approach to tax and with compliance with applicable laws, and seeking to ensure a detailed understanding of alternative tax, and the financial and reputational consequences associated. These business decisions and their inputs include the evaluation, quantification, and presentation of tax provisions included in financial results.

According to reputational risk assessment and risk tolerance, the Company works hard to avoid any negative impact on shareholder value. To ensure adequate risk monitoring, permanent tax management controls and a periodic tax risk assessment are carried out.

The Group assesses tax risks on an ongoing basis, even if its tax strategy is not aggressive. The Group believes that for its strategy to be efficient in the short term, it does not necessarily have to adopt an aggressive approach. The risks that have been identified above have been assessed as part of the Company's strategic financial risk, so they are all being addressed in accordance with the corporate risk strategy.

For the Group, the best tax strategy is a strategy that creates maximum added value for all its stakeholders (which in turn, creates benefits for the Company) and not just for shareholders, using optimization strategies. Thanks to this interpretation, Argos also ensures the returns of its tax strategy in the medium and long term, providing benefits for the company, such as good relationships with the authorities, a good reputation and the increase of the resources available for local development, through its contributions. In this way, Argos sees its tax strategy as its main tool to mitigate risks.

The tax policy for Cementos Argos is aligned with our Corporate Governance Code, which provides the framework for the relationship between the different interest groups and aims at transparency and proper management of information and the responsibility of officials.

The tax strategy used by Argos is also aligned with our Code of Business Conduct, which develops the principles of the Good Governance Code for Argos employees, implementing the disclosure of financial information and the transparency policy regarding Argos' financial statements and its subsidiaries. Taxes are paid in accordance with all relevant rules and regulations of the countries in which we operate.

The Corporate Governance Code and the Code of Business Conduct are approved by the Board of Directors. In addition, the tax policy was approved by the Board Directors along with the other accounting policies applied in the financial statements, which are annually approved by the Board of Directors.

Our tax strategy efficiently supports the operation and consolidation of procedures and protocols for transparency and accountability, implementation and regulatory compliance in each country, by Cementos Argos and its subsidiaries, which in turn is in the best interest of its shareholders.

NOTE 10: INVENTORIES

	2023	2022
Raw materials and direct materials	351,030	455,916
Materials, spare parts and accessories	373,723	431,524
Finished product	174,425	223,296
Product in process	166,835	177,921
Inventory in transit	55,071	132,945
Goods not manufactured by the company	58,868	41,752
Other inventories	33,318	35,522
Advances for inventory acquisition	6,628	3,815
Inventories, net	**1,219,898**	**1,502,691**

The cost of inventories recognized as the cost of merchandise sold during the period, including unabsorbed costs, is $9,816,120 (2022: $9,627,196). The adjustment to net realizable value (impairment) corresponds to $33,747 (2022: $14,356) with an impairment reversal of $464 (2022: $427). The impairment increase corresponds mainly to the subsidiary Argos USA LLC for $23,368 (2022: $11,543) and Cementos Argos for $3,273 (2022: $150).The value of unabsorbed costs in inventory is $63,296 (2022: $59,831).

As of December 31, 2023 and 2022, Cementos Argos S. A. and its subsidiaries do not maintain committed inventories as a liabilities guarantee and expect to carry out their inventories within 12 months.

NOTE 11: BIOLOGICAL ASSETS

	2023	2022
Biological assets		
Book value as of January 1	19,470	19,953
Changes in fair value minus selling costs	(1,722)	772
Biological assets selling	(1,584)	(1,255)
Book value as of December 31	**16,164**	**19,470**

The Group carries out agricultural activities through Cementos Argos S.A., which maintains forestry projects. The Group biological assets are measured at fair value minus the estimated costs of sale at the harvest or collection point. Changes in biological assets fair value are presented in the statement of comprehensive income, such as income or valuation expense as appropriate.

For the valuation of plantations, the discounted cash flow model was used, considering that the future economic benefits associated with the forest cover are expected to be carried out 3 or 4 times over time, as follows: at the moment when the 2 or 3 thinning are carried out, which depend on the plantation age and diameter, and at the last moment when the clear felling is carried out. In this sense, fair value is determined by applying a discount rate to future net cash flows, for which purpose Weighted Average Cost of Capital (WACC) was used, which was estimated at 12.42% for 2023 (2022: 9.98%). The sale price, volume, determined based on forestry experience and studies, and the estimation of costs and expenses are significant unobservable input data for the measurement.

The Group biological assets are composed of plantations, as follows:

	2023	2022
Plantations (hectares planted = ha)	962	1,103

As of December 31, 2023 and comparative, plantations mainly include teak, eucalyptus, pine, rubber, and acacia, distributed throughout the national territory in Boyacá, Riosucio (Caldas), Montebello (Antioquia), Rioclaro (Antioquia), Cartagena (Bolivar), Victoria (Caldas), and Puerto Nare (Antioquia).

At the end of the reporting and comparative periods, there are no restrictions on the ownership of the Group's biological assets, nor contractual commitments for their development or acquisition and they have not been pledged as collateral for debts fulfillment.

NOTE 12: INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The details of the Group's associates and joint ventures as of the reporting period date are as follows:

Investee	Type	Location	Main activity	Proportion of shareholding and voting power 2023	2022
Trans-Atlantic Shipmanagement Ltd.	Joint venture	British Virgin Islands	Sea freight transport	50.00	50.00
MMC Cement Division C.V.	Joint venture	Curacao	Cement marketing	50.00	50.00
Soluciones de Crédito S.A.S.	Associate	Colombia	Credit and microcredit provision	48.98	48.98
Saint-Gobain Colombia S.A.S.	Associate	Colombia	Design and production of production materials	40.00	40.00
Granulados Reciclados de Colombia Greco S.A.S.	Joint venture	Colombia	Toilet facilities	43.98	43.98
Summa S.A.S.	Associate	Colombia	Business services	25.00	25.00

All associates and joint ventures are accounted for using the equity method in the consolidated financial statements. None of the investments in associates and joint ventures maintained by the Group is listed in a national or foreign stock market. Therefore, there is no quoted market price for the investment.

12.1. Investments in associates and joint ventures

The summarized financial information regarding each of the Group's associates is presented below. This information represents amounts shown in the associates' financial statements, which were prepared in accordance with IFRS:

Financial Information on Group's Associates and Joint Ventures

	Trans-Atlantic Shipmanagement Ltd.		MMC Cement Division C. V		Individually not significant Investees	
	2023	2022	2023	2022	2023	2022
Current assets	7,800	18,158	7,957	7,453	72,365	70,546
Non-current assets	96,440	112,603	8,640	10,504	23,099	22,059
Current liabilities	51,113	57,862	5,629	3,842	74,112	67,564
Non-current liabilities	-	4,805	-	-	4,519	6,508
Ordinary income	32,949	34,861	28,957	23,781	52,273	28,534
Continuous operations	(1,111)	21,559	(144)	398	(1,699)	(5,736)
Total comprehensive income	(1,111)	21,559	(144)	398	(1,699)	(5,736)

Detailed Financial Information on Significant Associates and Joint Ventures

	Trans-Atlantic Shipmanagement Ltd.		MMC Cement Division C. V	
	2023	2022	2023	2022
Cash and equivalents	6,274	13,754	2,539	1,392
Current financial liabilities	46,775	53,421	-	-
Non-current financial liabilities	-	4,805	-	-
Depreciation	8,762	4,517	978	972
Interest income	-	43	-	-
Interest costs	3,764	2,652	-	-

The reconciliation of the summarized financial information with the associates and joint ventures book value in the consolidated financial statements is:

Reconciliation of Investments in Associates and Joint Ventures with Their Financial Information

	Trans Atlantic Shipmanagement Ltd.		MMC Cement Division C. V		Individually not significant Investees	
	2023	2022	2023	2022	2023	2022
Investee net assets	53,126	68,094	10,967	14,115	16,833	18,795
Share in the investee	50,00%	50,00%	50,00%	50,00%	25%-49%	25%-49%
Interest in the result of the period	(555)	10,779	(72)	199	(855)	(3,517)
Total interest in the result of the period					**(1,482)**	**(7,461)**
Investee book value	**26,563**	**34,047**	**5,484**	**7,058**	**7,191**	**7,979**
Total carrying value of investments in investees					**39,238**	**49,084**

In February 2022, 188,800 shares were acquired, which represents 40% of the outstanding shares from the associate Saint-Gobain Colombia S.A.S. and an investment of $6,942. Its corporate purpose is the design, production and distribution of construction and high performance materials (i.e. flat glass, insulation materials, channeling and abrasives).

In June 2022, the associate SUMMA S.A.S. was capitalized. for $1,490 using an advance made in previous years for said amount.

In December 2022, receivables with the Granulados Reciclados de Colombia-Greco joint venture were capitalized for $1,758, which meant the subscription of 171,000 shares and an increase in interest up to 43.98%.

For the reported periods, investments in associates and joint ventures do not have unrecognized losses of the current or prior period, nor did they declare dividends.

There are no significant restrictions on the ability of associates or joint ventures to transfer funds to the Group as cash dividends, or to repay loans or advances made by the Group. The Group has no contingent liabilities related to its investments in associates and joint ventures.

12.2. Joint operation

As of December 2023, the subsidiary Argos USA LLC, located in the United States, has incorporated in its financial statements a joint operation through an autonomous estate with Oxford Insurance Company NC LLC called "Series 598". This joint operation was contracted to manage an insurance company in the United States region. The joint operation has been integrated line by line into its 100% interest in the financial statements of subsidiary Argos USA LLC. The financial information of the autonomous assets was integrated at the level of assets for US$2,613,205, liabilities for US$1,048,413 and net income for US$139,792.

NOTE 13: SUBSIDIARIES

13.1. Group composition

The following are the companies included in Cementos Argos S.A. Consolidated Financial Statements:

ARGOS DOMINICANA S.A.
A stock company incorporated under Dominican Republic laws on February 12, 1996. Its main purpose is clinker and cement manufacture, marketing, import, and export; exploitation and marketing of minerals used and related to the cement industry. The company's main domicile is in the city of Santo Domingo and its term is indefinite. It consolidates with Concretos Argos Dominicanos, S. R. L.

ARGOS GUATEMALA S.A.
Incorporated in the city of Guatemala, on January 7, 2020. Its corporate purpose is cement, clinker, concrete, aggregates, related products, and derivatives manufacture, sale, export, and import; as well as all types of raw material, machinery, equipment, and spare parts import for cement, clinker, concrete, aggregates and related products, and derivatives manufacture and sale, all of the above with the assistance of professionals on the matter. The main domicile is in Guatemala, and it was established for an indefinite term. This company was acquired on June 9, 2020.

ARGOS GUYANE S.A.S.
Incorporated on March 23, 1989, its main address is Cayenne, French Guiana. Its corporate purpose is cementing manufacture and all derived products, as well as the import of all raw materials and finished products necessary for the cement and related products preparation, marketing, and export. The company duration is 99 years from March 23, 1989, unless early dissolution or extension. This company was acquired in April 2014.

ARGOS HONDURAS S.A. DE C.V.
Incorporated in accordance with Honduran law on July 10, 1975. Its domicile is Tegucigalpa. Its main purpose is cement exploitation of all kinds, their derivatives, and products being manufactured from them; obtaining exploration permits, and exploitation concessions of land and mineral deposits, whose substances are required for cement manufacture and its deri-

vatives. Its duration is for an indefinite period. In November 2019, it absorbs Cementos del Sur S. A. and Concretos Argos Honduras, S. A., companies, which it consolidated.

ARGOS NORTH AMERICA CORP

Incorporated under the State of Delaware (United States) laws, on December 19, 2006. Its main business address is in the city of Alpharetta (Georgia), it is aimed at the social development of investment lawful activities in the cement, concrete, and related products sector. Its term is in perpetuity. The Corporation consolidates with Argos USA LLC, and Southern Star Leasing LLC.

ARGOS PANAMA S.A.

A stock corporation incorporated under the Republic of Panama laws on June 25, 1943. Its main purpose is cement and derivatives manufacture, sale, import, and export; as well as all types of raw material, machinery, equipment, and spare parts importation for cement manufacture and sale. The company main domicile is located in Panama City, Republic of Panama, and the term is in perpetuity. This company consolidates with Concreto S. A., and Terminal Granelera Bahía Las Minas S. A. In November, 2019, it absorbed its subsidiary, called Grava, S. A.

ARGOS PUERTO RICO CORP.

Acquired on February 8, 2017, in Puerto Rico. Argos San Juan, Corp., is a for-profit corporation, organized under the Commonwealth of Puerto Rico laws, to engage in cement manufacture and sale. It is registered in the Registry of Corporations from Puerto Rico State Department and its term is indefinite. In February 2018, it absorbed the Argos Puerto Rico, LLC company, a maritime cement terminal that had been acquired on April 30, 2015 and was dedicated to cement receipt, storage, sale and distribution. This company consolidates with Argos Trading Puerto Rico LLC, whose activity is cement and related products export.

ARGOS SEM, LLC

Established on March 21, 2014, in Panama City, (and relocated in December 2018 to Delaware, United States, at which time the name transformation from Argos SEM SA to Argos SEM, LLC was produced). Its purpose is to establish and operate as a Multinational Company Headquarters to provide all and any management and/or administration services for operations in a specific or global geographical area of a company from the business group; also, to internationally dedicate to the manufacture and marketing of goods of all kinds, as well as to the services marketing of all kinds, as allowed in the law from the respective state or jurisdiction. In May 2018, it absorbed the International Cement Company S.A. company, an entity incorporated in Panama on November 24, 1997, with the purpose of acquiring, owning, administering, taxing, leasing, and disposing of in any way all kinds of goods, whether on their own or third parties.

BMR LTD.

Incorporated under the laws of Bermuda on April 19, 2022. Its main address is at Crawford House, 50 Cedar avenue, Hamilton, Pembroke, HM 11, Bermuda. Its corporate purpose is reinsurance for the management of the company's risks. Its term of duration is indefinite. On April 22, 2022, the Company acquired 100% of the shares.

CEMENT AND MINING ENGINEERING INC.

Incorporated under Panamanian laws on February 4, 1997. Its primary residence is located in Panama City, Panama. Its purpose is towards social construction, technical assistance, equipment installation, and assembly, purchase, real and personal property sale and management, investments, funding, and share in societies, patents purchase or acquisition, trademarks, copyrights, licenses and formulas, operations with banks or other financial institutions. Likewise, sale of shares, securities or bonds, financing and share in companies, mining, maritime, and any other lawful business allowed by the Republic of Panama laws. Its term is in perpetuity.

CEMENTOS DE CALDAS S.A.

Incorporated in accordance with Colombian laws on July 17, 2007. Its main domicile is in Villamaría, Caldas department. Its corporate purpose is the exploitation of the cement industry and the production of concrete mixtures and their derivatives. Its term of duration extends until July 22, 2054.

C.I. DEL MAR CARIBE (BVI) INC.

Incorporated in accordance with the British Virgin Islands laws on June 2, 2004. Its main domicile is in Tortola and its corporate purpose is cement, clinker, and lime marketing. Its term is in perpetuity.

COLCARIBE HOLDINGS, S.A.

Incorporated under Panamanian laws on June 25, 1996. Its principal domicile is in Panama City. Its corporate purpose is to negotiate or dispose of securities, bonds, shares in other Companies and rights of any kind, either on its own or third parties, as well as open, operate, close accounts and deposits in financial institutions, lend or accept money in loans and give guarantees in favor of third parties in any currency of the world. Its term is in perpetuity.

CONCRETOS ARGOS S.A.S.

A corporation constituted in accordance with Colombian laws on April 22, 1985. Its main purpose is the exploration, exploitation, transport, benefit, integral use, marketing, and sale of stony minerals such as: sand, cement, gravels, pre-mixed concrete and precast concrete elements, concrete blocks, and any materials and own elements, accessories, and supplements used in the construction industry. The main domicile of the company is Bogotá, and the term of duration is until September 8, 2093.

CORPORACIONES E INVERSIONES DEL MAR CARIBE S.A.S.

Incorporated in accordance with Colombian laws on December 14, 1982. Its principal domicile is in the city of Medellín, and the term of duration is indefinite. The Company's corporate purpose is to carry out any lawful economic activity, both in Colombia and abroad. Currently, it is dedicated to investment in shares or interest rates. This Company consolidates with Argos USVI Corp., Argos (Dominica) Ltd., Argos Saint Maarten N.V. and Cementos Argos Company Limited.

FRAMING COLOMBIA S.A. BIC.

Framing Colombia S.A.S. BIC is a simplified joint stock company, domiciled in Medellín, established by private document on June 3, 2021, whose purpose is the study, planning, contracting, design and construction of homes, warehouses and other types of works through the implementation of alternative, light, resistant and environmentally friendly construction systems. It was acquired through the subsidiary Corporaciones e Inversiones del Mar Caribe on March 10, 2023.

HAITÍ CEMENT HOLDING, S.A.

Incorporated and domiciled in Panama City, Republic of Panama on October 7, 1997. Its main activity is to acquire, buy, invest in securities, bonds, shares, equity interests in other companies, as well as any lawful business allowed by the Republic of Panama laws. The duration of the company is in perpetuity. This company consolidates with Cimenterie Nationale S.E.M. (CINA).

LOGÍSTICA DE TRANSPORTE S.A.

Incorporated in accordance with Colombian laws on April 16, 1996. Its principal domicile is the city of Medellín. Its corporate purpose is the transport of people and all types of cargo inside or outside the country, in any of its modalities, land, air, river and sea, whether in vehicles, ships or aircraft owned or owned by third parties that are affiliated with it. The term of the company expires on April 16, 2026.

SOLUCIONES MODULARES ARGOS S.A.

Incorporated in accordance with Colombian law on February 16, 2022. Its corporate purpose is the design, production, transportation, assembly, marketing, and sale of precast concrete elements. Cementos Argos S.A. participates in the capital stock with a 100% interest, equivalent to 100,000 ordinary shares. The term of duration of the company is indefinite.

SURCOL HOUDSTERMAATSCHAPPIJ N.V.

Company incorporated in accordance with Suriname laws on March 1, 2006 and the term is indefinite. Its main purpose is investments realization. The company's main domicile is in Paramaribo, Suriname. This company consolidates with Vensur N.V.

TRANSATLANTIC CEMENT CARRIERS, INC.

Incorporated in accordance with Panamanian laws on July 26, 1974, with principal domicile in Panama City and the term of duration is indefinite. Its corporate purpose is maritime transport, especially cement, clinker and the sale of these same products. In June 2018, through merger, it absorbed Compañía Marítima de Graneles S.A., which had been established in accordance with Panamanian laws on December 29, 1978, and which was dedicated to maritime transport, especially cement and clinker and the purchase and sale of these same products, ships chartering and especially the provisioning of them.

VALLE CEMENT INVESTMENTS LTD.

Incorporated in accordance with the British Virgin Islands laws on November 18, 1998. Its main domicile is in the British Virgin Islands and its corporate purpose is to make investments of any kind. The duration term of the company is indefinite.

VENEZUELA PORTS COMPANY, S.A.

Incorporated in Panama City, Republic of Panama on February 26, 2002. Its domicile is in Panama City. Its main activity is to invest in societies, companies, or projects, and the negotiation, exploitation, or participation in industrial, mining, commercial, real estate, maritime, or any other kind of companies, as well as any licit business allowed by the Republic of Panama laws. The duration of the company is in perpetuity.

ZONA FRANCA ARGOS S.A.S.

Incorporated in accordance with Colombian laws on July 5, 2007, its principal domicile is the city of Cartagena and its term of duration is indefinite. Its corporate purpose is the exploitation of the cement industry, the production of concrete mixtures and any other materials or articles based on cement, lime or clay, the acquisition and disposal of minerals or ore deposits that can be used in the cement industry and its similar, rights to explore and exploit minerals indicated, either by concession, privilege, lease or any other title, direct, manage, supervise, promote and develop a free zone, carry out all activities that in its condition of a single user of a special free zone are convenient, relevant or necessary, carry out the following activities as a port operator: loading and unloading, storage in ports, import and export of goods and services, general cargo handling, containerized cargo handling. It was declared in 2007 as a permanent special free zone.

The details of the Group's subsidiaries at the reporting period date, as well as the shareholding and voting power for 2023 and 2022, are as follows:

Subsidiary	Type	Location	Main activity	2023	2022
American Cement Terminals Trust (BVI)	I	Virgin Islands	Investments	100.00	100.00
Argos (Dominica) Ltd.	S	Dominica	Cement distribution	100.00	100.00
Argos Dominicana S.A.	S	Dominican Republic	Cement production and marketing	80.00	79.18
Argos Guatemala	S	Guatemala	Cement production and marketing	100.00	100.00
Argos Guyane S.A.S.	S	French Guiana	Cement production and marketing	100.00	100.00
Argos Honduras S.A. de C.V.	S	Honduras	Cement production and marketing	53.29	53.29
Argos Panama, S.A.	S	Panama	Cement and concrete industry and marketing	83.35	83.35
Argos North America Corp.	S	United States	Investments	100.00	99.08
Argos Puerto Rico, Corp	I	Puerto Rico	Cement distribution and sale	60.00	60.00
Argos SEM, LLC	I	United States	Investments	100.00	100.00
Argos St. Maarten N.V.	S	St. Maarten	Cement distribution	100.00	100.00
Argos Trading Puerto Rico LLC	I	Puerto Rico	Export	60.00	60.00
Argos USA LLC.	I	United States	Cement and concrete industry	100.00	99.08
Argos USVI Corp.	S	Virgin Islands	Cement distribution	100.00	100.00
BMR Limited	S	Bermuda	Reinsurance	100.00	100.00
Cement and Mining Engineering Inc.	S	Panama	Investments	100.00	100.00
Cementos Argos Company Limited	S	Antigua	Cement distribution	100.00	100.00
Cementos de Caldas S.A.	S	Colombia	Cement production	99.64	99.64
CI del Mar Caribe (BVI) Inc.	S	Virgin Islands	Marketing	100.00	99.97
Cimenterie Nationale S.E.M. (CINA)	S	Haiti	Cement industry and marketing	65.00	65.00
Colcaribe Holdings, S.A.	S	Panama	Investments	100.00	100.00
Concreto S.A.	S	Panama	Ready-mix concrete manufacturing	83.35	83.35
Concretos Argos S.A.	S	Colombia	Concrete production and marketing	100.00	99.46
Corporaciones e Inversiones del Mar Caribe S.A.S.	S	Colombia	Investments	100.00	100.00
Framing Colombia S.A.S. BIC	S	Colombia	Execution of civil works and personal property	70.00	-
Haiti Cement Holding, S.A.	S	Panama	Investments	100.00	100.00
Inmuebles Miraflores S.A.	S	Panama	Property management	100.00	100.00
Logística de Transporte S.A.	S	Colombia	Transport	99.99	99.99
Soluciones Modulares Argos S.A.S.	S	Colombia	Precast concrete industry	100.00	99.46
Southern Star Leasing, LLC	I	United States	Concrete industry	100.00	99.08
Surcol Houdstermaatschapij N.V.	S	Suriname	Investments	50.00	50.00
Terminal Granelera Bahía Las Minas S.A.	S	Panama	Sea ports operation	83.35	83.35
Transatlantic Cement Carriers, Inc.	S	Panama	Maritime transport	100.00	100.00
Valle Cement Investments Limited (Note 13.2)	S	Virgin Islands	Investments	100.00	91.81
Venezuela Ports Company, S.A.	S	Panama	Investments	100.00	100.00
Vensur N.V.	S	Suriname	Cement production and marketing	42.10	42.10
Zona Franca Argos S.A.S.	S	Colombia	Cement industry	100.00	100.00

I = Investees; S = Shares.

Details of partially owned subsidiaries that have material non-controlling interests in the Group are disclosed in Note 13.5.

13.2. Incorporation, investment contributions in subsidiaries and share repurchases from minorities that result in changes in the interest of subsidiaries

- On November 16, 2023, the repurchase of shares of Valle Cement Investments INC., a subsidiary of Cementos Argos, from its minority shareholder Grupo Argos S.A., equivalent to 8.19% of the interest in the entity, is formalized. Through this contract, Valle Cement Investments repurchased 712,836 own shares for USD $30,143,771 (COP $121,789). This amount will be paid during the first quarter of 2024. With this transaction, Cementos Argos' percentage of interest in this company is modified to 100%. Also, the percentage of direct and indirect interest it had through Valle Cement in other subsidiaries in the United States, Colombia and Caribbean is also modified.
- On March 10, 2023, Cementos Argos S.A., through its subsidiary Corporaciones e Inversiones del Mar Caribe, acquired 50% of the interest in the company Framing Colombia S.A.S. Then, on May 19, it acquired an additional 20%, thus resulting in a total acquisition of 70%. Through this purchase, 10,500 shares were acquired, resulting in a total purchase price of $1,117, of which, $950 correspond to the purchase price and $167 correspond to a contingent payment. The agreed purchase value of $950 was paid in cash on the transaction date. The acquired subsidiary constitutes a business in accordance with the requirements of IFRS 3, for which goodwill was recognized in the amount of $296.
- On September 26, 2022, the company Cementos Argos S.A. capitalized its subsidiary Argos St. Maarten for 3,098 (USD 700,000). This contribution was made through its subsidiary Corporaciones e Inversiones del Mar Caribe S.A.S. This capitalization did not imply changes in the subsidiary interest.
- On September 26, 2022, the company Cementos Argos S.A. capitalized its subsidiary Argos USVI Corp for 41,609 (USD 9,400 million). This contribution was made through its subsidiary Corporaciones e Inversiones del Mar Caribe S.A.S. This capitalization did not imply changes in the subsidiary interest.
- On April 22, 2022, Cementos Argos S.A. legalizes the constitution of the BMR Limited subsidiary domiciled in Bermuda. Cementos Argos S.A. participates in the capital stock in 100%, equivalent to 120,000 ordinary shares, for a total contribution of capital and premium of $1,146 (USD 180,000), which were settled in May 2022.
- On February 28, 2022, Cementos Argos S.A. capitalized its indirect subsidiary Argos Ports LLC for $19,553 (USD 5 million). This contribution was made through the subsidiaries Colcaribe Holdings S.A., American Cement Terminal Trust and American Cement Terminal LLC, direct holdings of Argos Ports LLC. This capitalization did not imply interest changes in its subsidiaries.
- On February 16, 2022, Cementos Argos S.A. through its subsidiary Concretos Argos S.A.S. legalizes the constitution of the subsidiary Soluciones Modulares Argos S.A.S. domiciled in Colombia, whose corporate purpose is the design, production, transportation, assembly, marketing, and sale of precast concrete elements. Cementos Argos S.A. participates in the capital stock with a 100% interest, equivalent to 100,000 ordinary shares, for a total capital contribution and premium of $5, which were paid in July 2022.

13.3. Merger operations between group subsidiaries

- On July 1, 2022, Argos Dominicana S.A. absorbed Concretos Argos Dominicanos, S.R.L. by merger. This transaction had no impact on the consolidated financial statements.
- On August 1, 2022, the company Argos USA LLC absorbs through a merger the companies American Cement Terminals LLC, Argos Ports (Wilmington) LLC and Supply Link LLC.. This transaction had no impact on the consolidated financial statements.

13.4. Subsidiaries liquidation

- On February 24, 2022, the company Comercial Arvenco C.A. from Venezuela was liquidated. This company did not present accounting balances in the consolidated financial statements.

13.5. Details of partially owned subsidiaries that have material non-controlling interests

The following table shows the detail of partially owned Group subsidiaries that have material non-controlling interests:

Subsidiary	Place of incorporation and business headquarters	Proportion of shareholding and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests		Cumulative non-controlling interests	
		2023	2022	2023	2022	2023	2022
Argos Honduras S.A. de C.V.	Honduras	46.7%	46.7%	49,438	61,555	591,357	781,086
Argos Panama, S. A. and subsidiaries	Panama	16.7%	16.7%	4,282	2,519	(3,273)	21,414
Argos Puerto Rico, Corp.	Puerto Rico	40.0%	40.0%	1,377	(1,497)	92,757	115,208
Argos Dominicana S.A. and subsidiary	Dominican Republic	20.8%	20.8%	16,284	13,408	20,975	35,784
Valle Cement Investments Limited	Virgin Islands	0.0%	8.2%	-	712	-	22,317
Argos USA LLC.	United States	0.0%	0.9%	-	1,769	-	107,253
				71,381	**78,466**	**701,816**	**1,083,062**
Individually intangible subsidiaries, with non-controlling interests				1,735	(5,939)	17,780	(32,378)
TOTAL CUMULATIVE NON-CONTROLLING INTERESTS				**73,116**	**72,527**	**719,596**	**1,050,684**

The summarized financial information regarding each of the Group's subsidiaries that has material non-controlling interests is presented below. The summarized financial information below represents amounts prior to intergroup eliminations:

2023	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Ordinary income	Net income	Other Comprehensive Income	Total comprehensive income
Argos Dominicana S. A. and subsidiary	123,417	70,382	82,681	6,264	431,442	81,398	(44,062)	37,336
Argos Honduras S. A. de C.V.	974,329	551,581	148,999	110,921	611,068	105,839	(318,909)	(213,070)
Argos Panama, S.A. and subsidiaries	213,372	547,328	214,384	8,066	485,843	25,722	(136,730)	(111,008)
Argos Puerto Rico Corp.	123,669	270,304	80,282	62,523	318,847	6,491	(64,217)	(57,726)

2022	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Ordinary income	Net income	Other Comprehensive Income	Total comprehensive income
Argos Dominicana S. A. and subsidiary	165,964	96,417	74,801	15,723	383,237	52,539	34,868	99,259
Argos Honduras S. A. de C.V.	367,220	1,669,465	210,533	153,985	604,029	135,392	260,421	392,200
Argos Panama, S.A. and subsidiaries	222,801	715,732	263,016	8,493	415,870	29,736	112,747	127,879
Argos Puerto Rico Corp.	156,592	350,626	148,603	49,722	296,664	22,812	53,331	51,892
Argos USA LLC.	6,441,292	9,125,224	3,136,869	1,208,094	6,668,712	757,926	1,930,296	1,983,102
Valle Cement Investments Limited	1,651,978	700,485	428,471	954,825	-	54,099	174,550	197,256

13.6. Change in group ownership interest in a subsidiary

- On November 16, 2023, the Cementos Argos subsidiary, Valle Cement Investments INC shares repurchase in its minority shareholder Grupo Argos S.A. is formalized, equivalent to 8.19% of the shares in the entity. Through this contract, Valle Cement Investments repurchased 712,836 shares for USD $30,143,771 (COP $121,789). This amount will be paid during the first quarter of 2024. With this transaction, Cementos Argos' interest percentage in this company is modified, remaining 100%. Likewise, the shareholding held through Valle Cement in other subsidiaries of the Group in the United States, Colombia and the Caribbean is modified.

13.7. Significant restrictions and financial support

The Group does not have subsidiaries with significant restrictions to transfer and/or receive assets from other Group Companies, nor are there protective rights to non-controlling interests that can significantly restrict the Group's ability to access or use the assets and settle the liabilities from the subsidiaries; there are also no guarantees or other requirements that may restrict dividends and other distributions of capital to be paid within the Group.

As of December 31, 2023 and 2022, the Group has not provided financial support without any contractual obligation to conduct it towards any investee, nor has it helped to obtain financial support.

NOTE 14: INTANGIBLE ASSETS, NET

14.1. Conciliation of cost, accumulated depreciation and intangible assets impairment

	Opening balance	Additions	Amortization	Effect of Exchange Rate Differences	Sales and retirement of assets	Other changes	Closing Balance
2023							
Brands with indefinite useful life	115,389	-	-	-	-	-	115,389
Brands, customer lists and related	1,363,601	16	-	(279,060)	-	(16)	1,084,541
Concessions, franchises and rights	481,226	-	-	(41,386)	(1,359)	800	439,281
Patents, licenses and software	259,610	264	-	(11,271)	(2,611)	348	246,340
Intangible assets in progress	1,252	2,175	-	(147)	-	(921)	2,359
Other intangible assets	48,304	-	-	(73)	-	-	48,231
Historical cost	**2,269,382**	**2,455**	**-**	**(331,937)**	**(3,970)**	**211**	**1,936,141**
Brands, customer lists and related	1,002,682	-	57,699	(212,160)	-	(16)	848,221
Concessions, franchises and rights	318,651	-	24,600	(25,437)	(443)	(9)	317,362
Patents, licenses and software	245,735	-	5,472	(10,287)	(2,613)	(76)	238,231
Other intangible assets	32,970	-	14,717	(72)	-	-	47,615
Value depreciation and impairment	**1,600,038**	**-**	**102,488**	**(247,956)**	**(3,056)**	**(101)**	**1,451,429**
Intangible assets, net	**669,344**	**2,455**	**(102,488)**	**(83,981)**	**(914)**	**312**	**484,712**

	Opening balance	Additions	Amortization	Effect of Exchange Rate Differences	Sales and retirement of assets	Other changes	Closing Balance
2022							
Brands with indefinite useful life	115,389	-	-	-	-	-	115,389
Brands, customer lists and related	1,138,289	-	-	225,312	-	-	1,363,601
Concessions, franchises and rights	485,927	737	-	35,380	(74)	(40,744)	481,226
Patents, licenses and software	244,209	3,527	-	9,135	(2)	2,741	259,610
Intangible assets in progress	1,437	1,106	-	152	-	(1,443)	1,252
Other intangible assets	48,315	315	-	36	-	(362)	48,304
Historical cost	**2,033,566**	**5,685**	**-**	**270,015**	**(76)**	**(39,808)**	**2,269,382**
Brands, customer lists and related	782,006	-	56,795	163,881	-	-	1,002,682
Concessions, franchises and rights	300,761	-	34,525	20,035	(60)	(36,610)	318,651
Patents, licenses and software	229,261	-	8,232	8,268	(2)	(24)	245,735
Other intangible assets	16,693	-	12,649	36	-	3,592	32,970
Value depreciation and impairment	**1,328,721**	**-**	**112,201**	**192,220**	**(62)**	**(33,042)**	**1,600,038**
Intangible assets, net	**704,845**	**5,685**	**(112,201)**	**77,795**	**(14)**	**(6,766)**	**669,344**

As of December 31, 2023 and 2022, ongoing intangible assets do not include loan costs capitalization. Useful lives of other intangible assets are:

Intangible	Useful life ranges in years	Depreciation method
Argos brand	Undefined	
Other brands	Finite: Between 2 and 20	Linear
Client lists and client-related intangibles	Finite: Between 5 and 15	Linear
Rights	Finite: Between 4 and 35	Linear
Concessions, franchises and licenses	According to the agreement	Linear
Licenses, patents and software	Finite: Between 2 and 10	Linear
Other intangibles	Finite: Between 4 and 16	Linear

Intangibles amortization is recognized as expenses in the consolidated income statement, in the cost of sales, administrative expenses, and selling expenses line, and impairment losses are recognized as expenses in the income statement, in the goodwill impairment and other assets line.

During 2023, the Soluciones Modulares Argos S.A.S. subsidiary made disbursements for research and development projects, and they were recorded as part of administrative and sales expenses amounting to $545 (2022: $677). As of December 31, 2023 and 2022, there are no restrictions on the realization of intangible assets because none of them has been affected as a guarantee for obligations fulfillment, nor does the Group have contractual obligations to acquire or develop intangible assets.

The net carrying value and the remaining amortization period for other significant intangible assets is:

Intangible	Remaining amortization period	2023	2022
Client list	5 years	176,574	267,250
Argos brand	Undefined	115,389	115,389

The Management determined that the Argos Brand, purchased and paid in cash from Grupo Argos S. A. in December, 2005 for $115,389, is an intangible asset with an indefinite useful life given that Cementos Argos S. A., due to the legal rights acquired at the time of the purchase from Grupo Argos S. A., has the capacity to control the future economic benefits of the brand and expects it to generate economic benefits indefinitely (See Note ‘Impairment’).

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

15.1. Reconciliation of cost, accumulated depreciation and impairment of property, plant and equipment

2023	Opening balance	Additions and depreciation	Acquisitions through business combination	Effect of Exchange Rate	Sale and retirements	Other changes [1]	Closing balance
Land	1,524,546	-	-	(133,863)	(36,125)	2,638	1,357,196
Assets in progress, assembly and transit [2]	930,101	805,798	-	(78,354)	-	(500,701)	1,156,844
Buildings and constructions	2,852,880	2,256	-	(474,233)	(29,254)	58,504	2,410,153
Machinery and production equipment	9,980,724	7,292	906	(1,364,546)	(92,186)	295,103	8,827,293
Office, computer, and communication equipment	268,178	3,277	16	(40,954)	(4,786)	26,602	252,333
Mines, quarries, and mineral deposits	3,098,568	10,280	-	(605,368)	(7,293)	12,628	2,508,815
Overland transport equipment	1,284,732	8,988	-	(222,316)	(98,085)	169,491	1,142,810
River transport fleet	66,901	-	-	(13,301)	-		53,600
Aqueduct, networks and communications routes	409,705	358	-	(61,580)	(7,657)	11,611	352,437
Advances given to third parties	48,467	18,247	-	(4,386)	-	(34,763)	27,565
Total historical cost	**20,464,802**	**856,496**	**922**	**(2,998,901)**	**(275,386)**	**41,113**	**18,089,046**
Buildings and constructions	1,215,813	99,283	-	(215,269)	(23,865)	20,009	1,095,971
Machinery and production equipment	4,449,937	451,631	11	(627,931)	(74,175)	10,435	4,209,908
Office, computer, and communication equipment	216,679	13,146	1	(31,736)	(4,659)	227	193,658
Mines, quarries, and mineral deposits	280,054	25,148	-	(37,560)	(7,293)	10,343	270,692
Overland transport equipment	686,920	115,369	-	(116,223)	(82,673)	1,127	604,520
River transport fleet	18,517	2,431	-	(3,891)	-	-	17,057
Aqueduct, networks and communications routes	195,423	17,489	-	(32,038)	(6,718)	-	174,156
Total depreciation and impairment	**7,063,343**	**724,497**	**12**	**(1,064,648)**	**(199,383)**	**42,141**	**6,565,962**
Property, plant and equipment, net	**13,401,459**	**131,999**	**910**	**(1,934,253)**	**(76,003)**	**(1,028)**	**11,523,084**

(1) As of December 31, 2023, it mainly includes transfers between accounts due to activation and closure of ongoing projects.

(2) The Helios project assets worth $526,789 and $583,546 for the years 2023 and 2022, respectively, are included in the construction in progress, equipment in assembly and transit category; corresponding to the construction and updating project of one of the cement plants, which is part of the existing integrated network for Colombia and its start in operation is estimated for the year 2025.

The additions correspond mainly in Colombia to the overhaul project, purchase of new assets, change of equipment and civil works.

2022	Opening balance	Additions and depreciation	Loss of value impairment (3)	Conversion effect	Sale and retirements	Business Arrangement (15.2)	Other changes (2)	Closing balance
Land	1,431,298	859	-	114,370	(790)	(22,241)	1,050	1,524,546
Assets in progress, assembly and transit (2)	819,716	621,467	-	29,941	-	-	(541,023)	930,101
Buildings and constructions	2,475,858	4,115	-	389,900	(20,266)	(30,115)	33,388	2,852,880
Machinery and production equipment	8,570,799	30,140	(724)	1,115,033	(48,336)	(84,876)	398,688	9,980,724
Office, computer, and communication equipment	231,838	3,271	-	30,336	(1,689)	(275)	4,697	268,178
Mines, quarries, and mineral deposits	2,630,369	3,396	-	510,310	(3,406)	-	(42,101)	3,098,568
Overland transport equipment	1,155,919	5,701	-	183,026	(105,067)	(86,243)	131,396	1,284,732
River transport fleet	55,671	-	-	11,160	-	-	70	66,901
Aqueduct, networks and communications routes	358,019	523	-	52,057	(947)	(10,311)	10,364	409,705
Advances given to third parties	2,813	47,271	-	1,959	-	-	(3,576)	48,467
Total historical cost	**17,732,300**	**716,743**	**(724)**	**2,438,092**	**(180,501)**	**(234,061)**	**(7,047)**	**20,464,802**
Buildings and constructions	990,566	101,666	-	165,914	(18,022)	(23,831)	(480)	1,215,813
Machinery and production equipment	3,612,179	438,803	-	477,837	(43,764)	(64,082)	28,964	4,449,937
Office, computer, and communication equipment	181,259	13,584	-	23,802	(1,684)	(176)	(106)	216,679
Mines, quarries, and mineral deposits	241,832	19,342	-	29,490	(2,860)	-	(7,750)	280,054
Overland transport equipment	641,889	94,950	-	98,912	(93,563)	(56,131)	863	686,920
River transport fleet	13,241	2,387	-	2,888	-	-	1	18,517
Aqueduct, networks and communications routes	161,326	15,053	-	26,040	(864)	(6,132)	-	195,423
Total depreciation and impairment	**5,842,292**	**685,785**	**-**	**824,883**	**(160,757)**	**(150,352)**	**21,492**	**7,063,343**
Property, plant and equipment, net	**11,890,008**	**30,958**	**(724)**	**1,613,209**	**(19,744)**	**(83,709)**	**(28,539)**	**13,401,459**

(1) As of December 31, 2022, it mainly includes transfers between accounts due to activation and closure of ongoing projects.

(2) Within the construction in progress heading, equipment in assembly and transit, assets from the Helios project are included for a value of $583,546 and $527,111, for 2022 and 2021, respectively; corresponding to the construction and updating project of one of the cement plants, which is part of Colombia's existing integrated network and its start-up in operation is estimated for 2025.

(3) By the end of 2022, Argos USA LLC subsidiary generated an asset impairment at the individual level corresponding to a mixer drum component for US$170,080 ($724).

For 2023 and 2022 there were no capitalizations of costs per loans.

At the end of the reporting period and comparable ones, there are no restrictions on property, plant and equipment realization, nor contractual commitments for the acquisition of property, plant and equipment. The Group did not obtain compensation from third parties for damaged, lost or abandoned property, plant and equipment.

15.2. Sale of concrete plants

On March 31, 2022, Argos USA LLC–a subsidiary of Cementos Argos S.A.–sold 23 concrete plants, including equipment, buildings, land, and inventory to Smyrna Ready Mix Concrete, LLC. for USD 94 million. The sale price of the assets, minus the book value of the delivered assets, generated an accounting profit for businesses disposition of $93,324 (USD 21.9 million), and an increase in the current tax expense of $6,507 (USD 1.5 million) and deferred tax in $55,213 (USD 13 million), presented in the lines of other operating income and expenses and income tax of the consolidated income statement. The figures in pesos are updated by the exchange rates established in each court.

NOTE 16: INVESTMENT PROPERTIES

	2023	2022
Fair value of investment properties as of January 1	**266,953**	**225,282**
Additions for purchases or construction	-	551
Transfers to investment properties	955	3,639
Effect of foreign exchange differences	(33,373)	26,855
Net profits from fair value adjustments	6,774	13,029
Disposals and withdrawals	(740)	(2,403)
Fair value of investment properties as of December 31	**240,569**	**266,953**

The fair value of investment properties is determined by an independent valuation company. The appraisal companies used the comparative market and/or residual approach methodology to estimate the fair value.

Rental income from investment properties for the period amounted to $1,180 (2022: $1,269). Direct expenses related to investment properties that did not generate rental income are $2,920 (2022: $2,740) and related to rental income-generating properties are $7,858 (2022: $209). As of December 31, 2023 and 2022, the Group has no contractual obligations to acquire, build or develop investment property, nor are there any restrictions on any investment property.

NOTE 17: GOODWILL AND ASSETS VALUE IMPAIRMENT

17.1. Goodwill movement by transaction segment

	2023					2022			
	Caribbean	Central America	Colombia	United States	Total	Caribbean	Central America	Colombia	Total
Gross value	155,785	998,785	-	1,607,998	2,762,568	134,854	833,814	1,515,577	2,484,245
Accumulated value impairment	-	-	-	(750,718)	(750,718)	-	-	(621,332)	(621,332)
Goodwill as of January 1	**155,785**	**998,785**	**-**	**857,280**	**2,011,850**	**134,854**	**833,814**	**894,245**	**1,862,913**
Additions, business combination (2)	-	-	296	-	296	-	-	-	-
Currency conversion effect	(28,907)	(205,208)	-	(176,110)	(410,225)	20,931	164,971	186,218	372,120
Business arrangement(1)	-	-	-	-	-	-	-	(223,183)	(223,183)
Asset derecognition(3)	(160)	-	-	-	(160)	-	-	-	-
Goodwill as of December 31	**126,718**	**793,577**	**296**	**681,170**	**1,601,761**	**155,785**	**998,785**	**857,280**	**2,011,850**
Gross value	126,718	793,577	296	1,277,670	2,198,261	155,785	998,785	1,607,998	2,762,568
Accumulated value impairment	-	-	-	(596,500)	(596,500)	-	-	(750,718)	(750,718)
Goodwill as of December 31	**126,718**	**793,577**	**296**	**681,170**	**1,601,761**	**155,785**	**998,785**	**857,280**	**2,011,850**
Intangible assets other than goodwill with indefinite useful lives in 2023									115,389
Intangible assets other than goodwill with indefinite useful lives in 2022									115,389

(1) On March 31, 2022, Argos USA LLC–a subsidiary of Cementos Argos S.A.–sold 23 concrete plants, including equipment, buildings, land, and inventory to Smyrna Ready Mix Concrete, LLC. for USD 94 million. The sale price of the assets, less the book value of the delivered assets, generated an accounting profit for businesses disposition of $93,324 (USD 21.9 million), and an increase in the current tax expense of $6,507 (USD 1.5 million) and deferred tax in $55,213 (USD 13 million), presented in the lines of other operating income and expenses and income tax of the consolidated income statement. The figures in pesos are updated by the exchange rates established in each cutoff date.

(2) On March 10, 2023, Cementos Argos, through its subsidiary Corporaciones e Inversiones del Mar Caribe, acquires 50% of the interest in the company Framing Colombia S.A.S. Then, on May 19, it acquires an additional 20%, resulting in a total acquisition of 70%. The corporate purpose of the acquired company is the study, planning, contracting, design and construction of homes, warehouses and other types of works through the implementation of alternative, light, resistant and environmentally friendly construction systems. Through this purchase, 10,500 shares are acquired, resulting in a total purchase price of $1,117, of which, $950 corresponds to the purchase price and $167 corresponds to a contingent payment. The agreed purchase value of $950 was paid in cash on the transaction date. The acquired subsidiary constitutes a business in accordance with the requirements of IFRS 3, for which goodwill was recognized in the amount of $296.

(3) In April 2023, the goodwill associated with Argos Dominicana in the Caribbean regional segment was impaired due to no expectation of recovery through expected future cash flows.

Current goodwill credits are assigned to the United States region and to some countries in the Caribbean, Central America, and Colombia region, since the Management controls goodwill at this level, both for financial reporting purposes and for carrying out impairment tests worth.

Impairment losses are recognized as expenses in the income statement for the impairment goodwill and other assets line. During the period, impairment losses were recognized in the consolidated Statement of Comprehensive Income for goodwill worth $188 in the Caribbean region.

17.2. Goodwill value impairment

Goodwill and intangible assets with an indefinite useful life are not subject to amortization, the Group annually reviews the existence of impairment. At the end of the reporting period and comparatives, no impairment losses on goodwill were recognized.

For 2023 and 2022, the Group conducted impairment tests based on the value in use of its operating segments, except for the United States segment, which for 2023 the impairment test was carried out based on its fair value.

a. Value in use:

The key assumptions used by the Group in determining the value in use are as follows:

Key assumption	Description
Cash flow projection	The Group projects ordinary income based on the inflation of each country plus the addition of points associated with the expectation of market growth. On the other hand, costs are projected based on the inflation in each country.
Cash flow projection period	The period defined by Management for flows projection is 10 years with perpetuity, because the capital investments made by the Group in the operating segments require long recovery periods.
Discount rate applied to cash flow projections	The Group uses the valuation model of financial assets called CAPM (Capital Asset Pricing Model) to determine the discount rate, which uses as main variables: - Risk-free rate: return on a portfolio that has no default risk. It takes as a reference U.S. treasury bonds yield with long-term maturity. - Beta: risk measure that associates the share volatility with the market volatility. - Market premium: spread between risk-free rate and market profitability. - Country risk premium: it is the spread above the U.S. treasury bonds required by investors in international markets. The sources used to determine these variables were: Damodaran and SBBI (Stocks, Bonds, Bills and Inflation) yearbook.
Growth rate	Perpetuity corresponds to the company value at the end of the explicit period. The growth rate is defined considering not to exceed: - The growth expectations of the operating country and business segment. - The flows average growth of the explicit period in recent years.

Values of the key assumptions used by the Group in determining the value in use of the operating segments are presented below:

	Discount rate (before taxes)		Growth rate in perpetuity	
	2023	2022	2023	2022
Caribbean	9.14% - 9.31%	7.6% - 13.4%	2.5% -3.5%	2.5% -3.5%
Central America	9.83% - 10.89%	7.6% - 13.4%	2.5%	2.5% -3.5%
Colombia	16% - 16.5%	-	0%	-
United States	N/A	11%	N/A	2.5%

b. Fair Value:

The values used by the Group in determining the fair value for the United States segment in 2023 are presented below:

Segment	Year	CGU Fair value
United States	2023	US $3.400 million

The fair value or enterprise value for 2023 was communicated to the market through Summit Materials, Inc. and Cementos Argos S.A. on September 7, 2023, in which the sale agreement of Argos North America Corp. and its subsidiaries, companies that make up the United States segment, was announced (Note 43).

The enterprise value of the United States segment is an appropriate indicator of the current condition of the Company and one of the main indicators from a quantitative point of view to determine whether goodwill impairment is necessary. Additionally, Morgan Stanley, Summit Materials' financial advisor with respect to the transaction, derived an enterprise value range on the U.S. segment of US$3.4 million to US$4.8 million. The fair value used of US$3.4 million results in a relatively conservative value for the purposes of the goodwill impairment test. Management analyzed whether these amounts, based on estimated future cash flows, would exceed the book value of the CGU using the historical EBITDA and comparing it with the recoverable value of the identified assets including goodwill, concluding that for 2023, there is no impairment to recognize in the financial statements as of December 31, 2023.

On January 12, 2024, the sale transaction was closed for US$3.2 million, a value that, when compared with the book value of the assets of the United States regional, including goodwill, it was evident that they have no impairment. The Group, pursuant to the closing of this transaction, received US$1.2 million in cash and 31% of the shares of Summit Materials on January 12, 2024 (Note 43).

17.3. Impairment value of other assets

IAS 36 Impairment of Assets requires assessing impairment indicators of non-current assets at the end of the reporting period, based on available external and internal information. The Group reviews the carrying value of non-current impairment assets whenever events or circumstances indicate that the carrying value may not be recoverable. If the total discounted future cash flows are less than the carrying value, the non-current asset carrying value is not recoverable, and an impairment loss is recognized in the consolidated income statement.

The Argos Brand has been assigned to the four geographical operating segments: Colombia, Caribbean and Central America, and the United States, for contributing to the generation of future economic benefits of all operating segments. Management determined that the Argos Brand, purchased and paid in cash from Grupo Argos S. A. in December 2005 for $115,389, is an intangible asset with an indefinite useful life given that Cementos Argos S. A. due to the legal rights acquired at the time of the purchase from Grupo Argos, and has the capacity to control the future brand economic benefits and expects it to generate economic benefits indefinitely.

Considering that the Argos Brand intangible is an intangible with an indefinite useful life and contributes to the generation of future economic benefits of the operating segments, and that the allocation of its carrying value is not significant to each individual segment.

The Argos brand does not present an event or circumstance that constitutes an impairment indicator. However, because it is an intangible asset with an indefinite useful life, an impairment test was carried out to verify its value, allowing to conclude that by 2023, the brand does not present decreases for impairment value. The recoverable amount was determined using the value in use; the cash flows projection was carried out at a consolidated level for a period of 10 years, considering the expected business conditions for each Region.

The discount rate applied to cash flow projections was a pre-tax WACC of 13.14%. It was calculated using the CAPM methodology, including risk-free rate, average country risk considering the geographies where Argos has a presence, stock market premium, beta sector, implicit devaluations, average tax rate, D/E ratio, debt cost from Cementos Argos S.A., and perpetual growth rate: 2.5%.

- On December 18, 2023, the transfer contract was signed between Cementos Argos and Grupo Argos of the Argos brand in Venezuela, with the purpose of Cementos Argos being the owner of said brands, the value of the transfer was $16. In the same month, Cementos Argos recognized an impairment of $16, since in Venezuela there is no expectation of income from the use of this brand.
- By the end of 2022, the Argos USA LLC subsidiary generated an asset impairment at the individual level corresponding to a mixer drum component for US$170,080 ($724).

NOTE 18: ASSETS HELD FOR SALE

The Group holds assets that are expected to be realized through a sale transaction rather than held for continued use and for which a sale plan has been initiated, these assets have been classified as held for sale in accordance with IFRS 5. Assets are available for immediate sale and their sale is highly probable.

As of December 31, 2023 and 2022, the Group has no discontinued operations classified as non-current assets held for sale or disposed of during the period. For these periods, the balance of non-current assets held for sale is:

	2023	2022
Investment properties and other real estate (1)	236	40,890
Property, plant and equipment	-	54
Total assets held for sale	**236**	**40,944**

(1) In June 2023, Concretos Argos' subsidiary sold La Gabriela Lot for $39,394, which generated a loss of $472. This sale did not have any impact on the current or deferred tax because it was a VIS lot. Additionally, assets were transferred to investment properties for $955.

NOTE 19: FINANCIAL OBLIGATIONS

	2023	2022
Bank overdrafts	18,305	4,734
Foreign and domestic currency promissory notes	4,021,370	4,252,946
Other obligations (1)	13,812	59,597
	4,053,487	**4,317,277**
Current	1,819,111	1,197,958
Non-current	2,234,376	3,119,319
	4,053,487	**4,317,277**

(1) In 2023 and 2022, it mainly includes availability in a credit line of the Argos Honduras S.A. de C.V. subsidiary with Atlántida Bank and Ficohsa Bank for taxes payment at a term of 25 days without interest. In 2022 it includes REPO operations with Suramericana shares for $34,008.

19.1. Loan agreements summary

Financial obligations in foreign currency and local currency comprise short-and long-term loans taken by the Group companies. Refer to Table 26.7 in Note 26 for information about average interest rates on financial liabilities. The Group's credits are rounded to the nearest million units when they are expressed in Colombian pesos, lempiras or Japanese yen and to the nearest thousand units when they are expressed in dollars.

Bank	Entity	Concept	Expiration	Currency	Nominal value 2023	Nominal value 2022	Currency	Book value 2023	Book value 2022
Foreign	Others (1)	SMBC Club Deal	2026	USD	204,000	204,000	COP	784,561	982,164
Foreign	Others (1)	SMBC Club Deal	2027	USD	204,000	204,000	COP	783,853	982,227
Foreign	Davivienda Intern.	Working capital	2029	USD	80,000	80,000	COP	-	391,825
Foreign	Santander	Working capital	2025	USD	15,000	15,000	COP	57,781	72,670
Foreign	Santander	Working capital	2026	USD	15,000	15,000	COP	57,781	72,670
National	BBVA(2)	Working capital	2023	COP	190,000	190,000	COP	-	191,362
Foreign	Banco Popular	Working capital	2026	USD	4,500	5,850	COP	15,500	28,094
National	Bancolombia (3)	Working capital	2024	COP	135,000	135,000	COP	138,192	137,981
Foreign	Banitsmo	Working capital	2023	USD	20,000	20,000	COP	-	96,554
National	Banco Popular	Working capital	2023	COP	100,000	100,000	COP	-	101,464
National	Bancolombia	Working capital	2023	COP	50,000	50,000	COP	-	50,357
Foreign	Bancolombia	Working capital	2023	USD	5,000	5,000	COP	-	24,400
National	Banco de Bogotá	Working capital	2024	COP	25,500	25,500	COP	-	25,610
National	Banco de Bogotá (5)	Working capital	2025	COP	272,000	272,000	COP	280,881	274,469
National	Banco de Occidente	Working capital	2023	COP	50,000	50,000	COP	-	51,117
Foreign	Scotiabank	Working capital	2024	USD	20,000	20,000	COP	76,733	96,893
National	Scotiabank	Working capital	2023	COP	12,500	12,500	COP	-	12,679
Foreign	Sumitomo	Working capital	2023	USD	10,000	10,000	COP	-	48,365
National	Davivienda	Working capital	2023	COP	50,000	50,000	COP	-	50,975
National	Itaú	Working capital	2023	COP	60,000	60,000	COP	-	60,615
Foreign	BCP	Working capital	2023	USD	60,000	60,000	COP	-	293,891
Foreign	JP Morgan	Working capital	2023	USD	2,538	2,538	COP	-	12,206
Foreign	NATIXIS	Working capital	2025	USD	40,000	40,000	COP	154,675	194,358
National	Banco Popular	Working capital	2024	COP	50,000	-	COP	53,811	-
National	Banco de Occidente	Working capital	2024	COP	25,900	-	COP	26,695	-
National	BBVA (2)	Working capital	2026	COP	30,000	-	COP	30,410	-
Foreign	BCP	Working capital	2024	USD	19,000	-	COP	76,065	-
National	BBVA	Working capital	2024	USD	40,000	-	COP	157,951	-
National	Bancolombia	Working capital	2024	COP	100,000	-	COP	103,337	-
Foreign	Bancolombia Panama	Working capital	2024	USD	26,000	-	COP	104,493	-
Foreign	BCP (4)	Working capital	2026	USD	28,183	-	COP	108,587	-
National	Itaú	Working capital	2024	COP	120,000	-	COP	123,099	-
National	BBVA	Working capital	2024	COP	50,000	-	COP	51,681	-
Foreign	Banco de Bogotá Mia	Working capital	2024	USD	5,000	-	COP	19,419	-
Foreign	Banco del país	Working capital	2024	HNL	175,000	-	COP	27,166	-
Foreign	Davivienda Inter.	Working capital	2024	USD	21,543	-	COP	85,583	-
Foreign	Citibank NY	Working capital	2024	JPY	27,063	-	COP	658,123	-
Foreign	Banco General	Working capital	2024	DOP	100,00	-	COP	6,585	-
Foreign	Banco General	Working capital	2024	USD	10,000	-	COP	38,408	-
								4,021,370	**4,252,946**

(1) Cementos Argos SA, together with Argos USA LLC are guarantors in a syndicated credit agreement with BNP Paribas Securities Corp., Sumitomo Mitsui Banking Corporation, JP Morgan Chase Bank N.A. and The Bank of Nova Scotia, for a maximum amount of USD 750 million acquired by Argos North America Corp., and in which the managing agent of the contract is The Bank of Nova Scotia. This credit was part of the Issuer's strategic initiative to list Argos North America Corp on the New York Stock Exchange. As of December 31, 2023, USD 408 million have been disbursed. The contract has the following financial commitments:

a. Net debt/EBITDA indicator less than 4 times throughout the loan entire term with measurements at the end of each quarter.
b. EBITDA indicator/Financial expenses greater than 2.5 times throughout the loan entire term with measurements at the end of each quarter.

(2) In August 2023, the company Cementos Argos S.A. took a loan with BBVA for a period of 3 years and for COP 30,000 million, where there is the following financial commitment:

a. Net debt/EBITDA indicator less than 4 times throughout the loan entire term with measurements at the end of each quarter.
b. Interest coverage equal to or less than 2.5 times throughout the term of the credit.

(3). Financing agreement between Bancolombia and Concretos Argos S. A.S., guaranteed by the Issuer for an amount of COP 135,000 million, in which the interest rate is linked to the performance of three ASG indicators:

a. Net specific CO_2 emissions.
b. Specific water consumption in the cement business.
c. Number of suppliers evaluated in sustainability in the last three years.

(4) Credit contract with BCP for USD 30 million, with a covenant associated with the ratio of debt to EBITDA of the debtor at a separate level (6x in the 1st year, 5x in the 2nd year, 4.5x in the 3rd year).

(5) ESG Credit with Banco de Bogotá, for COP 272,000 million, whose maintenance or decrease in the interest rate depends on compliance with sustainability KPIs:

a. Net specific CO_2 emissions.
b. Number of suppliers evaluated in sustainability in the last three years.

Guarantees provided for the applicable credits are disclosed in note 26.8 Collateral.

19.2. Maturity of financial obligations

Maturity	Financial obligations in national currency	Financial obligations in foreign currency	Bank overdrafts and other financial obligations	Total
Year or less	557,087	1,229,907	32,117	1,819,111
1 to 5 years	302,000	1,932,376	-	2,234,376
Total	**859,087**	**3,162,283**	**32,117**	**4,053,487**

19.3. Loan agreement breach

During the reporting periods, the Company did not present defaults on capital or interest on financial liabilities and/or loans payable, nor on the indicators of its loan agreements.

NOTE 20: RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

20.1. Leases as a lessee

20.1.1. LEASING AGREEMENTS

In the ordinary course of business, the Group subscribes agreements for the lease of land, buildings, yellow machinery, vehicles, including concrete mixer trucks and equipment, which are accounted for as assets for a lease's right-of-use in the Consolidated Financial Statements, except for those leases whose leasing term is less than twelve months or the new contract underlying asset is less than US$3,500 for administrative assets and US$5,000 for operating assets.

On the other hand, there are no significant lease agreements that provide significant restrictions related with the dividend's distribution, additional debt and new leasing agreements, nor are there significant contingent fees, renewal options or escalator clauses.

As of December 31, 2023 and 2022, most of the real estate lease contracts recognized are linked to the consumer price index of each jurisdiction in which they were subscribed. Few lease contracts are referenced at reference rates or payments that vary to reflect changes in market rental prices.

20.1.2. RIGHT-OF-USE ASSETS AND LIABILITIES IN LEASE

Balance of right-of-use assets and liabilities in lease includes:

2023	Right-of-use assets in lease						Lease liability closing balance
	Opening balance	Additions	Depreciation	Transfers	Other changes (1)	Closing Balance	
Land	125,230	6,362	(17,274)	-	(25,217)	89,101	164,210
Buildings and constructions	95,596	5,373	(19,859)	15	(10,820)	70,305	70,921
Machinery and production equipment	156,783	4,574	(25,473)	(114)	(16,724)	119,046	127,771
Overland transport equipment	142,418	35,679	(59,301)	(16)	(16,933)	101,847	107,439
River transport fleet	60,818	-	(22,978)	-	15,084	52,924	55,438
Lease assets and liabilities	**580,845**	**51,988**	**(144,885)**	**(115)**	**(54,610)**	**433,223**	**525,779**

2022	Right-of-use assets in lease						Lease liability closing balance
	Opening balance	Additions	Depreciation	Transfers	Other changes (1)	Closing Balance	
Land	148,348	-	(18,503)	-	(4,615)	125,230	224,221
Buildings and constructions	124,707	4,024	(23,681)	(3,963)	(5,491)	95,596	88,776
Machinery and production equipment	139,934	18,376	(32,546)	-	31,019	156,783	165,959
Office and communication equipment	26	-	(28)	-	2	-	-
Overland transport equipment	130,323	29,255	(52,367)	-	35,207	142,418	147,741
River transport fleet	52,449	37,274	(24,854)	-	(4,051)	60,818	64,182
Lease assets and liabilities	**595,787**	**88,929**	**(151,979)**	**(3,963)**	**52,071**	**580,845**	**690,879**

(1) Includes the variation due to changes in the valuation of leases recorded in the asset, asset withdrawals for right of use and the conversion effect.

The contractual cash flows of lease liabilities classified by maturity as of December 31 are:

	2023	2022
One year or less	149,281	168,677
Between 1 and 3 years	203,909	247,666
Between 3 and 5 years	105,233	155,324
Between 5 and 10 years	135,183	193,679
More than 10 years	103,561	137,119
Total contractual cash flows from lease liabilities	**697,167**	**902,465**
Discount effect of lease liabilities	(171,389)	(211,586)
Total lease liabilities	**525,778**	**690,879**
Current	103,151	126,980
Non-current	422,628	563,899
Total lease liabilities	**525,779**	**690,879**

20.1.3. ITEMS RECOGNIZED IN THE INCOME STATEMENT AND CASH FLOWS FROM LEASES

	2023	2022
Interest expense from lease liabilities	44,880	37,022
Expenses related to short-term leases and variable leases	42,301	42,961
Expenses related to leases of low value assets	2,412	1,702
Lease cash flows	182,136	180,714

20.1.4. RENEWAL OPTIONS

Most of the Group's leases contain renewal options that the Group can exercise to extend the lease term from one year to 20 years, and that can be exercised up to one year before the end of the non-cancellable contract period. Generally, the Group exercises these renewal options for the financial and operational facilities they provide. The renewal options are only exercisable by the Group and not by the lessor. The Group evaluates on the lease start date if it is reasonably safe to exercise the renewal options and considers them in the lease term determination. The Group reassesses whether it is reasonably safe to exercise the options if there is an event or significant changes in the circumstances under its control.

20.2. Leases as a lessor

20.2.1. FINANCIAL LEASES

The company has no financial lease agreements in which it acts as a lessor.

20.2.2. OPERATING LEASES

The Group signs leasing agreements as lessors of commercial premises, warehouses, apartments and houses, as well as leasing of machinery and operating equipment, fleet and transport equipment. All leases are classified as operating leases from the lessor perspective. The minimum future lease rights of non-cancellable operating leases for ranges of years and in total, consisted of the following:

	2023	2022
1 year or less	609	1,001
Between 1 and 2 years	76	715
Between 2 and 3 years	22	715
Between 3 and 4 years	22	715
Between 4 and 5 years	22	715
5 years or more	32	54
Non-cancellable operating lease rights	**783**	**3,915**

The lease income recognized by the Group during 2023 was $3,049 (2022: $7,052).

NOTE 21: TRADE LIABILITIES AND OTHER ACCOUNTS PAYABLE

	2023	2022
National suppliers	731,803	905,668
Costs and expenses payable	166,366	178,348
Dividends payable	32,370	135,000
Foreign suppliers	79,340	121,067
Current commercial accounts [1]	128,028	16,859
Accounts payable to contractors	776	955
Miscellaneous creditors	1,483	1,459
Other accounts payable	19,935	24,145
	1,160,101	**1,383,501**

[1] In 2023 includes liabilities with Grupo Argos S.A. corresponding to the repurchase of shares made through Valle Cement Investments (See Note 13.2).

The average credit period for the Group's purchases ranges between 8 and 60 days. No interest is paid to suppliers for 60-day payments.

NOTE 22: EMPLOYEE BENEFITS

	2023	2022
Post-employment employee benefits – defined benefit plans	272,911	229,745
Post-employment employee benefits – defined contribution plans	13,313	17,694
Short-term employee benefits	178,730	114,918
Employee benefits for termination	289	873
Share-based payments	18,875	2,041
Long-term employee benefits	3	3
	484,121	**365,274**
Current	252,106	173,361
Non-current	232,015	191,913
	484,121	**365,274**

22.1. Post-employment benefit plans-defined benefit plans

The Group's employee benefit plans vary according to the local requirements of the countries and the obligations acquired by the subsidiaries in the labor agreements in force. Pension liabilities, pension bonds and titles, retirement premiums, and other post-employment benefits are accounted for in accordance with the IAS 19 requirements.

The actuarial valuation of plan's assets and the current value of the defined benefit obligation are calculated annually by independent actuarial consultants. The current value of the defined benefit obligations and the related current and past service costs were calculated using the projected unit credit method.

On December 22, 2016, the Ministry of Commerce, Industry and Tourism issued Decree 2131, whereby it is required to disclose the pension liabilities calculation in accordance with the parameters established in Decree 1625/2016 and, in the case of partial pension commutation, in accordance with Decree 1833/2016, as well as the differences arising from the calculation carried out in accordance with IAS 19 – Employee Benefits.

The amount included in the consolidated statement of financial position arising from the entity's obligation to defined benefit plans, the movement in the current value of the defined benefit obligation in the current year and changes in the fair value of plan assets in the current period is presented below:

2023	Pension plan	Pension securities and bonds	Seniority bonus and similar	Retirement bonus	Other defined benefit plans	Total Benefit plans
Current obligations value as of January 1, 2023	**159,993**	**28,300**	**11,379**	**12,172**	**46,319**	**258,165**
Current service cost	-	-	709	687	2,164	3,560
Interest cost for the defined benefits obligation	19,549	3,429	553	1,192	2,689	27,412
Past service cost	-	2,821	-	-	-	2,821
Actuarial (Gain)/loss for changes in:						
Experience	7,651	5,497	1,750	69	3,769	18,736
Demographic assumptions	(5)	-	-	-	(959)	(964)
Financial assumptions	39,636	1,824	109	3,212	(471)	44,310
Effect of foreign exchange differences	(1,729)	-	(2,320)	(139)	(9,722)	(13,910)
Benefits directly paid by the Company	(21,491)	(5,038)	(485)	(156)	(11,857)	(39,027)
Profits paid from the asset fund	-	-	(1,501)	-	-	(1,501)
Other changes	-	-	-	-	27	27
Current obligations value as of December 31, 2023	**203,603**	**36,834**	**10,195**	**17,037**	**31,959**	**299,627**
Current plan assets value as of January 1, 2023	**8,618**	**-**	**11,079**	**8,721**	**-**	**28,418**
"Risk-free" Interest Income	388	-	475	876	-	1,739
Return on plan assets, excluding interest	611	-	636	(174)	-	1,073
Contributions made by the company	-	-	1,081	500	-	1,581
Payments made by the plan	-	-	(1,501)	-	-	(1,501)
Effect of foreign exchange differences	(1,836)	-	(2,303)	-	-	(4,139)
Other changes	(455)	-	-	-	-	(455)
Current plan assets value as of December 31, 2023	**7,326**	**-**	**9,466**	**9,922**	**-**	**26,716**
Current obligation value as of December 31, 2023	**196,277**	**36,834**	**728**	**7,115**	**31,956**	**272,911**

2022	Pension plan	Pension securities and bonds	Seniority bonus and similar	Retirement bonus	Other defined benefit plans	Total Benefit plans
Current obligations value as of January 1, 2022	**194,367**	**27,337**	**11,395**	**13,472**	**43,699**	**290,270**
Current service cost	-	-	786	794	3,060	4,640
Interest cost for the defined benefits obligation	15,131	1,864	460	1,025	2,437	20,917
Past service cost	-	2,942	-	-	1,744	4,686
Actuarial (Gain)/loss for changes in:						
Experience	2,342	5,721	2,167	(251)	3,922	13,901
Demographic assumptions	(37)	-	23	179	(4,535)	(4,370)
Financial assumptions	(34,165)	(2,695)	(1,783)	(3,039)	(10,460)	(52,142)
Effect of foreign exchange differences	2,101	-	1,780	166	9,371	13,418
Benefits directly paid by the Company	(19,746)	(6,869)	(556)	(174)	(8,071)	(35,416)
Profits paid from the asset fund	-	-	(2,893)	-	-	(2,893)
Other changes	-	-	-	-	5,152	5,152
Current obligations value as of December 31, 2022	**159,993**	**28,300**	**11,379**	**12,172**	**46,319**	**258,163**
Current plan assets value as of January 1, 2021	**10,004**	**-**	**8,966**	**10,010**	**-**	**28,980**
"Risk-free" Interest Income	305	-	338	849	-	1,492
Return on plan assets, excluding interest	(3,897)	-	2,119	(1,150)	-	(2,928)
Contributions made by the company	-	-	890	482	-	1,372
Payments made by the plan	-	-	(2,893)	(1,470)	-	(4,363)
Effect of foreign exchange differences	2,108	-	1,659	-	-	3,767
Other changes	98	-	-	-	-	98
Current plan assets value as of December 31, 2022	**8,618**	**-**	**11,079**	**8,721**	**-**	**28,418**
Current obligation value as of December 31, 2022	**151,375**	**28,300**	**300**	**3,451**	**46,319**	**229,745**

The plan assets fair value is composed as follows:

	2023	2022
Cash and cash equivalents	5,395	5,318
Investment funds	21,319	23,100
Fair value of the plan assets	**26,714**	**28,418**

22.1.1. LIABILITIES COMPARISON FOR DEFINED BENEFIT PENSION PLANS, SECURITIES AND PENSION BONDS

On December 22, 2016, the Ministry of Commerce, Industry and Tourism issued Decree 2131, whereby it is required to disclose the pension liabilities calculation, following the parameters established in Decree 1625/2016 and, in the case of partial pension commutation, under Decree 1833/2016, as well as the differences arising from the calculation carried out under IAS 19 Employee Benefits. The following is the comparison between the benefits plans liabilities established for pension plans, securities and bonds, calculated in accordance with Decree 1625/2016 and, in the case of partial pension swaps, in accordance with Decree 1833/2016 and with the calculation pursuant to IAS 19 Employee Benefits, as of December 31, 2023 and 2022.

	Calculation made in accordance with IAS 19 Employee Benefits	Calculation made in accordance with Decree 1625/2016	Comparison between the liability calculated in accordance with IAS 19 and Decree 1625
Current obligations value as of:			
December 31, 2023	233,684	244,818	(11,134)
December 31, 2022	180,072	212,645	(32,573)

The main actuarial assumptions used to determine obligations for the defined benefits plans are the following:

	2023	2022
Colombia		
Inflation rate (%)	4.33%	3.0%
Discount rate (%)	10.26%	12.86%
Salary increase (%)	2.18%	5.13%
Minimum wage increase (%)	5.44%	5.0%
Mortality table	2008 Valid rentiers	2008 Valid rentiers
Turnover table	150% SOA Pension turnover	150% SOA Pension turnover
Panama		
Inflation rate (%)	2.00%	2.0%
Discount rate (%)	4.83%	5.2%
Salary increase (%)	5.50%	5.5%
Mortality table	Urban Panama population with 30% adjustment	Urban Panama population with 30% adjustment
Turnover table	2003 SOA Pension Plan Turnover Study with an adjustment factor of 150%	2003 SOA Pension Plan Turnover Study with an adjustment factor of 150%
Honduras		
Inflation rate (%)	4.00%	4.0%
Discount rate (%)	9.75%	9.25%
Salary increase (%)	5.50%	5.5%
Minimum wage increase (%)	5.50%	5.5%
Mortality table	2008 Valid Renters adjusted to 110%	2008 Valid Renters adjusted to 110%
Turnover table	2003 SOA Pension Plan Turnover Study with an adjustment factor of 12%	2003 SOA Pension Plan Turnover Study with an adjustment factor of 75%

The total expense recognized in the Income Statement for the period represents contributions for defined benefits and is $84,911 (2022: $76,665). The Group expects to make contributions for the next annual period for $86,396 (2022: $73,181).

22.2. Pension plans, securities and pension bonds

PENSION PLAN AND SOCIAL SECURITY CONTRIBUTIONS – COLOMBIA

According to the Colombian Labor Code, the pension benefits granted to employees under the new social security regime (Act 100/1993) are accounted for as defined contribution plans, the Company covers its obligation to pensions through the payment of contributions to the Social Security Institute (ISS, by its Spanish acronym), and/or to the private pension funds under the terms and conditions contemplated by such law.

The pension benefits granted to employees not covered under the new social security regime (Act 100/1993), which essentially correspond to senior staff, are accounted as unfunded defined benefit plans. The company must pay retirement pensions or issue pension bonds to their employees or beneficiaries who meet certain requirements regarding age and length of service.

The benefit gives employees the right to a lifetime monthly retirement pension or an old age pension, equivalent to seventy-five percent (75%) of the average wages earned in the last year of service, subject to a minimum payment of a monthly minimum wage and a maximum wage equal to 25 monthly minimum wages. In addition, two additional payments are made, one in June and one in December.

When the participant expects to receive benefits from the Social Security Institute (ISS), these benefits are deducted from the benefits payable by the Company's and therefore, reduce the Company's obligation. Pension payments increase according to inflation. When a participant receives a pension equal to the minimum wage, the pension increases in accordance with the minimum wage increases.

On the other hand, the death benefit takes place in the event of death after retirement, in which the beneficiary receives 100% of the pension for a period that will depend on each beneficiary. Payments for social security pensions to Pension Administration Funds are the responsibility of the Company as the employer.

For workers who have retired from the company with a conventional or anticipated pension, which in any case is shared, the company continues to make contributions to the pension system until such time the pensioner meets the old-age requirements stated by the ISS (Colpensiones). Thus, the company is in charge of 100% of pension contributions until those requirements are met. The contribution is calculated based on the pension value. Additionally, in terms of health, Cementos Argos S. A. A. partially assumes a percentage of the pensioner's contribution.

Additionally, the defined benefit obligation for retirement pensions includes employees of Compañia Industrial Hullera S. A., in liquidation, as a result of the normalization process of pension liabilities in which Cementos Argos S.A. assumed in a definitive manner the obligation proportion that corresponds to it, according to the Official Communication set forth in October 9, 2012, issued by the Ministry of Labor.

PENSION PLAN FOR ROBERTA PLANT, ALABAMA, UNITED STATES

A 401(k) retirement savings plan recognized as a defined contribution plan is funded for all employees in the United States.

For a group of employees compensated under the hourly modality in the Roberta plant, located in Alabama, United States, who meet a specific binding date and are represented by the United Steelworkers International Union # 9-537, there is a retirement plan attached to the collective labor convention.

The normal retirement benefit is applicable to those who have turned 65 on the retirement date, effective from May 21, 2011, in the form of a monthly annuity to pay for life (or other optional forms to be chosen prior to retirement). The benefit normal and special early retirement is applicable to employees who have an age equal to or above 55 years old and less than 65 years old, and evidence at least 5 years of service but less than 30 years of service or credited to 30 years or more of continuous service regardless of age, applying for these last few restrictions and reductions in the pension value.

In addition, the following benefits are granted to plan employees: termination payments, disability benefit, and death benefit whenever certain years of service are completed.

BENEFIT FOR PENSION GAP AT RETIREMENT

The benefit of this provision consists in the granting of a single premium at the time of disengagement with the entity to enjoy the old age pension, the value of which corresponds to the money needed to close the executive's pension gap.

22.3. Retirement bonus

For employees covered by any of the collective bargaining agreements, when the contract of a worker for the recognition of retirement, disability, or old age pension is terminated; a bonus equivalent to 8 current legal minimum wages is granted.

22.4. Bonds and pension plans-Colombia

According to the Colombian Labor Code, employers must pay retirement pensions or issue pension bonds to their employees who meet certain requirements regarding age and length of service. The Group has issued pension bonds, Type A Pension Bond Modality 2 and Type A Pension Bond Modality 1. This obligation applies to some areas where the ISS did not have pension coverage prior to 1994.

The benefit is conferred at the withdrawal time from the company until the time the participant retires in the Colombian Social Security system. During this period, the company makes contributions to the social security system on behalf of the employee. Pension bonds and titles constitute resources destined to contribute to the formation of the necessary capital to finance pensions of the Colombian General Pension System affiliates.

22.5. Other defined benefit plans

DENTAL AID, EDUCATION, DEATH, AND OTHER PLANS – COLOMBIA

Retired employees in Colombia receive a death benefit that increases according to the Consumer Price Index (CPI), equivalent to 5 five legal minimum wages (SMLV, for its Spanish acronym). For the Valle plant retired employees in Colombia, education assistance is granted until their death and also to the children of retirees, until they reach the age of 25 years old. The beneficiary receives the amount regardless of the worker's survival.

Every year, the benefit increases according to the Consumer Price Index (CPI), as does as the dental benefit until the death of the employee as long as the service is formally requested, with annual increases according to Consumer Price Index (CPI).

RETROACTIVE LAYOFF PLAN – COLOMBIA

According to Colombian labor regulations, employees linked before the entry into force of Act 50/1990, have the right to receive, at the end of the employment contract, one month of current salary for each year of service and proportionally by fraction year as a layoff pay, for any reason that ends employment, including: retirement, disability, death, etc. The benefit is settled at the time of the employee's retirement, based on the last salary earned. Distributions may exist before the retirement date at the request of the worker, which are not compulsorily distributable.

Retroactive redundancies of workers who entered into employment contracts before the entry into force of Act 50/1990 are counted as unfunded defined benefit plans. With the entry into force of Act 50/1990, the Colombian Government allowed companies, subject to the approval of their employees, to transfer their layoff assistance obligation to private pension funds. Layoffs of all workers who entered into employment contracts after the entry into force of Act 50/1990 and former workers who took advantage of this system are counted as a defined contribution scheme.

SENIORITY PREMIUM PLAN AND LAYOFF FUND – PANAMA

In accordance with the Republic of Panama labor regulations, any indefinite-term employee who leaves the company for any reason and regardless of their age or years of service on the retirement date is recognized an amount of money equivalent to the average weekly salary in the last five years of service, or of the entire period of service if it is less than five years for each year and fraction of a year of service that the employee has at retirement.

On the other hand, as of 1995, Act 44/1995 introduced the obligation of the employer to establish a trust through a Pension Fund Administrator, that guarantees the employee payment to the obligation for Seniority Premium and compensation for unjustified dismissal called Layoff Fund, which is considered, for the purposes of assessing the commitment, as the asset that supports the Seniority Premium payment.

LAYOFF AID PLAN – HONDURAS

In accordance with the provisions of the Honduran Labor Code, the compensation that accumulates in favor of the Company's employees may be paid in the event of unjustified dismissal or death, at the rate of one month's salary for each uninterrupted year of services rendered with a maximum of 25 years. However, the company's policy is to pay its employees said benefit, even if they have submitted the respective resignation.

For unionized staff, the payment is 100% of the benefits (layoff and notice). For the voluntary retirement of trusted personnel, up to 40% of the benefits after one year are recognized, and up to 110% of the benefits after five years of service. The amount is determined based on the employee's years of service established by the benefit percentage.

In 2022, the company Argos Honduras established as a policy to provide the employee with an alternative payment of social benefits in terms of what corresponds to layoffs, in case both parties so wish voluntarily, establishing an agreement between the collaborators and Argos Honduras, for the subsequent advance payment in cash.

As of December 31, 2022, and 2021, the Group has no reimbursement rights related to defined benefit plan obligations. The average duration in years of the defined benefit obligation is as follows:

	Pension plan	Pension securities and bonds	Seniority bonus and similar	Retirement bonus	Other defined benefit plans	Total average duration
Average duration 2023	7.8	2.5	10.7	6.9	8.1	7.2
Average duration 2022	6.2	2.8	8.9	6.2	6.3	7.6

	2023		2022	
	Decreases	Increases	Decreases	Increases
Higher (lower) discount rate, 100 basis points	292,814	260,106	263,132	237,466
Expected salary growth increases (decreases) by 1%	38,180	31,487	50,743	41,115
Life expectancy increases (decreases) by one year	220,678	232,933	191,877	199,688

The significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increases and mortality. The sensitivity analyses below have been determined on the basis of possible reasonable changes in the corresponding presumptions that occur at the end of the reporting period while maintaining all other presumptions constant.

The reported value in the table above is the value of the defined benefit plan liability given the isolated change in the significant estimate defined by Management. However, the sensitivity analysis presented above may not be representative of real change in the defined benefit obligation, since assumptions are not likely to change in isolation from one another, given that some of the assumptions may be correlated.

Additionally, in the above sensitivity analysis, the current value of the defined benefit obligation was calculated using the projected unit credit method at the end of the reporting period, which is the same that was applied when calculating the liability of the defined benefit obligation recognized in the statement of financial position.

NOTE 23: PROVISIONS

	Litigation, lawsuits and other contingencies (i)	Dismantling (ii)	Environmental (iii)	Other provisions (iv)	Total
Book value as of January 1, 2023	**78,422**	**71,211**	**18,317**	**130,949**	**298,899**
Realized provisions	133,811	1,283	2,466	61,200	198,760
Use of provisions	(131,007)	(2,526)	(1,525)	(57,519)	(192,577)
Realized reversals	(50)	(1,287)	(30)	-	(1,367)
Discount rate adjustment	(1,304)	7,668	81	-	6,445
Conversion effect	(14,063)	(7,486)	(1,739)	(27,332)	(50,620)
Other changes	-	(2,600)	-	-	(2,600)
Book value as of December 31, 2023	**65,809**	**66,263**	**17,570**	**107,298**	**256,940**
Current	39,268	4,052	9,559	18,625	71,504
Non-current	26,541	62,211	8,011	88,673	185,436
Book value as of December 31, 2023	**65,809**	**66,263**	**17,570**	**107,298**	**256,940**

	Litigation, lawsuits and other contingencies (i)	Dismantling (ii)	Environmental (iii)	Other provisions (iv)	Total
Book value as of January 1, 2022	**66,769**	**111,405**	**16,505**	**102,743**	**297,422**
Realized provisions	132,369	5,735	1,656	58,797	198,557
Use of provisions	(130,579)	(3,368)	(1,855)	(53,295)	(189,097)
Realized reversals	(140)	(3,239)	(600)	-	(3,979)
Discount rate adjustment	(1,219)	(45,398)	1,150	-	(45,467)
Conversion effect	11,665	9,247	1,461	22,175	44,548
Other changes	(443)	(3,171)	-	529	(3,085)
Book value as of December 31, 2022	**78,422**	**71,211**	**18,317**	**130,949**	**298,899**
Current	78,260	7,844	6,180	16,895	109,179
Non-current	162	63,367	12,137	114,054	189,720
Book value as of December 31, 2022	**78,422**	**71,211**	**18,317**	**130,949**	**298,899**

(i) The Group is a party to judicial proceedings of different natures, both as plaintiff and defendant, which are being addressed diligently by qualified attorneys hired by the Company. Conflicts are of labor, civil, administrative, criminal and tax character. These types of litigations arises in the ordinary course of business of any company the size of Argos, and the Company expects a probable outflow of resources. The appropriate reserves have been estimated for these processes based on criteria, such as the nature of the process, the evidence contained, economic factors, the possible sentence projected, etc., which will cover the possible unfavorable sentences or decisions that may occur. We believe that the estimated time of resolution for these processes ranges between three (3) and eight (8) years, approximately. Subsidiaries located in the United States self-insure for workers' compensation claims up to $500 per occurrence, general liability claims up to $350 per occurrence, and automobile claims up to $500 per occurrence, and are insured for values over these amounts. As of December 31, 2023, a number of claims were open. The recognized cost value for these claims is based on actual occurrences and management's estimate of the liabilities resulting from each claim. Although the final outcome of these claims cannot be currently determined, the administration believes that the amounts of $54,731 and $67,999 foreseen for these claims in the consolidated financial statements as of December 31, 2023 and 2022, respectively, are adequate.

(ii) Cementos Argos S.A. and its subsidiaries in Colombia are obliged to incur future costs for compliance with mining legal regulations, in the face of the mineral resources exploitation, corresponding to the dismantling of assets and the environmental restoration, where these assets were built, which is carried out at the time a mining operation is terminated or a mining title expires, whichever date is less.
The maximum execution date of decommissioning obligations is the expiration date of the mining title concession, so the disbursement of economic resources is estimated for five years before the legal requirement. However, in some cases where the operation is completed in an area covered by a title that is still effective for more than five years, the provision disbursements are estimated to be made within five years after completing the operation. In order to determine the best estimate to be used to settle, the Management considers the areas affected by mining exploitation, the mining exploitation schedule and the costs incurred during past decommissioning operations.

(iii) Cementos Argos S.A. and its subsidiaries in Colombia are forced to incur costs for environmental obligations related to forestry offsets for quarries and forestry exploitation, costs for the removal and subsequent disposal of hazardous waste, specifically PCBs (polychlorinated biphenyls), previously stored. For forest compensation, Cementos Argos S.A. and its subsidiaries in Colombia have committed to liquidating their environmental obligations within a maximum period of five years or as indicated in the Resolution corresponding to each identified environmental liability. In order to determine the best estimate to be used to settle; the Management mainly considers financial variables and planting, maintenance and isolation costs for a period of four years.

(iv) Argos USA LLC., as an indirect Cementos Argos S. A. subsidiary, can extract Chemical Grade Stone (CGS) from a quarry owned by Vulcan Construction Materials LP (“Vulcan”), which is adjacent to the Group's Alabama plant. Under the terms of the reserve exchange agreement with Vulcan, the Group has the right to extract limestone from Vulcan's quarry and, in return, to supply Vulcan with Aggregate Grade Stone (AGS) that is unsuitable for cement manufacturing. The reserve exchange agreement gives the Group the right to mine limestone on Vulcan's property and effectively increases the Group's available reserves. The agreement with Vulcan expires on December 31, 2035, with the option to extend it until December 2045. As of December 31, 2023 and 2022, the estimated obligations for future minerals mining from the Group-owned mines are $88,673 and $114,054, respectively.
The company Cautiva BMR, records within its liabilities a technical reserve for unearned premium, which considers peaks in claims to proportionally recognize earned and unearned premiums. The company applies a straight-line accrual considered as a provision.

NOTE 24: OTHER NON-FINANCIAL ASSETS AND LIABILITIES

24.1. Other non-financial assets

	2023	2022
Expenses paid in advance (1)	187,034	182,725
Assets for VAT, ICA and other taxes	57,851	71,951
Other non-financial assets	**244,885**	**254,676**
Current	234,567	244,559
not current	10,318	10,117
Other non-financial assets	**244,885**	**254,676**

(1) It corresponds mainly to capitalizable expenses for an initial public offering (IPO) in the United States for $80,250 (2022: $79,015).

24.2. Other non-financial liabilities

	2023	2022
Advances and forecasts received from clients	85,941	110,661
Liabilities for VAT, ICA and other taxes	169,663	156,789
Income received in advance	1,132	1,295
Other liabilities	8,477	3,674
Other non-financial liabilities	**265,213**	**272,419**

NOTE 25: OUTSTANDING BONDS AND PREFERRED SHARES

	2023	2022
Outstanding bonds	2,651,046	3,138,163
Preferred shares classified as compound financial instruments (25.2)	42,932	60,867
Outstanding bonds and preferred shares	**2,693,978**	**3,199,030**
Current	196,845	458,288
Non-current	2,497,133	2,740,742
Outstanding bonds and preferred shares	**2,693,978**	**3,199,030**

25.1. Outstanding bonds

Outstanding bonds issued by Cementos Argos S. A., comprised the following as of December 31, 2022 and 2021.

Issuance	Placement date	Term	Effective rate	Interest payment method	2023	2022
2009 issuance	Apr 28, 2009	15 years	CPI + 7.19%	Quarterly in arrears	151,130	201,130
2012 issuance	May 16, 2012	15 years	CPI + 4.50%	Quarterly in arrears	303,082	303,082
2014 issuance	Nov 27, 2014	10 years	CPI + 3.80	Quarterly in arrears	167,385	186,175
2014 issuance	Nov 27, 2014	15 years	CPI + 4.21	Quarterly in arrears	311,707	311,707
2016 issuance	Apr 13, 2016	10 years (1)	CPI + 4.19	Quarterly in arrears	121,075	121,075
2016 issuance	Apr 13, 2016	15 years (1)	CPI + 4.47	Quarterly in arrears	184,157	121,075
2017 issuance	May 24, 2017	6 years (2)	6.65%	Quarterly in arrears	-	194,055
2017 issuance	May 24, 2017	13 years (2)	CPI + 3.64%	Quarterly in arrears	388,145	388,145
2017 issuance	May 24, 2017	25 years (2)	CPI + 3.99%	Quarterly in arrears	400,500	400,500
2018 issuance	Jun 27, 2018	10 years (3)	CPI + 3.75%	Quarterly in arrears	158,550	158,550
2018 issuance	Jun 27, 2018	20 years (3)	CPI + 4.04%	Quarterly in arrears	125,850	125,850
2020 issuance	Nov 25, 2020	4,25 years (4)	CPI + 2.24%	Quarterly in arrears	200,247	204,747
2022 issuance	Dec 1, 2022	2,24 years (5)	CPI + 8.75%	Quarterly in arrears	102,350	102,350
2022 commercial papers issuance	Dec 1, 2022	1 year (5)	IBR+ 7.15%	Quarterly in arrears	-	113,201
2022 commercial papers issuance	Dec 1, 2022	1 year (5)	TF + 18.70%	Quarterly in arrears	-	99,298
					2,614,178	**3,030,940**

(1) The issuance is part of the issuance and placement program for ordinary bonds and commercial papers charged to a global quota of $1,000,000 approved through Resolution No. 0422 from the Financial Superintendence of Colombia on March 23, 2012.

(2) The issuance is part of the issuance and placement program for ordinary bonds and commercial papers charged to a global quota of $1,000,000 approved through Resolution No. 0518 from the Financial Superintendence of Colombia of April 3, 2017, through which the global quota increase of the emission and collation program approved previously through resolution 0422 of 2012, was approved.

(3) The issuance is part of the issuance and placement program for ordinary bonds and commercial papers charged to a global quota of $1,000,000 approved through Resolution No. 0585 from the Financial Superintendence of Colombia ("SFC") on May 10, 2018.

(4) The issuance constitutes the second section that is part of the program for the issuance and placement of ordinary bonds and commercial papers charged to a global quota of $1,000,000 approved by Resolution No. 0585 from the Financial Superintendence of Colombia ("SFC") on May 10, 2018.

5) The issuance constitutes the second lot of the second issuance of ordinary bonds corresponding to the bond issuance and placement program of Cementos Argos S.A. in the main market. The Company awarded in the market $102,350 in bonds and $212,499 in commercial papers.

All issues are rated AA+, with a stable outlook by Fitch Ratings Colombia S.A. rating agency, and these are nominative securities issued to order and traded on the secondary market through the Colombian Stock Exchange. Oon September 21, 2023, the aforementioned rating agency placed the Company's long-term ratings on positive observation. The financial expense associated with bonds and commercial papers during the year was $464,026 million. In 2023, bonds and commercial papers matured for $406,554 and there were repurchases for $196,875 of securities maturing in 2023, 2024 and 2025.

During 2023, financial interest expense was recorded for $434,444 (2022: $363,426) of ordinary bonds and $14,841 (2022: $4,488) of preferred shares.

25.2. Preferred shares

Per the approval of the General Shareholder's Meeting on March 15, 2013, Cementos Argos carried out the issuance and placement of shares with preferred dividends and no voting rights (hereinafter, preferred shares) in May 2013 for $ 1,610,824, allocating 209,197,850 preferred shares with a subscription price of $ 7,700 per preferred share, as determined by the Board of Directors of the Company.

The issuance of preferred shares is a compound financial instrument. The issuer, for its subsequent recognition and measurement, identified the debt and equity components by assessing the contractual instrument terms, as well as the issuer's obligations. Given the contractual obligation of the issuer to pay the minimum annual dividend to shareholders if the Company generates profits, the issuance incorporates a financial liability component. Once this liability has been measured, the difference between the received value and the obligation value constitutes an equity component. The part corresponding to the financial liability should be measured at least during each interim period and recognize their impact on the result of the period; the equity element is not subject to further measurement.

Cementos Argos determined the liability component by discounting the cash flows corresponding to the preferred minimum dividend, which were calculated in perpetuity based on the provisions of section 11.1.1 from the prospectus; the discount rate applied corresponded to the market rate at the issuance date of similar instruments that did not incorporate an equity component. Considering the difficulty of identifying a financial instrument on the market with the same characteristics as the issuance, the financial liability discount rate was determined by referencing the current yield of longer-term bonds issued by Cementos Argos S.A. in Colombian pesos. For these purposes, the valuation rate of Cementos Argos 2024 bond issuance, issued in May 2012, is long-term (15 years) and indexed to the CPI.

Preferred shares had a 3% minimum yearly dividend on the subscription price that was paid during the first 12 quarters starting from the placement date. In April 2016, this last minimum dividend corresponding to 3% per year on the subscription price was paid and as of the thirteenth quarter, the minimum annual dividend will be $10 per share, which will increase with the annual CPI at the end of each year. Issuance prospectus does not contain options to buy or sell the preferred shares.

Holders of shares with preferred dividends and no voting rights are entitled to receive a minimum dividend in a preferred manner, compared to the one corresponding to ordinary shares, provided they generated distributable profits during the immediately preceding accounting year. Under no case may the dividend received by the holders of the ordinary shares be higher than the one decreed in favor of the preferred shares; to the preferred reimbursement of their contributions, once the external liability has been paid, in the event of the issuer dissolution and liquidation; and the other rights provided for in the issuer's bylaws for holders of ordinary shares, except (i) the right to preferentially subscribe ordinary shares, and (ii) the right to vote on the proposals at the issuer's General Shareholders' Meeting. By way of exception, preferred shares will grant their holders the right to vote in the events described in the prospectus placement and issuance.

The liability recognized by the issuance of preferred shares is composed of the valuation of the debt component and the reduction of direct issuance costs allocated to the liability component, according to the interest percentage of each component in the issuance amount. At the time of initial recognition, issuance costs were included in the financial liability for $7,157. The debt component is measured at amortized cost using the effective interest rate. The effective interest rate for the subsequent debt component measurement at amortized cost was determined by matching cash flows receivable or payable estimated over the financial instrument expected life to the net book value of the liability component at the time of initial recognition. The financial liability increases with the recognition of interest applying the effective interest rate and decreases to the extent that the minimum dividends are accounted for to the preferred shareholders.

During 2023, 1,011,761 preferred shares were repurchased, bringing the balance of preferred shares outstanding to 208,186,089. The financial expense on behalf of the preferred shares in the year was $14,841 million.

During 2023, a decrease in the liability for preferred shares was generated due to the methodological review of amortized cost considering current market variables and the reacquisition of own shares associated with preferred shares.

NOTE 26: FINANCIAL INSTRUMENTS

26.1. Capital risk management

The Group manages its capital from a long-term perspective, seeking to maintain a balanced, efficient and flexible capital structure to safely accompany and support the organization growth process. The Group considers equity shares, both ordinary and preferred, short and long-term financial obligations, as well as ordinary bonds as capital. Cementos Argos S.A. is not subject to externally imposed capital requirements.

The Group uses the Net debt / EBITDA + dividends indicator to monitor the capital structure. The net debt consists of financial obligations minus cash and temporary investments. This indicator allows establishing the leverage level of the Group regarding its cash generation. Additionally, this indicator is included in the long-term loan agreements that Company has. Other indicators, such as the debt's short-term and long-term relationship, average life, and free cash flow, also are considered to analyze the capital structure. In line with the above, a correct balance between debt and equity is maintained.

The Group periodically monitors that the Net debt / EBITDA + dividends leverage indicator stays within a specific range that enables a sustainable growth and the goals achievement set forth by the Management.

In order to manage other indicators, such as the average debt life, and its long and short-term distribution, there is ample access to credit through approved lines with national and international banks and the possibility of accessing the capital market through the issuance of ordinary bonds and/or commercial papers in the local market.

The composition of the Group's liabilities conservates an adequate balance between currencies, taking advantage of natural hedges between assets and liabilities denominated in the same currency. The capital structure of the Group considers the fit between the indebtedness denominated in dollars and the EBITDA generated in United States and the Central American and Caribbean countries operations, which generate their flows mainly in dollars.

In 2023 and comparative period, there have been no significant changes in the Group's capital management objectives, policies, or processes.

26.2. Financial instruments categories

	2023	2022
Cash and cash equivalents (Note 5)	1,008,527	790,086
Purchase of financial assets advances (Note 7)	2,276	-
Fair value through profit or loss (Note 7)	3,206	3,015
Instruments derived from hedging relationships (Note 6)	170,306	154,259
Financial assets measured at amortized cost (Note 7 & 8)	1,225,502	1,871,800
Financial assets measured at fair value with changes in Other Comprehensive Income (Note 26.2.1)	847,399	1,216,230
Financial Assets	**3,257,216**	**4,035,390**
Instruments derived from hedging relationships (Note 6)	340,408	22,557
Financial liabilities measured at fair value through equity (1)	88,266	85,018
Financial liabilities measured at amortized cost	7,907,565	8,899,808
Financial Liabilities	**8,336,239**	**9,007,383**
Financial Liabilities, net	**5,079,023**	**4,971,993**

26.2.1. FINANCIAL ASSETS MEASURED AT FAIR VALUE WITH CHANGES IN OTHER COMPREHENSIVE INCOME

	2023	2022
Grupo de Inversiones Suramericana S. A.	823,453	1,192,587
Carvajal Pulpa y Papel S. A.	619	619
Cemex S. A.	2,755	1,812
Other investments	20,572	21,212
	847,399	**1,216,230**
Recognized dividends related to investments held at the end of the period	37,408	22,350

(1) Corresponds to financial liability recognized with non-controlling interests by non-controlling shareholder put option and purchase obligation by the Group.

Equity investments indicated in the table above are not held for negotiation purposes, these are held for strategic purposes in the mid- and long-term. The Group's management believes that this classification for these strategic investments provides more reliable financial information, rather than reflecting changes to their fair value immediately in the period results. Some investments that are not listed on the public stock market are held at cost, and the Group considers that this value is adequate as a reference for their fair value.

As of December 31st 2023, the Group didn't transfer any amount from OCI to retained earnings.

26.2.2. FINANCIAL ASSETS RECLASSIFICATION

During the current period, the Group has not carried out changes in the business model for financial assets management and administration; therefore, financial assets have not been reclassified under the fair value modality towards the amortized cost, or vice versa.

26.3. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's financial policies are defined by the Corporate Finance committee and managed by the Corporate Finance Management, and they seek to ensure a solid financial structure and maintain the Group's exposure to market risk, liquidity and credit at optimal levels, according to the nature of the operations. The Group is exposed to exchange rate risks, interest rate, credit, and liquidity risk. The risk is mitigated by using natural hedging or financial derivatives, to the extent allowed by the market. The use of financial derivatives for speculative purposes is not allowed.

26.3.1. FOREIGN EXCHANGE RISK MANAGEMENT

The Group is exposed to exchange rate risk as a result of the investments it maintains in subsidiaries with a functional currency other than the Colombian peso, for transactions carried out in currencies other than its functional currency, including foreign currency borrowing operations. Fluctuations in exchange rates have direct impacts on cash and consolidated financial statements. The Group monitors exchange rate risk by analyzing the balance sheet and cash flow exposure.

The analysis of exposure to exchange rate risk is carried out on the subsidiaries that have assets, liabilities, income, and expenses in currencies other than their functional currency, and where the local currency floats freely without exchange controls since those subsidiaries located in Countries with currency exchange controls have low volatility in exchange rate fluctuations. The exposure of the statement of financial position is determined by calculating the net position in dollars, made up of the liabilities and assets in dollars of said companies. The Group uses different natural hedging mechanisms to meet its objective of minimizing the volatility of the foreign exchange difference item in the consolidated income statement. Exposure to cash flows is monitored by analyzing the compensation of income and expenses in foreign currency, seeking to maximize the match between cash inflows and outflows in the same currency in order to minimize dollars purchases or sales in the spot market.

The concentration of foreign exchange risk is measured regarding the net position limit of +/- US 30 million. To the extent that the net position of the Group moves away from that figure, the exposure to foreign exchange risk is considered to increase.

The carrying amounts of the monetary assets and liabilities denominated in foreign currency at the end of the reporting period are as follows:

	Monetary assets		Monetary liabilities		Net exposure	
	2023	2022	2023	2022	2023	2022
US dollar, expressed in million pesos	1,971,694	1,660,922	1,089,962	1,335,162	881,732	325,760
US dollar, expressed in thousand dollars	515,873	345,292	285,177	277,569	230,696	67,723

	Monetary assets		Monetary liabilities		Net exposure	
	2023	2022	2023	2022	2023	2022
Euro, expressed in million pesos	160	184	4,341	4,864	(4,181)	(4,680)
Euro, expressed in thousand euros	38	36	1,028	947	(990)	(911)

26.3.2. RISK MANAGEMENT OF INTEREST RATES AND INFLATION INDICES

Interest rate risk arises mainly from the type of interest rate to which the company's loans are indexed. An increase in interest rates increases financial spending. This increase materializes more immediately in loans whose interest rate is determined based on a variable rate. For fixed-rate loans, the interest rate increase materializes at the time of credit renewal. The risk is reduced by maintaining a portion of the debt portfolio in fixed-rate loans with maturities in the medium and long term.

The concentration of interest rate risk materializes when a very high exposure to a particular index is detected in the financial debt portfolio. The Group considers an exposure to a fixed rate between 20% and 30% of its total consolidated debt to be optimal. The Group's debt profile is reported monthly to Management, indicating TF concentration levels vs. TV, term distribution (short-term vs. long-term) and distribution by currency (COP vs. USD vs. other currencies). With the results presented, decisions are made to manage the debt portfolio, such as the advance payment of obligations, structuring of financial derivatives to balance the position in interest rates and/or currencies, etc. As of December 31, 2023, 52% of the consolidated debt was agreed at a fixed interest rate, including hedges (2022: 36%).

The reference interest rates of the Colombian financial market that generate exposure to the Group are the CPI, IBR, SOFR and TONAR. The Group has not considered exposure to other local or international rates.

The Group also uses swaps to manage its exposure to interest rates and the CPI. In these instruments there is no exchange of capital, the company is responsible for its debts with defined amounts and terms, and its accounting record is independent of the swap. These swaps aim to convert financial instruments either from a fixed rate to a variable rate or from a variable rate to a fixed rate.

26.3.3. CREDIT RISK MANAGEMENT

The credit risk derived from financial assets that imply the risk of the counterparty defaulting is reduced by evaluating and assessing clients with exposure or who require credit beyond the established limits and actual collaterals. The maximum exposure to credit risk is represented by the balance of the financial assets. Management has developed policies for credit authorization to customers. The exposure to credit risk is constantly monitored according to the debtor’s payment behavior.

The credit risk derived from the investments made by the Group in the financial system is monitored through the use of an issuer quota model, which stipulates the maximum amount that the Group may have invested in an American, European, Honduran, or Colombian bank, in which most of the Group's cash is concentrated and with which financial derivative operations are agreed. The policy restricts the amount of investment in banks to the limit calculated by the model quotas, without the authorization of the Financial Vice President. The models incorporate variables, such as national and international rating, leverage indicators, and liquidity indicators of banking entities. When the amounts invested in a bank exceed the values calculated by the quotas model, the risk is considered to be highly concentrated in a single issuer. The Company balances that concentration, when the market allows it, by divesting the issuer that has exceeded the amount stipulated by the model and recomposing the investments with different alternatives, according to the calculated quotas. For banks that are not part of the model, the Company does not measure the issuer quota risk. In turn, banks that are not part of that model are entities in which there are no significant investments at the time of this report.

26.3.4. LIQUIDITY RISK MANAGEMENT

The Group has financial obligations with counterparties in the banking system and in the capital market. In order to mitigate the liquidity risk in the possible renewals of these credits, the Group plans the concentration of maturities monthly in order to avoid accumulating very high maturities in any given month of the year. Additionally, it has a broad portfolio of liquidity providers in different currencies, types of indexers, and terms, including national banks, international banks, commercial financing companies, stockbrokers, and issuance of bonds and trade papers in the capital market as a recurring issuer, where the main investors of these papers are pension funds and insurance companies. The balance of the debt distribution by term is another clear objective of management, with the goal of not concentrating more than 30% of financial liability maturities in the short-term. The years of duration of the financial liabilities are monitored month by month, and the objective is that the average life of the portfolio exceeds 3.5 years. These debt duration objectives can be affected at specific times by acquisitions and divestitures operations, etc., involving bridge or short-term financing, while adjusting the capital structure to the objectives set. Likewise, the Group has uncommitted credit quotas in national and international banks in a sufficient amount to cover any eventuality. The Group is also exposed to liquidity risk for breach of their financial commitments, which would trigger cross compliance clauses in other contracts. To mitigate this risk, the financial obligations in the credit agreements are monitored monthly and reported to Management.

Accounting working capital, defined as current assets minus current liabilities, shows a negative balance. This is mainly due to short-term loans and reclassifications of those loans that were long-term and whose maturity is already within the next 12 months. At the end of December, the company has available uncommitted quotas and is a recurring issuer in the Colombian stock market, with a quota in its bond and commercial paper issuance and placement program of $935,151 million. These bank quotas and in the stock market allow the structuring of sufficient financing alternatives to renew the current debt portion, together with the internal generation of the company.

26.4. Foreign currency sensitivity analysis

The Group is mainly exposed to the USD currency both through monetary assets and liabilities and through future cash flows denominated in this currency. In general terms, the company has a long exposure in USD, benefiting from the appreciation of this currency with respect to the Colombian peso, mainly because it receives more flows in dollars from its subsidiaries abroad than the payments made in this currency. Regarding the exposure to foreign currency in the company's balance sheet, the following analysis is carried out to determine the impact on net income.

The following table shows the impact on net income of a 20% depreciation or appreciation in the Colombian peso, against the relevant foreign currencies after considering the hedge accounting effect. The 20% represents the sensitivity rate used when reporting currency risk internally to key management personnel and represents management's assessment of a possible but extreme scenario. The sensitivity analysis includes only outstanding monetary items denominated in foreign currency and adjusts their translation at the end of the period for a 20% change in exchange rates. The sensitivity analysis includes external loans, as well as loans for foreign operations within the Group, where the loan denomination is in a currency other than the currency of the lender and the borrower. Monetary liabilities denominated in dollars exceed monetary assets denominated in dollars, so when only the exposure of the company's balance sheet to the US dollar is considered, it is observed that the appreciation of the Colombian peso has a positive effect on net income.

	2023	2022
20% increase in US dollar regarding functional currency		
Income before taxes, expressed in million pesos	177,202	65,152
Equity	197,832	144,501

FOREIGN CURRENCY SENSITIVITY ANALYSIS IN CONSOLIDATED FINANCIAL STATEMENTS

The sensitivity analysis uses a 20% increase or decrease in the closing exchange rate and moving average, which represents the management's assessment of the possible reasonable change in exchange rates.

	2023	2022
20% increase in US dollar regarding functional currency		
Impact on profit before taxes, expressed in million pesos	287,760	182,090
Other Comprehensive Income, expressed in million pesos	1,756,246	2,177,395

A 20% drop in the Colombian peso against the US dollar would have produced the opposite effect. For the analysis, all other variables are assumed to be constants.

26.5. Sensitivity analysis of interest rates and inflation indices

The Group carries out determined sensitivity analysis based on exposure to interest rates and inflation indices, for both derivative and non-derivative instruments at the end of the reporting period. For liabilities at variable rates, an analysis is carried out, assuming that the amount of the outstanding liability at the end of the reporting period has been the outstanding liability for the entire year. When internally informing key management personnel about interest rate risk, an increase or decrease of 100 basis points over the indicator's spot rate is used, which represents management's assessment of the possible reasonable change in interest rates.

During the period, there have been changes in the methods and hypotheses used for the sensitivity analysis.

	CPI		Libor		IBR	
	2023	2022	2023	2022	2023	2022
Increase of 100PB over the indexer spot rate						
Income before taxes, expressed in million pesos	9,142	25,375	-	20,588	5,552	8,164
Other Comprehensive Income	30,481	19,489	2,946	5,565	(2,368)	(29,583)

26.6. Derivative contracts in foreign currency and interest rate

The following table details foreign currency derivative contracts and notional capital amounts and remaining terms of interest rate swap contracts under hedge accounting outstanding at the end of the reporting period:

	Derivative contract average rate		Underlying notional value in Colombian pesos (1)		Assets (liabilities) fair value	
	2023	2022	2023	2022	2023	2022
US dollar						
1 year or less, purchase forward	4,638	4,470	600,333	619,654	(105,757)	60,296
1 year or less, purchase swap	4,280	4,196	424,248	388,996	1,736	40,591
1 year or less, other currencies	0,007	-	751,708	-	45,198	-
Total foreign currency derivative contracts			**1,776,289**	**1,008,650**	**(58,823)**	**100,887**
Interest rate swap, cash flow hedge						
1 year or less			595,218	230,000	(20,591)	5,974
From 1 to 5 years			2,346,615	1,041,787	(79,222)	37,880
5 years or more						
Total interest rate derivative contracts			-	190,000	(11,466)	(13,040)
Total foreign currency derivatives and interest rates			**2,941,833**	**1,461,787**	**(111,279)**	**30,814**
US dollar			**4,718,122**	**2,470,437**	**(170,102)**	**131,702**

1) The underlying notional value includes values in American dollars and Japanese yen. For disclosure purposes, these amounts have been converted into Colombian pesos using the closing exchange rate in force for each reporting date.

26.7. Interest risk and liquidity tables

The following tables detail the remaining contractual maturity of the Group for its non-derivative financial liabilities with agreed-upon reimbursement periods. Tables have been designed based on the undiscounted cash flows of financial liabilities, based on the date on which the Group must make payments. Tables include both interest and capital cash flows. When the interest is at the variable rate, the undiscounted amount is derived from market interest rate curves at the end of the reporting period. The contractual maturity is based on the minimum date on which the Group must make the payment.

	Weighted average effective rate	1 year or less	From 1 to 5 years	5 years or more	Total contractual cash flows	Book value
December 31, 2023						
Non-interest-bearing financial liability	-	1,160,101	-	-	1,160,101	1,160,101
Instruments with variable interest rates	10.95%	1,632,763	3,923,073	2,502,886	8,058,722	5,540,808
Instruments with fixed interest rates	11.74%	1,068,612	153,662	-	1,222,274	1,163,725
Other liabilities	-	2,521	10,731	188,410	201,662	42,932
		3,863,997	**4,087,466**	**2,691,296**	**10,642,759**	**7,907,566**
December 31, 2022						
Non-interest-bearing financial liability	-	1,383,501	-	-	1,383,501	1,383,501
Instruments with variable interest rates	11.50%	1,392,386	5,631,622	3,527,976	10,551,984	6,358,456
Instruments with fixed interest rates	11.40%	1,123,370	20,636	-	1,144,006	1,096,984
Other liabilities	-	2,472	10,520	192,122	205,114	60,867
		3,901,729	**5,662,778**	**3,720,098**	**13,284,605**	**8,899,808**

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been designed based on discounted contractual net cash flows that are written off on a net basis, and discounted gross cash flow on those derivatives that require a gross payment. When the amount payable or receivable is not fixed, the amount disclosed has been determined by referencing projected interest rates, as illustrated by the yield curves at the end of the reporting period. As of December 31, 2023 and 2022, the Group does not have derivative contracts that are settled in their gross amount.

	December 31, 2023			December 31, 2022		
	1 year or less	From 1 to 5 years	Total	1 year or less	From 1 to 5 years	Total
Net settled amount:						
Forward	(67,271)	-	(67,271)	60,296	-	60,296
Swaps	(20,591)	(79,222)	(99,814)	(15,490)	86,896	71,406
Options (1)	(3,017)	-	(3,017)	-	-	-
	(90,880)	**(79,222)**	**(170,103)**	**44,806**	**86,896**	**131,702**

At the end of December, the Group signed financial option contracts that would allow it to mitigate the impact on net income of possible falls in share prices in the United States market, under the contract signed on September 7, 2023, with Summit. Materials Inc. (see Note 43). This instrument had a net impact on results of - U$789,487. This derivative was classified as a trading instrument for accounting purposes.

26.8. Collateral

By the end of 2023, the financial assets pledged as collateral are as follows:

- 6,783,262 shares from the issuer Grupo de Inversiones Suramericana S.A. to the financial entity Banco Santander as collateral for a loan for USD 30 million taken in 2021.
- Argos SEM LLC subsidiary has pledged 360,600 ordinary shares of Argos Puerto Rico Corp. to secure credit between Argos Puerto Rico Corp. and Banco Popular de Puerto Rico. Under this credit, the accounts receivable, escrow accounts, and inventory from Argos Puerto Rico Corp. were also pledged.

At the end of 2023, the Company has no shares of Grupo de Inversiones Suramericana as collateral for passive repos.

26.9. Financial assets and liabilities fair value

The Group determines the fair value of all its financial assets and liabilities in the reporting period for measurement or disclosure in the financial statements.

The following table shows, for each of the levels of fair value hierarchy, the Group’s assets and liabilities measured at fair value as of December 31, 2023 and 2022:

	December 31, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value
Financial assets at fair value:								
In results - advances	2,276	-	-	2,276	-	-	-	-
In results	3,206	-	-	3,206	3,015	-	-	3,015
In Other Comprehensive Income	826,827	20,573	-	847,400	1,195,018	21,212	-	1,216,230
Financial Derivatives	-	170,306	-	170,306	-	154,259	-	154,259
Financial assets at fair value	**832,309**	**190,879**	**-**	**1,023,188**	**1,198,033**	**175,471**	**-**	**1,373,504**
Financial assets at fair value:								
In other equity items	-	-	88,266	88,266	-	-	85,018	85,018
Financial Derivatives	-	340,408	-	340,408	-	22,557	-	22,557
Financial assets at fair value	**-**	**340,408**	**88,266**	**428,674**	**-**	**22,557**	**85,018**	**107,575**
Net assets (liabilities) at fair value	**832,309**	**(149,529)**	**(88,266)**	**594,514**	**1,198,033**	**152,914**	**(85,018)**	**1,265,929**

The following table shows the carrying amount and estimated fair value of the financial assets and liabilities of the Group that is not measured at fair value in the financial statements, but are required to be disclosed:

	December 31, 2023		December 31, 2022	
	Book value	Fair value, Level 2	Book value	Fair value, Level 2
Non-interest bearing liabilities	1,160,101	1,160,101	1,383,501	1,383,501
Instruments with variable interest rates	5,540,808	4,972,477	6,358,456	5,986,224
Instruments with fixed interest rates	1,163,725	1,168,593	1,096,984	1,073,470
Preferred share liability	42,932	25,764	60,867	16,197
Financial liabilities	**7,907,566**	**7,326,935**	**8,899,808**	**8,459,392**

	December 31, 2023		December 31, 2022	
	Book value	Fair value, Level 2	Book value	Fair value, Level 2
Cash and cash equivalents	1,008,527	1,008,527	790,086	790,086
Amortized cost of investments with high liquidity (1)	-	-	470,643	470,643
Accounts receivable	1,225,502	1,221,928	1,401,157	1,401,157
Financial assets	**2,234,029**	**2,230,455**	**2,661,886**	**2,661,886**
Financial liabilities, net	**(5,673,537)**	**(5,096,480)**	**(6,237,922)**	**(5,797,506)**

(1) In 2022, it corresponds to TDC constituted by Cementos Argos S.A.

As of December 31, 2023 and 2022, there were no transfers between fair value hierarchy levels, or changes to the assets and liabilities measured at fair value on a recurrent basis using unobservable variables classified at level 3 of the fair value hierarchy.

26.10. Reconciliation of changes in liabilities and cash flows arising from financing activities

2023	Obligations and other financial liabilities	Lease liabilities	Dividend liability	Derivative liabilities, net	Compound bonds and financial instruments	Other liabilities associated with financing activities	Total liabilities with impact on financing cash flows	Non-controlling interest	Total liabilities and non-controlling interest
Balance as of January 1, 2023	**4,402,295**	**690,878**	**134,999**	**(131,702)**	**3,199,029**	**-**	**8,270,473**	**1,050,684**	**9,321,157**
Loan payments	(1,780,352)	-	-	-	-	-	(1,780,352)	-	(1,780,352)
Amounts from loans	2,215,246	-	-	-	-	-	2,215,246	-	2,215,246
Reacquisition of ordinary shares	-	-	-	-	-	(40,174)	(40,174)	-	(40,174)
Reacquisition of preferred shares	-	-	-	-	-	(4,024)	(4,024)	-	(4,024)
Paid interest	(344,368)	(44,880)	-	-	(471,301)	-	(860,549)	-	(860,549)
Paid dividend on ordinary shares	-	-	(543,805)	-	-	-	(543,805)	-	(543,805)
Lease liabilities payments	-	(137,256)	-	-	-	-	(137,256)	-	(137,256)
Payments from financial derivatives contracts	-	-	-	(30,894)	-	-	(30,894)	-	(30,894)
Receivables from financial derivative contracts	-	-	-	114,532	-	-	114,532	-	114,532
Paid dividend on preferred shares	-	-	(79,088)	-	(3,093)	-	(82,181)	-	(82,181)
Outstanding bond payments	-	-	-	-	(479,844)	-	(479,844)	-	(479,844)
Other cash inflows	-	-	-	-	-	-	(25,108)	-	(25,108)
Change from financing cash flows	**90,526**	**(182,136)**	**(622,893)**	**83,638**	**(954,238)**	**(44,198)**	**(1,654,409)**	**-**	**(1,654,409)**
Interest caused	379,562	44,880	-	4,031	449,185	-	877,658	-	877,658
Dividends decreed in equity	-	-	555,271	-	-	-	555,271	-	555,271
Foreign currency conversion	(762,224)	(126,159)	(41,569)	7,886	-	-	(922,066)	-	(922,066)
New leases, net write-off	-	99,212	-	-	-	-	99,212	-	99,212
Fair value measurement of derivatives	-	-	-	241,618	-	-	241,618	-	241,618
Difference in unrealized change	49,663	(599)	6,561	(54,459)	-	-	1,166	-	1,166
Other changes	(18,069)	(297)	1	19,090	2	-	727	(331,088)	(330,361)
Changes other than cash flows	**(351,068)**	**17,037**	**520,264**	**218,166**	**449,187**	**-**	**853,586**	**(331,088)**	**522,498**
Balance as of December 31, 2023	**4,141,753**	**525,779**	**32,370**	**170,102**	**2,693,978**	**(44,198)**	**7,494,676**	**719,596**	**8,214,272**

2022	Obligations and other financial liabilities	Lease liabilities	Dividend liability	Derivative liabilities, net	Compound bonds and financial instruments	Total liabilities with impact on financing cash flows	Non-controlling interest	Total liabilities and non-controlling interest
Balance as of January 1, 2022	**3,092,435**	**675,529**	**37,543**	**16,575**	**3,244,755**	**7,066,837**	**954,687**	**8,021,524**
Loan payments	(3,445,553)	-	-	-	-	(3,445,553)	-	(3,445,553)
Amounts from loans	4,056,338	-	-	-	-	4,056,338	-	4,056,338
Paid interest	(115,495)	(37,023)	-	-	(333,442)	(485,960)	-	(485,960)
Paid dividend on ordinary shares	-	-	(324,392)	-	-	(324,392)	-	(324,392)
Bonds issuance	-	-	-	-	302,771	302,771	-	302,771
Lease liabilities payments	-	(143,692)	-	-	-	(143,692)	-	(143,692)
Payments from financial derivatives contracts	-	-	-	(62,357)	-	(62,357)	-	(62,357)
Receivables from financial derivative contracts	-	-	-	76,775	-	76,775	-	76,775
Paid dividend on preferred shares	-	-	(42,300)	-	(1,820)	(44,120)	-	(44,120)
Outstanding bond payments	-	-	-	-	(381,149)	(381,149)	-	(381,149)
Other cash inflows	-	-	-	-	-	(25,026)	-	(25,026)
Change from financing cash flows	**495,290**	**(180,715)**	**(366,692)**	**14,418**	**(413,640)**	**(476,365)**	**-**	**(476,365)**
Interest caused	144,610	37,022	-	55,791	367,914	605,337	-	605,337
Dividends decreed in equity	-	-	460,878	-	-	460,878	-	460,878
Loss of control of a subsidiary or business	-	(4,414)	-	-	-	(4,414)	-	(4,414)
Foreign currency conversion	445,378	108,545	(3,298)	(112)	-	550,513	-	550,513
New leases, net write-off	-	50,301	-	-	-	50,301	-	50,301
Fair value measurement of derivatives	-	-	-	(55,282)	-	(55,282)	-	(55,282)
Difference in unrealized change	63,369	5,053	6,568	(68,735)	-	6,255	-	6,255
Other changes	161,213	(443)	-	(94,357)	-	66,413	95,997	162,410
Changes other than cash flows	**814,570**	**196,064**	**464,148**	**(162,695)**	**367,914**	**1,680,001**	**95,997**	**1,775,998**
Balance as of December 31, 2022	**4,402,295**	**690,878**	**134,999**	**(131,702)**	**3,199,029**	**8,270,473**	**1,050,684**	**9,321,157**

NOTE 27: ISSUED CAPITAL

As of December 31, 2023 and 2022, the authorized capital is made up of 1,500,000,000 shares with a nominal value in pesos of $416, each for a total value of $624,000. The subscribed and paid-in capital is made up of 1,234,054,317 ordinary shares and 209,197,850 preferred shares, with a nominal value in pesos of $416, for a total of $513,367 and $87,026, respectively. Own shares reacquired are 71,581,285 (2022: 63,575,575). As of December 31, 2023 and 2022, the outstanding shares are 1,371,670,882 (2022: 1,379,676,592), the decrease compared to 2022 corresponds to the share repurchase program for 1,011,761 preferred shares. The value of a share placement premium is $1,642,158.

	2023	2022
AUTHORIZED CAPITAL		
1,500,000,000 ordinary shares with a nominal value of $ 416	624,000	624,000
SUBSCRIBED AND PAID CAPITAL		
1,234,054,317 ordinary shares with a nominal value of $416	513,367	513,367
209,197,850 preferred shares with a nominal value of $ 416	87,026	87,026
	600,393	**600,393**
Premium on share placement	1,642,159	1,642,159
Total issued capital	**2,242,552**	**2,242,552**

SHARE REPURCHASE PROGRAM

On June 22, 2023, the Board of Directors regulated the repurchase program of ordinary and preferred shares for an amount of $125,000 million. The Shareholders' Meeting authorized said program, making a shares repurchase reserve for the same amount. The period to carry out the program is one (1) year from its approval by the Shareholders' Meeting, that is, until June 22, 2024. As of December 31, 2023, 6,993,949 ordinary shares and 1,011,761 preferred shares, for $40,174 and $4,024, respectively, had been repurchased.

	Opening balance	Period movement	Closing balance
Own shares repurchased	113,797	44,198	157,995

Investments in the Group's associates and joint ventures do not hold ordinary or preferred shares from Cementos Argos S.A. or any of its subsidiaries at the reporting date or in comparative periods.

The Group has not reserved ordinary or preferred shares for option contracts or contracts for shares sale.

Cementos Argos S.A. may only acquire its own shares by decision of the General Shareholders' Meeting, with a favorable vote of the number of shares subscribed determined by law, with funds taken from liquid profits and provided that such shares are fully released.

27.1. Reconciliation of paid ordinary shares

	Number of shares	Social capital	Share placement premium	Total
Balance as of December 31, 2022	1,234,054,317	513,367	268,089	781,456
Balance as of January 1, 2023	1,234,054,317	513,367	268,089	781,456
Balance as of December 31, 2023	**1,234,054,317**	**513,367**	**268,089**	**781,456**

27.2. Reconciliation of paid preferred shares

	Number of shares	Social capital	Share placement premium	Total
Balance as of December 31, 2022	209,197,850	87,026	1,374,069	1,461,095
Balance as of January 1, 2023	209,197,850	87,026	1,374,069	1,461,095
Balance as of December 31, 2023	**209,197,850**	**87,026**	**1,374,069**	**1,461,095**

Each ordinary share gives its owner the right to participate in the General Shareholders' Meeting decisions and vote in it, trade the shares freely, inspect the books and social papers freely during the fifteen (15) business days prior to the General Meeting in which the year-end financial statements are examined, and receive a proportionate share of the social assets at the time of settlement and once the company's external liabilities have been paid, among others included in the bylaws.

The shareholders holding ordinary shares shall have the right to preferentially subscribe in all-new issuance of ordinary shares, an amount proportional to those held on the date on which the competent social agency approves the subscription regulations.

Holders of shares with preferred dividends and no voting rights are entitled to receive a minimum dividend in a preferred manner, compared to the one corresponding to ordinary shares, provided they generated distributable profits during the immediately preceding accounting year. Under no case may the dividend received by the holders of the ordinary shares be higher than the one decreed in favor of the preferred shares; to the preferred reimbursement of their contributions, once the external liability has been paid, in the event of the issuer dissolution and liquidation; and the other rights provided for in the issuer's bylaws for holders of ordinary shares, except (i) the right to preferentially subscribe ordinary shares, and (ii) the right to vote on the proposals at the issuer's General Shareholders' Meeting. By way of exception, preferred shares will grant their holders the right to vote in the events described in the prospectus placement and issuance.

The preferred shares issuance qualifies as a compound financial instrument. The Group, for further recognition and measurement, identified the debt and equity components by assessing the instrument contractual terms and the issuer obligations. Given the issuer contractual obligation to issue cash or other financial assets to shareholders, the issuance incorporates a financial liability component. Once this liability has been measured, the difference between the received value and the obligation value constitutes an equity component. The part corresponding to the financial liability should be measured at least during each interim period and recognize their impact on the period result; the equity element is not subject to further measurement.

NOTE 28: RESERVES AND OTHER COMPREHENSIVE INCOME

28.1. Reserves

The Group consolidated reserves include Cementos Argos S. A. reserves value, and interest in reserves changes from subsidiaries, associates, and joint ventures accounted for by the equity method, in the percentage held by the Group, after the date of the first IFRS adoption. The following table shows separately the legal reserve and other reserves from Cementos Argos S. A. controlling entity, as well as those corresponding to subsidiaries, associates, and joint ventures.

	Legal reserve	Reserve for shares repurchase	Other reserves	Total reserves
December, 2023				
Cementos Argos S. A., controlling entity	230,787	238,797	11,601	481,185
Subsidiaries, associates and joint ventures	3,863	-	199,793	203,656
Total Cementos Argos S. A. and investees	**234,650**	**238,797**	**211,394**	**684,841**
December, 2022				
Cementos Argos S. A., controlling entity	166,166	113,797	10	279,973
Subsidiaries, associates and joint ventures	3,863	-	167,704	171,567
Total Cementos Argos S. A. and investees	**170,029**	**113,797**	**167,714**	**451,540**

LEGAL RESERVE

National companies are obliged to appropriate as a legal reserve 10% of their annual net profits until the reserve balance is equivalent to 50% of the subscribed capital. As of December 31, 2023 and 2022, the legal reserve value amounts to $234,650 and $170,029, respectively. For both years, said reserve is above what is legally established.

The reserve is not distributable before the Company liquidation, but it should be used to absorb or reduce annual net losses. Appropriations made in excess of the 50% mentioned above are freely available by the General Shareholders ' Meeting.

RESERVE FOR SHARE REPURCHASE

This reserve, on the reacquired own shares, in accordance with the provisions set forth in the Commercial Code, is only distributable to the shareholders until the shares are sold again. As long as the shares belong to the Company, the rights inherent to them will be suspended.

In June 2023, Cementos Argos' Board of Directors regulated the repurchase program of ordinary and preferred shares for an amount of $125,000 million. The Shareholders' Meeting authorized the program by transferring $125,000 million from the occasional reserve for strengthening equity to the reserve for the reacquisition of shares. The term to carry out the program is 1 year from its approval by the Shareholders' Meeting, that is, until June 22, 2024. The following table provides a summary of the changes in the reserve during the year:

	Opening balance	Period movement	Closing balance
Shares repurchase reserve	113.797	125.000	238.797

During the year, a total of 6,993,949 ordinary shares and 1,011,761 preferred shares were repurchased, for a total of $40,174 and $4,024, respectively.

RESERVE FOR TAX PROVISIONS

It is a mandatory reserve that originates in the requirement made by the Colombian Tax Statute, to appropriate the equivalent of 70% of the greater value requested for tax depreciation over the accounting. According to legal provisions, this reserve can be released to the extent that the subsequently recorded depreciations exceed those requested annually for tax purposes, or the assets that generated the greatest value deducted are sold.

OCCASIONAL RESERVES AT THE DISPOSAL OF THE HIGHEST SOCIAL BODY AND OTHER RESERVES INCLUDING RESERVES FOR STRENGTHENING EQUITY

In addition to the reserves established by law or the bylaws, the General Shareholders' Meeting may constitute freely available reserves for specific purposes.

28.2. Other comprehensive income, net from taxes, attributable to the controlling interest

During 2023 and 2022, the Group made no transfers from Other Comprehensive Income to retained earnings.

In 2023, the value reclassified from Other Comprehensive Income to the result of the period in the item of financial expense and exchange difference for cash flow hedges is $5,727.

28.3. Impact of ncifs first-time implementation

The impact of NCIFs application of unrealized assets and liabilities and retroactive adjustments due to the change in investment property policy is not distributable to shareholders unless realization is demonstrated.

NOTE 29: DIVIDENDS

The General Shareholders' Meeting held on March 24, 2023, provided dividends on ordinary and preferred shares of $92.77 per share per year, payable in cash in a single installment in the month of April 2023 for a total value of $127,993.

Additionally, in an extraordinary shareholders' meeting held on June 22, 2023, an extraordinary dividend on ordinary and preferred shares of $229.77 per share was declared, payable in three installments during the months of July, October and December 2023 with a total value of $317,008.

During the period, Cementos Argos S. A. decreed and made the following dividend payments:

	2023			2022	
Provided dividends	Shares	$ dividend per share	Total	$ dividend per share	Total
Cementos Argos S.A.					
Ordinary dividend (ordinary shares)	1,170,478,742	92.77 anual	108,585	281.20 anual	329,139
Ordinary dividend (preferred shares)	209,197,850	92.77 anual	19,407	281.20 anual	58,826
Extraordinary dividend (ordinary shares)	1,170,478,742	229.77 anual	268,941		-
Extraordinary dividend (preferred shares)	209,197,850	229.77 anual	48,067		-
			445,000		**387,965**
Non-controlling interests			112,757		75,339
			557,757		**463,304**
Provided dividends, equity			555,271		460,878
Provided dividends, liabilities			2,486		2,426

The provided dividends are based on the shares outstanding at the time of the declaration.

Paid dividends	2023 Over Nº. of shares	2023 $ dividend per share	2023 Total	2022 $ dividend per share	2022 Total
Cementos Argos S.A.					
Ordinary dividend (on ordinary shares)	1,170,478,742	392,84	459,811	210,90	246,854
Ordinary dividend (on preferred shares)	209,197,850	392,84	82,181	210,90	44,120
			541,992		**290,974**
Non-controlling interests			83,994		77,538
			625,986		**368,512**

NOTE 30: NON-CONTROLLING INTERESTS

	2023	2022
Opening balance	**1,050,684**	**954,687**
Profit share of the year	73,116	72,527
Ordinary dividends distributed in cash	(112,757)	(75,339)
Non-controlling interest generated by Other Comprehensive Income	(257,919)	183,692
Non-controlling interest purchase	(31,084)	-
Purchase commitments to minorities	(3,248)	(85,018)
Participation by other equity movements	804	135
Closing balance	**719,596**	**1,050,684**

On November 16, 2023, the repurchase of shares of Valle Cement Investments INC., a Cementos Argos' subsidiary, from its minority shareholder Grupo Argos S.A., equivalent to 8.19% of the interest in the entity, is formalized. Through this contract, Valle Cement Investments repurchased 712,836 own shares for USD $30,143,771 (COP $121,789). This amount will be paid during the first quarter of 2024. With this transaction, Cementos Argos' percentage of interest in this company is modified to 100%.

Pursuant to this transaction, a higher value paid on Valle Cement's accounting equity of $48,896 was generated. This value was recognized within 'Other equity components' of the Consolidated Statement of Financial Position, because they were transactions with non-controlling interests.

NOTE 31: INCOME FROM ORDINARY ACTIVITIES

31.1. Income composition from ordinary activities

The Group's income for the period for continuing operations excludes income from investments (Note 36 Financial income):

	2023	2022
Income from the sale of goods	12,653,223	11,618,828
Income from services provision and others	64,122	65,227
	12,717,345	**11,684,055**

Cementos Argos consolidated operating income is generated mainly by cement and ready-mixed concrete sale. Our concrete businesses are the main customer of our cement production. Sales of our products between geographic or operating segments are made at market prices comparable to those made with third parties. Our cement and ready-mix concrete sales are highly dependent on the construction industry performance, including residential, commercial and infrastructure projects, in each of the countries where we operate or sell our products. Fluctuations in the construction industry behavior significantly affect the cement and ready-mix concrete volumes that we are able to sell, as well as the selling prices that we can receive for our products (Note 32).

31.2. Contractual balances from contracts with clients

The Group has no balance from contract assets. The movement of contract liabilities during the period is presented below:

	2023	2022
Opening Balance	**107,214**	**97,065**
Advances and income received in advance	97,140	105,833
Amounts included in contract liabilities that were recognized as revenue in the current period	(107,214)	(97,065)
Foreign currency translation result	(7,193)	1,381
Closing Balance	**89,947**	**107,214**

31.3. Performance obligations

The balance at the end of the period of performance obligations for $89,947 (2022: $107,214), is expected to be satisfied in a period of less than one year.

As of December 31, 2023 and 2022, the Group has no commitments that are estimated to generate losses.

NOTE 32: SEGMENT REPORTING

32.1. Operating segments, products and services that generate revenue from those segments

The Management has determined its operating segments based on the financial information provided to the Cementos Argos S. A. Steering Committee, whose members periodically monitor the business results to make decisions regarding the resources to be allocated and evaluate their performance. The cement, ready-mixed concrete and aggregates business is organized and managed across the four main geographic regions in which the Group has a presence: Colombia, Central America, Caribbean, and the United States, and an additional operating segment called 'trading' in which the Group operates through subsidiary companies. The Group has other segments called corporate and others, which contains the results of other businesses, as well as corporate administrative that is not allocated to any particular operational segment. This segment is managed independently given the difference in the nature of its operations and the risks and benefits associated with it.

The four geographic segments generate their revenue from the cement, ready-mixed concrete and aggregates business, as follows:

Cement, which includes activities related to cement production, marketing, transport and distribution in all its forms and types, raw materials and semi-finished cement products. It also includes clinker's marketing operations. Cement plants produce a wide range of products, including clinker, general purpose cement, structural cement, Portland cement, type I, II, I/II and III cement, white cement, masonry cement and oil cement.

Ready-mixed concrete, which includes activities related to the production and marketing of ready-mixed concrete in all its forms and types. The ready-mix concrete product portfolio includes different types of ready-mix concrete for use in infras-tructure, architectural and ornamental projects, public spaces, among other uses.

Aggregates are materials of natural origin (usually sand or hard rock) or by-products of other industries that by their size or composition allow the strength characteristics of concrete. These are generally subdivided into coarse and fine aggregates. The main rocks used as aggregates are limestones, conglomerates, sandstones, basalts.

The Steering Committee evaluates performance and allocates resources based on a geographic area segmentation, a product and/or service segmentation is not regularly monitored and reviewed at this level.

The Steering Committee evaluates the operating segments performance based on net sales and operating profit for each segment. These measures exclude the effects of financial income, expenses and income tax, which are not allocated to the operating segments and are managed at the entity level. The accounting policies applied to the segment reporting prepara-tion are the same as those described in Note 2.2 Accounting Policies. The accounting policies applied to the preparation of the information by segments are the same ones described in Note 2.2 Accounting Policies. The Group has not carried out asymmetric allocations in its operating segments.

32.2. Operating segment financial information

As of January 1, 2023, the Group has modified the structure of the internal organization in such a way that the composition of the reported operating segments has changed, separating the Caribbean Regional into three operating segments, as well as: 'Caribbean', 'Central America' and 'Trading'. The two new operating segments (Central America and Trading) were presented as of December 31, 2022, as part of the 'Caribbean and Central America' segment. For comparative purposes, the opening of these regions has been carried out even for the year 2022.

2023	Colombia	Caribbean	Central America	Trading	United States	Corporate and others	Total
Operating income	3,847,299	1,167,080	1,181,967	1,323,912	7,492,838	7,876	15,020,972
Minus: inter-segment	(891,302)	(43,764)	(77,907)	(1,197,070)	(93,021)	(563)	(2,303,627)
Consolidated operating income (expenses)	**2,955,997**	**1,123,316**	**1,104,060**	**126,842**	**7,399,817**	**7,313**	**12,717,345**
Cost of sale	(1,988,046)	(871,474)	(702,288)	(44,384)	(5,336,667)	(5,494)	(8,948,353)
Depreciation and amortization	(275,892)	(35,726)	(53,826)	(22,978)	(479,345)	0	(867,767)
Gross profit	**692,059**	**216,116**	**347,946**	**59,480**	**1,583,805**	**1,819**	**2,901,225**
Other depreciation and amortization	(10,380)	(11,312)	(48,745)	(60)	(18,746)	(9,095)	(98,338)
Administrative and sales expenses	(235,898)	(86,662)	(113,465)	(8,249)	(608,329)	(154,014)	(1,206,617)
Other operating income (expenses), net	12,225	5,375	4,520	(334)	49,332	(26,743)	44,375
Impairment value of non-current assets	-	(188)	-	-	-	(16)	(204)
Operating profit (loss)	**458,006**	**123,329**	**190,256**	**50,837**	**1,006,062**	**(188,049)**	**1,640,441**
Financial income							139,249
Financial expenses							(947,408)
Loss by difference in foreign exchange, net							(50,112)
Net interest in investee income							(1,482)
Income before tax							**780,688**
Income tax							(387,627)
Year net income							**393,061**

2022	Colombia	Caribbean	Central America	Trading	United States	Corporate and others	Total
Operating income	3,538,036	1,130,792	1,096,665	1,748,502	7,004,066	5,948	14,524,009
Minus: inter-segment	(830,495)	(43,103)	(69,731)	(1,559,230)	(335,354)	(2,041)	(2,839,954)
Consolidated operating income (expenses)	**2,707,541**	**1,087,689**	**1,026,934**	**189,272**	**6,668,712**	**3,908**	**11,684,055**
Cost of sale	(1,930,916)	(872,100)	(635,988)	(120,610)	(5,204,760)	(3,792)	(8,768,166)
Depreciation and amortization	(267,446)	(38,970)	(54,269)	(24,853)	(473,547)	55	(859,030)
Gross profit	**509,179**	**176,619**	**336,677**	**43,809**	**990,405**	**171**	**2,056,859**
Other depreciation and amortization	(12,737)	(10,441)	(51,719)	0	(17,782)	(10,031)	(102,710)
Managing and sales expenses	(219,849)	(78,494)	(102,424)	(2,705)	(449,721)	(121,050)	(974,243)
Other operating income (expenses), net	48,192	20,440	18,618	61	128,364	(19,235)	196,440
Impairment value of non-current assets	-	-	-	-	(724)	-	(724)
Operating profit (loss)	**324,785**	**108,124**	**201,152**	**41,165**	**650,542**	**(150,145)**	**1,175,622**
Financial income							52,303
Financial expenses							(658,399)
Loss by difference in foreign exchange, net							3,421
Net interest in investee income							7,461
Income before tax							**580,408**
Income tax							(365,594)
Year net income							**214,814**

32.3. Information by geographical area and significant customers

	Revenue from external customers		Non-current assets	
	2023	2022	2023	2022
Colombia	2,957,481	2,711,449	4,389,926	4,445,243
United States	7,399,817	6,668,712	8,324,835	10,442,675
Panama	602,479	412,277	701,791	901,052
Honduras	576,354	573,919	535,924	695,940
Haiti	71,739	156,028	20,736	26,298
Dominican Republic	430,919	383,237	67,274	92,679
Suriname	42,484	40,425	20,857	24,860
Caribbean islands	584,003	695,142	277,209	369,787
Guatemala	52,069	42,866	201	472
Total	**12,717,345**	**11,684,055**	**14,338,753**	**16,999,006**

For these purposes, the basis used to attribute income from external clients to countries is the location of the Company. Non-current assets include property, plant and equipment, intangible assets, investment properties, investments in associates and joint ventures, goodwill, lease rights assets and biological assets. As of December 31, 2023 and 2022, the Group does not have any clients representing 10% or more of the consolidated income.

32.4. Information by product and service

	2023	2022
Cement	7,970,890	7,273,937
Concrete	4,655,322	4,342,344
Other products	91,133	67,774
Total	**12,717,345**	**11,684,055**

Cementos Argos consolidated operating income is generated mainly by cement and ready-mixed concrete sale. Our concrete businesses are the main customer of our cement production. Sales of our products between geographic or operating segments are made at market prices comparable to those made with third parties.

Our cement and ready-mix concrete sales are highly dependent on the construction industry performance, including residential, commercial and infrastructure projects, in each of the countries where we operate or sell our products. Fluctuations in the behavior of the construction industry significantly affect the volumes of cement that the Company is able to sell, as well as the sales prices that the Company is able to receive for its products.

NOTE 33: ADMINISTRATIVE AND SALE EXPENSES

	Management expenses		Sale Expenses		Administrative and sale expenses	
	2023	2022	2023	2022	2023	2022
Staff expenses	482,360	352,924	173,140	162,344	655,500	515,268
Services	174,767	134,840	45,080	37,965	219,847	172,805
Amortization of intangible assets	20,722	24,129	45,113	44,074	65,835	68,203
Fees	111,456	83,751	1,453	2,283	112,909	86,034
Taxes	16,274	10,846	39,684	33,643	55,958	44,489
Maintenance and repairs	38,254	31,499	2,066	1,411	40,320	32,910
Property, plant and equipment depreciation	16,374	18,763	515	611	16,889	19,374
Insurances	17,361	14,644	4,497	4,591	21,858	19,235
Trade receivables impairment	3,623	1,048	6,679	13,344	10,302	14,392
Right-of-use assets depreciation (1)	11,271	12,652	4,341	2,480	15,612	15,132
Contributions and affiliations	8,542	8,003	11,088	10,821	19,630	18,824
Leases	5,730	5,973	736	1,414	6,466	7,387
Travel expenses	19,697	16,310	6,470	5,702	26,167	22,012
Supplies and stationery	3,238	3,216	1,124	1,550	4,362	4,766
Fuel and lubricant	1,304	1,299	2,745	2,784	4,049	4,083
Adaptation and installation	1,069	1,157	976	861	2,045	2,018
Restaurant	793	1,857	449	536	1,242	2,393
Legal expenses	1,799	1,984	564	278	2,363	2,262
Transportation	1,222	863	370	294	1,592	1,157
Representation and public relationships expenses	2,164	1,235	863	771	3,027	2,006
Miscellaneous	13,501	18,465	5,481	3,738	18,982	22,201
	951,521	**745,458**	**353,434**	**331,495**	**1,304,955**	**1,076,951**

NOTE 34: OTHER (EXPENSES) OPERATING INCOME, NET

	2023	2022
Gain on property, plant and equipment and other assets sale	58,404	22,157
Gain on insurance recoveries and other recoveries	48,681	73,932
Gain on investment properties valuation, net (Note 16)	6,774	13,029
Net compensation gain	3,465	10,583
Gain in exploitations	2,401	6,893
Gain on biological assets sale	1,525	498
Claims	220	432
(Loss) profit of biological assets valuation, net (Note 11)	(1,722)	772
(Loss) gain other income expenses (1)	(3,706)	120,441
Donations	(11,550)	(12,148)
Loss due to legal process	(12,652)	(7,061)
Loss on property, plant and equipment and other assets sale	(18,971)	(11,575)
Loss on 4X1000 assumed tax and other taxes	(28,494)	(21,782)
Government grant income	-	269
Total, Other Operating income, net	**44,375**	**196,440**

(1) On March 31, 2022, Argos USA LLC–a subsidiary of Cementos Argos S.A.–sold 23 concrete plants, including equipment, buildings, land, and inventory to Smyrna Ready Mix Concrete, LLC. for USD 94 million. The sale price of the assets, minus the book value of the delivered assets, generated an accounting profit for businesses disposition of $93,324 (USD 21.9 million), an increase in the current tax expense of $6,507 (USD 1.5 million) and deferred tax in $55,213 (USD 13 million), presented in the other operating income and expenses and income tax lines from the consolidated income statement. The figures in pesos are updated by the exchange rates established in each cutoff date.

NOTE 35: EXCHANGE DIFFERENCE GAIN (LOSS)

	2023	2022
Exchange difference income	281,557	222,075
Exchange difference expense	(331,669)	(218,654)
(Loss) gain by difference in foreign exchange, net	**(50,112)**	**3,421**

NOTE 36: FINANCIAL INCOME

	2023	2022
Interest income	87,183	29,953
Dividends from equity investments	37,408	22,350
Derivatives valuation income	14,658	-
Total financial income	**139,249**	**52,303**

NOTE 37: FINANCIAL EXPENSES

	2023	2022
Interest on bonds and preferred shares (Note 25 and 26)	449,185	367,914
Interest on overdrafts and bank loans	379,562	144,610
Interest on obligations under leases (Note 20)	44,880	37,022
Other financial expenses [1]	11,141	27,050
Interest on financial derivatives (Note 26)	4,031	55,791
Total interest expense on financial liabilities	**888,799**	**632,387**
(Minus) more amortized cost effect	(15,985)	1,488
Total interest expense on financial liabilities	**904,784**	**630,899**
Discount effect of provisions, employee benefits and factoring operations	42,624	27,500
Total financial expenses	**947,408**	**658,399**

	2023	2022
Financial income (Note 36)	139,249	52,303
Financial expenses	947,408	658,399
Total financial expenses, net	**808,159**	**606,096**

(1) Includes expenses related to treasury and administrative expenses of managing and issuing bonds.

NOTE 38: NET PROFIT FOR THE FISCAL YEAR

Profit for the year from continuing operations is attributed to:

	2023	2022
Company controlling interest	319,945	142,287
Non-controlling interests	73,116	72,527
	393,061	**214,814**

38.1. Impairment losses on financial assets

	2023	2022
Loss by impairment value on trade accounts receivable	10,302	14,392
Losses reversal of impairment value on trade accounts receivable	2,278	5,041

38.2. Depreciation and amortization expenses in profit or loss for the period

	2023	2022
Property, plant and equipment depreciation [1]	718,732	697,560
Right-of-use assets depreciation [2]	144,885	151,979
Amortization of intangible assets	102,488	112,201
Depreciation & Amortization	**966,105**	**961,740**

38.3. Employee benefits expenses

	2023	2022
Cost	1,303,976	1,190,058
Administrative expenses	482,360	352,924
Selling expenses	173,140	162,344
Employee benefits expenses	**1,959,476**	**1,705,326**

NOTE 39: EARNINGS PER SHARE

The total basic earnings per share and the earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2023	2022
Total basic earnings per share, pesos per share	**273.50**	**121.56**
Profit of the year attributable to controlling interest	319,945	142,287
Weighted average number of ordinary shares outstanding	1,169,829,991	1,170,478,742

The Group does not hold financial instruments or other contracts that entitle it to receive potential ordinary shares, so the diluted profit per share is equal to the basic profit per share.

The variation in the weighted average number of shares corresponds to the effect of the execution of the share repurchase program (Note 27).

NOTE 40: RELATED PARTIES INFORMATION

The immediate Cementos Argos S. A. parent company is Grupo Argos S. A., with its principal address in Medellín, Colombia, which holds a share of 60.66% in the Company.

40.1. Qualitative information on transactions between related parties

40.1.1. TRANSACTIONS BETWEEN CEMENTOS ARGOS S. A. AND OUR SUBSIDIARIES OR BETWEEN OUR SUBSIDIARIES

- Clinker purchase and sale between us and our subsidiaries, and our subsidiaries among themselves, regardless of the region where they are located. The transaction involves the companies that produce clinker and sell it to the companies that produce cement, and the latter using it as a raw material to produce cement.
- Cement purchase and sale between us and our subsidiaries, and our subsidiaries among themselves, regardless of the region where they are located. The transaction involves the companies that produce cement and sell it to the companies that produce concrete, and the latter uses it as a raw material to produce concrete. In the case of purchases and sales among cement companies, cement is transferred with the purpose of being commercialized.
- Aggregates purchase and sale between us and our subsidiaries, and our subsidiaries among themselves, regardless of the region where they are located. The transaction involves the companies that produce aggregates and sell them to the companies that produce cement or concrete, and they use it as a raw material for their products.
- Provision of transportation services between Logitrans S. A. and Cementos Argos S. A., Concretos Argos S. A. and Zona Franca S.A.S. The transaction involves Logitrans S. A., as a cargo transport intermediary, outsourcing transportation of Cementos Argos S.A. products or raw materials.
- Purchase and sale of back-office services between Cementos Argos S. A. and Zona Franca Argos S. A.S.; the transaction consists of Cementos Argos S. A. providing back-office services to Zona Franca Argos S. A.S. in exchange for a considera-tion for them. The services provided are basically financial, administrative and technological support.
- Management support contracts between Cementos Argos, S. A. with Argos Honduras S. A., Argos Dominicana S. A., Cimenterie Nationale S. E. M., Vensur NV, Argos Puerto Rico LLC, Argos Panama and on the other hand, Argos North America Corp. has a support contract with Ciments Guyanais. The transaction consists of Cementos Argos S.A. providing management support services to the indicated subsidiaries in exchange for consideration for them. Among the services provided are basically administrative management services.

- Leasing contracts between us and our subsidiaries, and our subsidiaries among themselves, the transaction consists in that the lessor gives as lessee the right-to-use real estate and river transport fleet for the development of its activities.
- Provision of maritime transport services between Transatlantic Cement Carriers Inc. and Cementos Argos S. A. and /or its subsidiaries. The transaction consists of Transatlantic Cement Carriers Inc., acting as an intermediary of maritime transport, subcontracting with third parties the transport of raw materials products of Cementos Argos S. A. and/or its subsidiaries.

These transactions have been eliminated in the consolidated financial statements.

40.1.2. TRANSACTIONS BETWEEN GRUPO ARGOS S. A. AND CEMENTOS ARGOS S. A. AND/OR OUR SUBSIDIARIES

- Lease of real estate between Grupo Argos S. A. and/or its subsidiaries and Cementos Argos S. A. and/or its subsidiaries; the transaction consists of Grupo Argos S. A. and/or its subsidiaries lease spaces (offices, warehouses and/or batches) to Cementos Argos S. A. and / or its subsidiaries, so that the latter carry out their activities, whether productive or administrative.

40.1.3. TRANSACTIONS THAT TAKE PLACE BETWEEN ENTITIES THAT EXERT SIGNIFICANT INFLUENCE OVER THE PARENT COMPANY AND THE GROUP

- Cementos Argos S.A. and its subsidiaries contract real, property, and personal damage insurance, mainly through the life and general insurers that are part of Grupo de Inversiones Suramericana. This operation is carried out to cover capital losses in all the regional offices, using the risk retention and distribution schemes negotiated jointly with said insurers, all in accordance with the regulations that apply in accordance with the corresponding jurisdiction.

40.1.4. TRANSACTIONS BETWEEN CONSOLIDATED CEMENTOS ARGOS S.A. AND GRUPO ARGOS. SUBSIDIARIES

- Energy purchase and sale between Celsia S.A. and Zona Franca Argos S.A.S., the transaction consists of Zona Franca Argos S.A.S. providing energy to Celsia S.A. for marketing purposes.

40.1.5. TRANSACTIONS BETWEEN THE GROUP AND INVESTMENTS IN ASSOCIATES

- Provision of business services. The transaction consists of SUMMA Servicios Corporativos Integrales S.A.S. providing specialized business services and administrative support services to Cementos Argos S.A. through the execution of an operating mandate agreement without representation, in exchange for a consideration by them. Among the services provided are basically financial, administrative, legal assistance, purchasing, human management, risks and insurance, communications and information technology services, among others. In the mandate agreement exercise, SUMMA Servicios Corporativos Integrales S.A.S. will pay all necessary expenses to carry out its operations and at the end of each period, will request the reimbursement of such expenses from Cementos Argos S.A.
- Air transport service between Internacional Ejecutiva de Aviación S.A.S. and Cementos Argos S.A. This deal consists of Internacional Ejecutiva de Aviación S.A.S. providing air transport service to Cementos Argos S.A. senior executives.

40.1.6. TRANSACTIONS BETWEEN THE GROUP AND INVESTMENTS IN JOINT VENTURES

- Cement and concrete sale to Odinsa S.A. joint ventures, a Grupo Argos S.A. Subsidiary. The transaction consists of cement and concrete sale to Odinsa S.A. consortiums for the elaboration of infrastructure works in different regions of the country.
- Provision of maritime transport services between Transatlantic Cement Carriers Inc. and Trans-Atlantic Shipmanagement Ltd. The transaction consists of Trans-Atlantic Shipmanagement Ltd. (among other providers) providing the ocean freight service and ship leasing to Transatlantic Cement Carriers Inc. for the transportation of raw materials and finished products for Cementos Argos S. A. and/or its subsidiaries.

40.2. Transactions between related parties

The following table presents the transactions carried out during the period with the subsidiaries of our immediate parent company Grupo Argos S. A. Transactions between Cementos Argos S. A. and its subsidiaries have been eliminated in the preparation of the consolidated financial statements.

	Parent company	Entities with significant influence in the Group	Subsidiaries of Grupo Argos parent company	Associated of the Group and its controlling interest	Joint ventures of the Group and its controlling interest	Key Management personnel	Total related parties
2023							
Sale of goods and other income	627	36,350	21,022	80	578	-	**58,657**
Purchase of goods and other expenses	3,036	38,333	24,578	28,415	32,299	169,675	**296,336**
Amounts receivable	1,372	9,195	6,772	248	7,655	-	**25,242**
Amounts payable	116,464	2,033	3,431	6,086	-	-	**128,014**
Lease assets	1,448	-	-	5,778	32,749	-	**39,975**
Lease liabilities	1,103	-	-	11,745	34,639	-	**47,487**
2022							
Sale of goods and other income	278	22,326	3,361	1,836	1,078	-	**28,879**
Purchase of goods and other expenses	2,609	35,303	10,684	17,743	37,286	125,114	**228,739**
Amounts receivable	1,415	5,777	3,138	89	6,030	-	**16,449**
Amounts payable	48,373	5,809	6,486	5,293	-	-	**65,961**
Lease assets	1,313	-	-	4,666	33,058	-	**39,037**
Lease liabilities	1,371	-	-	9,962	35,644	-	**46,977**

As of December 31, 2023 and 2022, the Group has not recognized impairment and impairment expense of securities receivable with related parties. The Group has not received or provided any guarantees for balances receivable or payable to related parties. Transactions between the reporting Company and its related parties are carried out on terms equivalent to those that exist in transactions between independent parties.

The average term of accounts receivable from related parties regarding the sale of goods is 30 days. The average term of loans payable to related parties for 2023 is 14 months in pesos, agreed at a rate in pesos of 16.67% (2022: 6.64%). The average term of loans payable to related parties for 2022 is 10 months in pesos and 11 months in dollars, agreed at a rate of 19.39% in pesos and 6.80% in dollars.

40.3. Board of directors and key management personnel compensation

	2023	2022
Wages and other short-term employee benefits	154,103	112,760
Pensions and other post-employment benefits	7,645	6,439
Termination benefits	2,684	302
Share-based payments	5,243	5,613
Total compensation of key management personnel for the period	**169,675**	**125,114**

Key management staff members include the members of the Board of Directors, Appointment and Remuneration Committee, Audit and Finance Committee, Sustainability and Corporate Governance Committee, Steering Committee (consisting of the President and Vice-Presidents), and any other Committee that reports directly to Cementos Argos S. A. and Grupo Argos S. A. Boards of Directors, as well as to Managers and their close relatives.

NOTE 41: BASIS FOR CONVERSION

Operations and balances in foreign currency are converted at the market representative exchange rate certified by the Banco de la República. In the preparation of the intermediate financial statements, assets and liabilities, as well as income, costs and expenses in foreign currency have been converted into Colombian pesos at the exchange rates observed on the date of each closing and average, as follows:

	December 2023		December 2022	
	Closing exchange rate	Average exchange rate	Closing exchange rate	Average exchange rate
Colombian peso	3.822.05	4,330.14	4,810.20	4,257.12
Dominican peso	58.04	56.00	56.20	54.93
Euro	0.905	0.925	0.937	0.951
Honduran lempira	24.71	24.66	24.66	24.56
Haitian Gourde	131.76	140.57	145.37	115.76
East Caribbean Dollar	2.7	2.7	2.7	2.7
Guatemalan Quetzal	7.83	7.83	7.85	7.75

NOTE 42: CONTINGENT LIABILITIES, CONTINGENT ASSETS, AND ACQUIRED COMMITMENTS

On the date the financial statements are issued, there are certain contingent conditions that may result in a loss for Cementos Argos S.A. or its subsidiary companies. These contingencies are estimated by Management and its legal advisors based on their professional judgment. Considering the processes variability, it is possible that the probability of occurrence will vary in the future.

In estimating contingencies, legal advisors evaluate, among other aspects, the merits of the claims, the related jurisprudence and the status of each of the processes to date. These matters are considered to be resolved without any significant effect on our operations, financial position or operations results.

42.1. Contingent liabilities

At the preparation date of the notes to the financial statements, we state that Cementos Argos S. A. or its subsidiary companies are parties to legal proceedings of different nature, acting both as plaintiffs and defendants, which have been diligently attended by qualified lawyers hired by each company. Conflicts are of labor, civil, administrative, criminal and tax character. This type of litigation arises in the ordinary course of business of any company the size of Cementos Argos S.A., and the Company expects a probable outflow of resources. We believe that the estimated time of resolution for these processes ranges between three (3) and eight (8) years, approximately.

LITIGATION RELATED TO TRANSMILENIO

Due to pavement structural defects of the North Highway Project in Bogotá D.C. developed by Transmilenio S.A. (hereinafter “Project”), a public interest claim is underway against the Mayor's Office of Bogotá, the Urban Development Institute, Concretos Argos S.A.S. and certain public officials and Project providers. The public interest claim points out that Concretos Argos S.A.S., together with other suppliers, supplied construction materials without complying with the required technical specifications, and as a result, structural defects were generated in the pavement of the Project.

In a judgment of first instance, Concretos Argos S.A.S. was ordered to carry out publications associated with the violation of consumer rights and asking for apologies. The aforementioned public interest claim is pending for a decision of second instance after the appeal and closing arguments presented by all the parties.

PUERTO NARE VALORIZATION

In December 2018, Cementos Argos S.A. filed an action for nullity and restoration of rights against a resolution of recovery contribution for the “Puerto Nare - Puerto Triunfo” road rectification and paving, in the Antioquia department, for $18,126. The lawsuit was admitted, and, in its reply, the Antioquia department called in guarantee the firm that carried out the appraisal study. The Company presented a brief ruling on the answer to the lawsuit and requested again the suspension of the administrative act that contains the recovery contribution. We have not recorded any accounting provision considering that we have enough arguments to distort the payment obligation attributed to the Company.

SOUTHEAST READY MIX, LLC AND MAYSON CONCRETE, INC. VS. ARGOS NORTH AMERICA CORP. ET AL.
This is a lawsuit filed by two competitors in July 2017 before the U.S. District Court for the Northern District of Georgia. The lawsuit alleges violations of the Savannah, Georgia ready-mix market competition law by two of the company's indirect subsidiaries and other defendants. Considering the preliminary stage of the process, it is not possible to determine a contingency at this time.

PRO SLAB, INC. VS. ARGOS NORTH AMERICA CORP. ET. AL.
This is a class action lawsuit filed in November 2017 in the United States District Court for the District of South Carolina. The lawsuit alleges violations of the Savannah, Georgia ready-mix market competition law by two of the company's indirect subsidiaries and other defendants. Considering the preliminary stage of the process, it is not possible to determine a contingency at this time.

42.2. Contingent assets

As at the preparation date of the notes to the financial statements, Cementos Argos S.A. and its subsidiaries are not parties to judicial proceedings, acting as a plaintiff, where the income or recovery of contingent assets exceeding five thousand million pesos is expected individually. In addition, there are executive processes initiated by Cementos Argos S.A. and its subsidiaries against third parties for the portfolio recovery through judicial means. We believe that the estimated time of resolution for these processes ranges between three (3) and eight (8) years, approximately.

42.3. Commitments acquired

In December 2023, a commitment agreement was signed to purchase coal from the supplier Sator S.A.S., where Cementos Argos S.A., and Zona Franca Argos S.A.S., commit to purchasing 320,000 tons of total coal during January to December 2024. The value per ton will be COP$225,000 (pesos). There will be no automatic extension, but the parties may extend its validity by signing an additional agreement. In the case of non-compliance with the purchase of coal by the companies, the value not acquired and committed to the supplier must be paid.

NOTE 43: EVENTS OCCURRED AFTER THE REPORTING PERIOD

On September 7, 2023, Cementos Argos S.A., and two of its subsidiaries signed an agreement with Summit Materials, Inc. ("Summit"), a construction materials company in the United States listed on the New York Stock Exchange since 2015, and which operates in more than 20 states in United States and Canada in the cement, concrete, aggregates and other complementary businesses. The agreement refers to the disposal of the group of assets associated with the United States regional in which the subsidiaries Argos North America Corp., Argos USA LLC and Southern Star Leasing LLC are located. These assets are part of the United States cash-generating segment and unit.

At the General Shareholders' Meeting held on January 11, 2024, the shareholders of Summit Materials approved this transaction, and on January 12, after meeting certain conditions, the transaction was successfully completed, where Cementos Argos received the following as consideration: 1. Cash: USD $482 million in cash and, 2. Shares: 54,720,000 ordinary shares and one (1) preferred share of Summit Materials, equivalent to a 31% interest, assigning three representatives to the Board of Directors, which may be made up by 11 members. The consideration in shares will be recognized as an investment in Associates and will be subsequently updated using the equity method. Additionally, the operation cancels financial debt for USD $664 million and transaction expenses for USD $21 million.

This transaction generates a gain of approximately COP 5.4 bn net of taxes, as discontinued operations in accordance with IFRS 5, which will be reflected in the financial statements during the first quarter of 2024. In accordance with IAS 10 paragraph 22, this subsequent event does not lead to adjustments to the figures presented in these financial statements as of December 31, 2023.

CERTIFICATION FROM THE COMPANY'S LEGAL REPRESENTATIVE

To the attention of
Shareholders
CEMENTOS ARGOS S.A.
Medellín

The undersigned Cementos Argos S.A. Legal Representative

DOES HEREBY CERTIFY:

That the annual separate financial statements ended on December 31, 2023, do not contain any faults, inaccuracies, or substantial errors that might prevent knowing the actual equity situation or the operations undertaken by Cementos Argos S.A. The foregoing is with the purpose of complying with Article 46 from Act 964/2005.

In witness whereof, I have hereunto set my hand on February 20, 2024

Juan Esteban Calle Restrepo
Legal representative

CERTIFICATION FROM THE COMPANY'S LEGAL REPRESENTATIVE AND THE ACCOUNTING CORPORATE MANAGER

The undersigned Cementos Argos S.A. Legal Representative and Accounting Corporate Manager do hereby certify that, in accordance with Article 37 from Act 222/1995, the annual separate financial statements ended on December 31, 2023, haven been faithfully taken from the books, and that before being made available to you and third parties, we have verified the following statements contained therein:

1. All existing assets and liabilities, as well as all transactions recorded, have been carried out during said years.

2. All economic facts carried out by the Company have been recognized.

3. Assets represent probable future economic benefits (rights), and liabilities represent probable future economic engagements (obligations), obtained by or on behalf of the Company.

4. All elements have been recognized by their appropriate values according to the applicable Financial Reporting Standards in Colombia.

5. All economic facts affecting the Company have been correctly classified, outlined, and revealed.

For the record, this is signed on the 20th day of February, 2024.

Juan Esteban Calle Restrepo
Legal representative

Óscar Rodrigo Rubio Cortés
Corporate Accounting Manager
P.C. 47208-T

KPMG S.A.S.
Calle 90 No. 19c - 74
Bogotá D.C. - Colombia

Phone +57 (601) 618 8000
+57 (601) 618 8100

www.kpmg.com/co

(FREE TRANSLATION OF THE REPORT ISSUED IN SPANISH)
STATUTORY AUDITOR'S REPORT

To the Shareholders:
Cementos Argos S.A.:

Report on the Audit of the Financial Statements

Opinion

I have audited the separate financial statements of Cementos Argos S.A. (the Company), which comprise the separate statement of financial position as of December 31, 2023 and the separate statements of income and comprehensive income, changes in equity, and cash flows for the year then ended and its respective notes, which include significant accounting policies and other explanatory information.

In my opinion, the aforementioned separate financial statements, prepared with information faithfully taken from the books and attached to this Report, present fairly, in all material respects, the separate financial position of the Company as at December 31 of 2023, the separate results of its operations and its separate cash flows for the year ending on that date, in accordance with Accounting and Financial Information Standards accepted in Colombia, applied on a basis consistent with that of the preceding year.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) accepted in Colombia. My responsibilities under those standards are further described in the "Statutory *Auditor's Responsibilities for the Audit of Separate Financial Statements"* section of my Report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) included in the Information Assurance Standards accepted in Colombia, together with the ethical requirements that are relevant to my audit of the separate financial statements established in Colombia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the above mentioned IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the separate financial statements of the current period. These matters were addressed in the context of my audit of the separate financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Tax ID.: 860.000.846-4

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Evaluation of the recoverability of the deferred tax asset (See Note 9 to the separate financial statements)	
Key Audit Matter	**How it was addressed in the Audit**
The Company's separate statement of financial position includes a significant deferred tax Asset for $135.663 million COP, originating from losses and other taxable credits. This represents a key audit matter because assessing the recoverability of such assets involves complex judgments related to the determination of estimates on the company's projected taxable profits, as well as in estimating the periods over which the asset is expected to be recovered.	My audit procedures to evaluate the recoverability of the deferred tax Asset included, among others, the following: – With the involvement of experienced professionals with expertise in valuation, comparison of key assumption matters used by the Company in the determination of results before projected taxes, with independent recalculations and Information obtained from external sources, if available. – With the involvement of experienced professionals with expertise in taxes, evaluation of the main assumptions over which the tax adjustments were determined performed to the utility before taxes determined based on the financial projections, as well as the reversal period of time differences, liability expiration and other tax credits and the tax strategies proposed by the Company.

Other Matters

The separate financial statements as at and for the year ended December 31, 2022 are presented solely for comparative purposes. These were audited by myself and in my Report dated February 21, 2023, I expressed an unqualified opinion thereon.

Other Information

The Management is responsible for the other information. The other information comprises information included in the integrated report but does not include the separate financial statements and my corresponding Audit Report, nor the management report on which I pronounce myself in the "Report on Other Legal And Regulatory Requirements" section, in accordance with the provisions of Article 38 of Law 222 of 1995. The information contained in the integrated report is expected to be available to me after the date of this Audit Report.

My opinion on the separate financial statements does not cover the other information and I do not express any form of assurance conclusion on it.

In connection with my audit of the separate financial statements, my responsibility is to read the other identified information when available and, in doing so, consider whether there is a material inconsistency between that information and the separate financial statements, or my knowledge obtained in the audit, or whether in any way, there appears to be a material misstatement.

When I read the contents of the integrated report, if I were to conclude that there is a material misstatement in that other information, I am required to report this fact to Those Charged With Governance and describe the applicable actions.

Responsibilities of Management and those charged with the Company's governance in relation for the separate financial statements

The Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes designing, implementing, and maintaining such internal control as Management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the separate financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

Statutory Auditor's Responsibilities in relation to the Audit of the Separate Financial Statements.

My objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I were to conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the separate financial statements, including the disclosures, and whether the separate financial statements present the underlying transactions and events so as to achieve a fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Entities or business activities within the Group to express an opinion on the Group's financial statements. I am responsible for the direction, supervision, and performance of the Group's audit. I remain solely responsible for my audit opinion.

I communicate with Those Charged with the Company's Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.

I also provide Those Charged with Governance with confirmation that I have complied with relevant ethical requirements for independence and that I have disclosed to them all relationships and other matters that might reasonably be considered to bear on my independence and, where applicable, related safeguards.

From the matters communicated with Those Charged with Governance, I determine the matters that were of most significance in the audit of the current period's separate financial statements and, therefore, are the Key Audit Matters. I describe these matters in my Auditor's Report unless law or regulation prevents public disclosure about the matter or when, in extremely exceptional circumstances, I determine that a matter should not be communicated in my Report because the adverse consequences of doing so would reasonably outweigh the benefits to the public interest of such communication.

Report on Other Legal and Regulatory Requirements

Based on my test results, in my opinion, during 2023:

a) The bookkeeping of the Company has been kept in accordance with legal regulations and accounting techniques.

b) The transactions recorded in the ledgers are in accordance with the bylaws and the decisions of the General Shareholders' Meeting.

c) Correspondence, account vouchers, minute books, and share registry books are duly kept and maintained.

d) There is a concordance between the accompanying financial statements and the Management Report prepared by the administrators, which includes the Management's acknowledgment of the free circulation of invoices issued by vendors or suppliers.

e) The information contained in the returns of contribution to the Comprehensive Social Security System, particularly that related to affiliates and their contribution base income, has been taken from the accounting records and supporting documentation. The Company is up to date in its contributions to the Comprehensive Social Security System.

KPMG S.A.S.
Calle 90 No. 19c - 74
Bogotá D.C. - Colombia

Phone +57 (601) 618 8000
+57 (601) 618 8100

www.kpmg.com/co

(FREE TRANSLATION OF THE REPORT ISSUED IN SPANISH)
STATUTORY AUDITOR'S INDEPENDENT REPORT ON THE COMPLIANCE WITH THE 1ST AND 3RD NUMERALS OF ARTICLE 209 OF THE CODE OF COMMERCE

To the Shareholders:
Cementos Argos S.A.:

Main Matter Description

As part of my duties as Statutory Auditor and in compliance with Articles 1.2.1.2 and 1.2.1.5 of Single Regulatory Decree 2420 of 2015, amended by Articles 4 and 5 of Decree 2496 of 2015, respectively, I must report on compliance with the 1st) and 3rd) Numerals of Article 209 of the Code of Commerce, detailed as follows, by Cementos Argos S.A. hereinafter "the Society" as of December 31, 2023, as a conclusion of independent reasonable assurance, that the management performance has complied with the statutory and the General Shareholders' Meeting provisions and that there are adequate internal control measures, in all material aspects, by the criteria indicated in the paragraph called Criteria of this report:

1st) If the Society's management performance conforms with the bylaws and the instructions or decisions of the General Shareholders' Meeting, and

3rd) If there are and are adequate measures of internal control, maintenance, and custody of the Society's assets or third parties' assets in its possession.

Responsibility of Management

The Society's Management is responsible for the compliance with the bylaws and the General Shareholders' Meeting decisions and designing, implementing, by and maintaining adequate internal control measures, including the Money Laundering and Terrorism Financing Prevention Integral System for the maintenance and custody of the Society's assets and third parties' assets in its possession, in accordance with what is required in the internal control system implemented by the administration and in Part III, Title V, Chapter I of the Basic Legal Circular of the Financial Superintendency of Colombia.

Statutory Auditor's Responsibility

My responsibility is to examine whether the Society's management performance conforms to the bylaws and the General Shareholders' Meeting's decisions and if there are and are adequate the internal control, maintenance, and custody measures of the Society's assets or third parties' assets in its possession and report thereon expressing an independent reasonable security conclusion based on the evidence obtained. I performed my procedures by the International Standard on Assurance Engagements 3000 (Review) accepted in Colombia (International Standard on Assurance Engagements - ISAE 3000, issued by the International Auditing and Assurance Standards Board (IAASB), that was translated into Spanish and issued in 2018. Such standard requires that I plan and perform the procedures necessary to obtain reasonable assurance about compliance with the bylaws and the General Shareholders' Meeting decisions and whether there are and are adequate the measures of internal control, maintenance, and custody of the Society’s assets and third parties’ assets that are in its possession, by the requirements of the internal control system implemented by management, in all material aspects.

The Accountants Firm to which I belong and who appointed me as the Society’s statutory auditor, applies the International Quality Control Standard No. 1 and, consequently, maintains a complete quality control system that includes policies and procedures documented in compliance with ethical requirements, applicable legal and regulatory professional standards.

I have complied with the independence and ethics requirements of the Code of Ethics for Accounting Professionals issued by the International Ethics Standards Board for Accountants - IESBA, which is based on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality, and professional behavior.

The procedures selected depend on my professional judgment, including the risk assessment that the management performance does not conform to the bylaws and decisions of the General Shareholders' Meeting and that the internal control, conservation, and custody measures of the Society’s assets and those of third parties that are in its possession are not properly designed and implemented, by the requirements of the internal control system implemented by management and in Part III, Title V, Chapter I of the Basic Legal Circular of the Financial Superintendency of Colombia.

This reasonable assurance engagement includes obtaining evidence for the year ending December 31, 2023. Procedures include:

- Obtaining a written representation from Management about whether the management performance conforms to the bylaws and the General Shareholders’ Meeting’s decisions and if there are adequate measures of internal control, maintenance, and custody of the Society’s assets and third parties’ assets in its possession, by the requirements of the internal control system implemented by management and in Part III, Title V, Chapter I of the Basic Legal Circular of the Financial Superintendency of Colombia.

- Reading and verifying compliance with the Society’s bylaws.

- Obtaining a management certification on the meetings of the General Shareholders' Meeting, documented in the minutes.

- Reading the General Shareholders' Meeting’s minutes and the bylaws and verification of whether the management performance conforms to them.

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- Inquiries with Management about changes or modification projects to the Society’s bylaws during the period covered and validation of its implementation.

- Evaluation of whether there are and are adequate the measures of internal control, maintenance, and custody of the Society’s assets and third parties’ assets that are in its possession, by the requirements of the internal control system implemented by management, and in Part III, Title V, Chapter I of the Basic Legal Circular of the Financial Superintendency of Colombia, which includes:

- Design, implementation, and operating effectiveness tests on the relevant controls of the internal control components on the financial report, that included the requirements in External Circular 012 of 2022, immersed in Chapter I, Title V of Part III of the Basic Legal Circular of the Financial Superintendency of Colombia and the elements established by the Society, such as control environment, risk assessment process by the entity, the information systems, control activities, and monitoring to controls.

- Evaluation of the design, implementation, and operating effectiveness of relevant, manual, and automatic controls of the key business processes related to the significant accounts of the financial statements.

- Issuance of letters to management with my recommendations on deficiencies in internal control considered insignificant that were identified during the statutory audit work.

- Verification of proper compliance with the regulations and instructions on the Comprehensive System for the Prevention and Control of Money Laundering and Financing of Terrorism.

Inherent Limitations

Due to the inherent limitations to any internal control structure, there may be effective controls at the date of my examination that change that condition in future periods, because my report is based on selective tests and for the evaluation of internal control has the risk of becoming inadequate due to changes in the conditions or because the degree of compliance with the policies and procedures may deteriorate. On the other hand, the inherent limitations of internal control include human error, failures due to the collusion of two or more people, or inappropriate oversight of controls by the administration.

Criteria

The criteria considered for the evaluation of the matters mentioned in the paragraph Main Matter Description include: a) the bylaws and the minutes of the General Shareholders' Meeting and, b) the internal control components implemented by the Society, such as the control environment, the risk assessment procedures, its information and communications systems, and the monitoring of controls by the administration and those in charge of corporate governance, which is based on the established in the internal control system implemented by the administration and in Part III, Title V, Chapter I of the Basic Legal Circular of the Financial Superintendency of Colombia.

Conclusion

My conclusion is based on the evidence obtained on the matters described and is subject to the inherent limitations outlined in this report. I believe that the audit evidence I have obtained provides a reasonable assurance basis for my conclusion expressed below:

In my opinion, the management performance conforms to the bylaws and the General Shareholders' Meeting's decisions and the measures of internal control, including the Money Laundering and Terrorism Financing Prevention Integral System for the maintenance and custody of the Society's assets and third parties' assets in its possession, in accordance with what is required in the internal control system implemented by the administration and in Part III, Title V, Chapter I of the Basic Legal Circular of the Financial Superintendency of Colombia.

(Original version issued in Spanish
and signed by)
Gonzalo Alonso Ochoa Ruiz
Statutory Auditor of Cementos Argos S.A.
Registration 43668- T
Member of KPMG S.A.S.

February 20, 2024

Cementos Argos S.A.

SEPARATE STATEMENT OF FINANCIAL POSITION

As of December 31, 2023 and 2022 | Millions of Colombian pesos

	Notes	2023	2022
ASSETS			
Cash and cash equivalents	5	$ 255,905	$ 102,518
Derivative financial instruments	6	9,208	66,715
Other financial assets	7	864	471,098
Trade and other accounts receivable, net	8	346,401	755,069
Current tax assets	9	118,773	53,359
Inventories	10	235,986	267,812
Other non-financial assets	11	37,585	36,819
Assets held for sale	18	236	1,078
Total current assets		**$ 1,004,958**	**$ 1,754,468**
Trade and other accounts receivable, net	8	58,765	26,875
Investments in subsidiaries	14	9,697,229	11,529,199
Investments in associates and joint ventures	13	6,857	7,979
Derivative financial instruments	6	34,916	59,094
Other financial assets	7	833,300	1,198,919
Intangible assets, net	15	170,314	192,942
Right-of-use lease assets, net	20	45,777	43,920
Biological assets	12	16,164	19,470
Property, plant and equipment, net	16	2,389,878	2,379,768
Investment properties	17	107,027	103,528
Deferred tax asset	9	135,663	123,976
Other non-financial assets	11	6,355	6,241
Total non-current assets		**$ 13,502,245**	**$ 15,691,911**
TOTAL ASSETS		**$ 14,507,203**	**$ 17,446,379**
LIABILITIES			
Financial obligations	19	1,260,902	1,441,228
Liability for lease right-of-use	20	10,629	9,790
Trade liabilities and accounts payable	21	336,785	420,103
Current tax liabilities	9	-	50
Employee benefits liability	22	98,133	79,529
Provisions	23	22,495	18,791
Derivative financial instruments	6	138,573	21,908
Outstanding bonds and preferred shares	24	196,845	458,288
Other non-financial liabilities	11	135,957	124,304
Total current liabilities		**$ 2,200,319**	**$ 2,573,991**
Financial obligations	19	677,261	631,806
Right-of-use lease liabilities	20	31,234	27,677
Employee benefits liability	22	200,946	149,165
Derivative financial instruments	6	114,139	649
Provisions	23	27,251	22,261
Outstanding bonds and preferred shares	24	2,497,133	2,740,741
Total non-current liabilities		**$ 3,547,964**	**$ 3,572,299**
TOTAL LIABILITIES		**$ 5,748,283**	**$ 6,146,290**
Issued capital	26	2,242,551	2,242,551
Repurchased own shares	27	(157,995)	(113,797)
Reserve	27	763,306	473,796
Accumulated income	28	1,770,796	2,112,654
Other comprehensive income	27	4,140,262	6,584,885
EQUITY		**$ 8,758,920**	**$ 11,300,089**
TOTAL LIABILITIES AND EQUITY		**$ 14,507,203**	**$ 17,446,379**

The accompanying notes are an integral part to these separate financial statements.

Juan Esteban Calle Restrepo
Legal representative
(See attached certification)

Óscar Rodrigo Rubio Cortés
Corporate Accounting Manager
T.C. 47208-T
(See attached certification)

Gonzalo Alonso Ochoa Ruiz
Statutory Auditor P.C. 43668-T
KPMG S.A.S. Member A. S.
(See my report of February 20, 2024)

Cementos Argos S.A.

SEPARATE STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME

As of December 31, 2023 and 2022 | Millions of Colombian pesos

	Notes		2023		2022
Continued operations					
Ordinary activities income	29	$	2,008,518	$	2,126,921
Cost of sales	10		(1,445,132)		(1,422,749)
Gross profit		**$**	**563,386**	**$**	**704,172**
Overhead expenses	30		(287,570)		(255,299)
Selling expenses	31		(89,426)		(80,265)
Other operating income (expenses), net	32		(15,385)		19,319
Impairment of assets value	15		(16)		
Operating profit		**$**	**170,989**	**$**	**387,927**
Financial income	33		112,500		42,813
Financial expenses	34		(761,275)		(509,562)
(Loss) gain by difference in foreign exchange, net	37		(35,373)		16,424
Net share in investee income	13, 14, 29		895,801		350,282
Profit before income tax		**$**	**382,642**	**$**	**287,884**
Income tax	9		(62,666)		(145,655)
Year net profit	35	**$**	**319,976**	**$**	**142,229**
OTHER COMPREHENSIVE INCOME NET FROM TAX					
Headings that will not be subsequently reclassified to the period income:					
(Loss) gains due to new measurements of defined profit obligations	22		(59,211)		25,940
(Loss) gains from equity investments at fair value			(365,536)		339,829
Income tax on headings that will not be reclassified	9		20,571		(12,123)
Total headings that will not be reclassified to the period income		**$**	**(404,176)**	**$**	**353,646**
Headings that will be subsequently reclassified to the period income:					
(Loss) net gains from cash flow hedging instruments			(56,253)		66,668
(Loss) gains by differences in foreign exchange from converting foreign business			(2,006,951)		1,640,369
Income tax on headings that will be reclassified	9		22,757		(15,442)
Total headings that will be reclassified to the period income		**$**	**(2,040,447)**	**$**	**1,691,595**
Other comprehensive income, net from tax		**$**	**(2,444,623)**	**$**	**2,045,241**
TOTAL COMPREHENSIVE INCOME FOR THE PERIODO		**$**	**(2,124,647)**	**$**	**2,187,470**

The accompanying notes are an integral part to these separate financial statements.

Juan Esteban Calle Restrepo
Legal representative
(See attached certification)

Óscar Rodrigo Rubio Cortés
Corporate Accounting Manager
T.C. 47208-T
(See attached certification)

Gonzalo Alonso Ochoa Ruiz
Statutory Auditor P.C. 43668-T
KPMG S.A.S. Member A. S.
(See my report of February 20, 2024)

Cementos Argos S.A.

SEPARATE STATEMENT OF CHANGES IN EQUITY

As of December 31, 2023 and 2022 I Millions of Colombian pesos

	Notes	Issued Capital	Repurchased own shares	Legal reserve	Other reserves	Accumulated results	Other comprehensive income	Cementos Argos S.A. Equity without investees	Reserves in investees	Accumulated income in investees	Other comprehensive income by investees	Total equity
Balance as of January 1, 2022		**$ 2,242,551**	**(113,797)**	**123,055**	**113,806**	**1,891,390**	**770,105**	**5,027,110**	**173,577**	**561,514**	**3,769,539**	**9,531,740**
Period income	35	-	-	-	-	(208,053)	-	(208,053)	-	350,282	-	142,229
Other comprehensive period income, net from income tax		-	-	-	-	-	347,697	347,697	-	-	1,697,544	2,045,241
Comprehensive period income		**$ -**	**-**	**-**	**-**	**(208,053)**	**347,697**	**139,644**	**-**	**350,282**	**1,697,544**	**2,187,470**
Ordinary dividends declared in cash	28	-	-	-	-	200,202	-	200,202	-	(529,341)	-	(329,139)
Preferred dividends declared in cash	28	-	-	-	-	38,208	-	38,208	-	(94,608)	-	(56,400)
Reserve establishment	27	-	-	43,111	-	26,223	-	69,334	-	(69,334)	-	-
Effect of rate changes in income tax and occasional income tax in Colombia	9	-	-	-	-	(13,743)	-	(13,743)	-	(19,947)	-	(33,690)
Other variations	26	-	-	-	-	(364)	-	(364)	20,247	(19,775)	-	108
Balance as of December 31, 2022		**$ 2,242,551**	**(113,797)**	**166,166**	**113,806**	**1,933,863**	**1,117,802**	**5,460,391**	**193,824**	**178,791**	**5,467,083**	**11,300,089**
Balance as of January 1, 2023		**$ 2,242,551**	**(113,797)**	**166,166**	**113,806**	**1,933,863**	**1,117,802**	**5,460,391**	**193,824**	**178,791**	**5,467,083**	**11,300,089**
Period income	35	-	-	-	-	(575,825)	-	(575,825)	-	895,801	-	319,976
Other comprehensive period income, net from income tax		-	-	-	-	-	(429.522)	(429.522)	-	-	(2,015,101)	(2,444,623)
Comprehensive period income		**$ -**	**-**	**-**	**-**	**(575,825)**	**(429.522)**	**(1,005,347)**	**-**	**895,801**	**(2,015,101)**	**(2,124,647)**
Ordinary dividends declared in cash	28	-	-	-	-	(110,101)	-	(110,101)	-	(267,425)	-	(377,526)
Preferred dividends declared in cash	28	-	-	-	-	(17,191)	-	(17,191)	-	(47,796)	-	(64,987)
Reacquisition of ordinary shares (Repurchased own shares)	28	-	(40,174)	-	-	-	-	(40,174)	-	-	-	(40,174)
Reacquisition of preferred shares (Repurchased own shares)	28	-	(4,024)	-	-	-	-	(4,024)	-	-	-	(4,024)
Dividends recovered Reacquisition of preferred shares	28	-	-	-	-	538	-	538	-	-	-	538
Dividends recovered Reacquisition of preferred shares	28	-	-	-	-	78	-	78	-	-	-	78
Reserve establishment	27	-	-	64,622	136,592	(166,152)	-	35,062	-	(35,062)	-	-
Other variations	26	-	-	-	-	(23,968)	-	(23,968)	88,296	5,245	-	69,573
Balance as of December 31, 2023		**$ 2,242,551**	**(157,995)**	**230,788**	**250,398**	**1,041,242**	**688,280**	**4,295,264**	**282,120**	**729,554**	**3,451,982**	**8,758,920**

The accompanying notes are an integral part to these separate financial statements.

Juan Esteban Calle Restrepo
Legal representative
(See attached certification)

Óscar Rodrigo Rubio Cortés
Corporate Accounting Manager
P.C. 47208-T
(See attached certification)

Gonzalo Alonso Ochoa Ruiz
Statutory Auditor P.C. 43668-T
KPMG S.A.S. Member A. S.
(See my report of February 20, 2024)

Cementos Argos S.A.

SEPARATE CASH FLOW STATEMENT

As of December 31, 2023 and 2022 | Millions of Colombian pesos

	Notes	2023	2022
CASH FLOW FROM OPERATION ACTIVITIES			
Year profit	35	$ 319,976	$ 142,229
Adjustments to reconcile profit:			
Depreciation & amortization		157,324	153,210
Deferred income tax	9	26,540	56,504
Current income tax	9	36,126	89,151
Financial income	33	(112,500)	(42,813)
Financial expenses	34	761,275	509,562
Provisions and defined benefit post-employment allowance plans		14,605	(2,605)
Net impairment of financial assets and inventories	8,10	4,035	1,019
Impairment of intangible assets	15	16	-
Gain by valuation of investment properties	17	(3,285)	-
Gain by difference on foreign exchange		(7,561)	(10,379)
Loss (gain) by measurement at fair value	12	1,722	(3,783)
Net gain of subsidiaries, associates and joint ventures share	13,14	(895,801)	(350,281)
Gain on non-current assets disposal	32	(6,544)	(6,492)
Other adjustments to reconcile profit		1,459	(1,579)
Changes in working capital of:			
Inventories	10	37,891	(88,464)
Debtors and other account receivables	8	35,842	(101,562)
Other non-financial assets	11	(3,634)	(12,746)
Creditors, other accounts payable, and other liabilities	21	578,354	38,534
Income tax payments	9	(407,364)	-
Total adjustments to reconcile net profit and changes in working capital		**218,500**	**227,276**
Net cash flow from operation activities		**$ 538,476**	**$ 369,505**
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital contributions to third and related parties	7	(2,685)	-
Acquisition of associates and joint ventures	13	-	(6,942)
Acquisition in Subsidiaries	14	-	(1,146)
Capitalization in Subsidiaries	14	-	(35,854)
Acquisition of investments in financial instruments (Fixed income)	7	-	(483,443)
Maturity of investments in financial instruments (Fixed income)	7	338,765	-
TIDIS sale	7	65,514	34,331
Purchases of property, plant and equipment, and investment properties	16,18	(131,764)	(155,226)
Received dividends	8	970,801	303,446
Proceeds from sale of property, plant and equipment, and investments	16,17	6,258	8,692
Purchases of intangible assets	15	(874)	(3,883)
Proceeds from the sale of intangible assets	15	2,800	570
Proceeds from sale of biological assets	12	3,109	1,753
Net cash flow provided (used) in investing activities		**$ 1,251,924**	**$ (337,702)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from loans	19	1,854,971	2,395,472
Reacquisition of preferred and ordinary shares	26	(44,198)	-
Payments of loans and debt instruments	19	(1,753,283)	(1,671,295)
Proceeds from bonds issuance		-	302,771
Paid interest	19,20	(681,557)	(403,360)
Paid dividend on ordinary shares	28	(459,811)	(246,854)
Paid dividend on preferred shares	28	(82,181)	(44,120)
Outstanding bond payments	24	(479,844)	(381,149)
Lease liabilities payments	20	(12,764)	(16,214)
Collections of financial derivatives	6	21,320	62,693
Net cash flows used in financing activities		**$ (1,637,347)**	**(2,056)**
Net increase (decrease) in cash and cash equivalents		**153,053**	**29,747**
Cash and cash equivalents at beginning of period	5	**$ 102,518**	**$ 72,771**
Exchange difference cash and cash equivalents	5	**$ (334)**	**-**
Cash and cash equivalents at the end of the period	5	**$ 255,905**	**$ 102,518**

The accompanying notes are an integral part to these separate financial statements.

Juan Esteban Calle Restrepo
Legal representative
(See attached certification)

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Corporate Accounting Manager
T.C. 47208-T
(See attached certification)

Gonzalo Alonso Ochoa Ruiz
Statutory Auditor P.C. 43668-T
KPMG S.A.S. Member A. S.
(See my report of February 20, 2024)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

As of December 31, 2023 and 2022
(Million Colombian pesos and Thousand American dollars, unless otherwise specified)

NOTE 1: GENERAL INFORMATION

Cementos Argos S.A. (the Company) is a commercial corporation, incorporated in accordance with Colombian laws on August 14, 1944, headquartered in the city of Barranquilla, Atlántico department, Republic of Colombia. The company's business purpose is the cement industry exploitation, the production of concrete mixes and any other materials or items made from cement, lime or clay, the acquisition and exploitation of minerals or exploitable minerals deposits in the cement industry and similar, the rights to explore and mine the aforementioned minerals, whether by concession, privilege, lease or any other title. The term of the Company expires on August 14, 2060, with an extended duration. The headquarters address is Carrera 53 No. 106–280 Centro Empresarial Buenavista Piso 17, Barranquilla. There are no branches established in Colombia or abroad.

Cementos Argos S.A. is part of Grupo Empresarial Argos, whose parent company is called Grupo Argos S.A.

The Board authorized on February 20, 2024, the consolidated financial statements issuance of the Company for the year ended on December 31, 2023.

NOTE 2: BASIS FOR PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1. Compliance Status

Separate financial statements have been prepared in accordance with the Accounting and Financial Information Standards accepted in Colombia, for Group 1 entities (NCIF, Group 1) established in Act 1314 from 2009, regulated by the Unique Regulatory Decree 2420 from 2015, amended by Regulatory Decrees 2496 from 2015, 2131 from 2016, 2170 from 2017, 2483 from 2018, 2270 from 2019, 1432 from 2020, 938 from 2021 and 1611 from 2022. The NCIF Group 1 are based on the complete International Financial Reporting Standards (IFRS), which are issued and officially translated into Spanish by the International Accounting Standards Board (IASB).

Additionally, the Group, in compliance with laws, decrees, and other regulations in force, applies the following accounting criteria, issued specifically for Colombia by regulatory entities:

- External Circular No. 36/2014 from the Financial Superintendency of Colombia – The accounting treatment of the positive net differences generated in IRFS first-time application may not be distributed to stem losses, carry out capitalization processes, distribute profits and/or dividends, or be recognized as reserves. Negative net differences will not be considered for technical equity, minimum capital to operate, or other legal controls, for financial information preparers, and security issuers subject to control.
- Decree 2496 dated December 23, 2015 – which determines that parameters for accounting the post-employment benefits must correspond to Decree 2783/2001 as the best market approximation. For 2016, Decree 2131 dated December 22, 2016, eliminated the obligation to apply these assumptions for the measurement of post-employment benefits, allowing the application of the IAS 19 – Employee Benefits requirements, and these requirements being applicable only for financial information disclosure purposes. Decree 1625/2016 determines that the pension liabilities calculation must be disclosed in accordance with the parameters established in said standard and in the case of partial pension commutation, in accordance with Decree 1833/2016, as well as the differences arising from the calculation carried out in accordance with IAS 19 – Employee Benefits.
- Decree 2617 dated December 29, 2022 – Alternative recognition and presentation of the effects on deferred tax applicable in Colombia: The value of the deferred tax derived from the change in the income tax rate and the change

in the occasional income tax rate, for the taxable period 2022, may be recognized in the accumulated income of previous years.

For legal purposes in Colombia, separate financial statements are the main financial statements.

2.2. Basis for Preparation and Accounting Policies

2.2.1. BASIS FOR PREPARATION

The separate financial statements include Cementos Argos S.A. financial statements as of December 31, 2023. These have been prepared on a historical cost basis, except for the measurement of certain financial assets and liabilities, derivative financial instruments, investment properties, and biological assets that have been measured at fair value. The Company does not measure non-financial assets or liabilities at fair value on a recurring basis, except investment property, biological assets and certain financial liabilities. Financial statements are presented in Colombian pesos, which is the functional currency of the Company's parent company, and all values in Colombian pesos are rounded up to the closest million. Also, values in dollars are rounded up to the closest thousand, unless otherwise indicated.

The separate financial statements have been prepared on the accounting basis of accumulation or accrual, except for the cash flow information. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received when selling an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation method. When estimating the fair value of an asset or a liability, the Company considers the asset or liability characteristics if the market participants take into account these characteristics to value such an asset or liability at the measurement date. The fair value, for purposes of measurement and/or disclosure of these financial statements, is determined on that basis, except for payment transactions based on actions within the IFRS 2 scope, leasing transactions within the IAS 16 scope, and measurements that have some similarities in fair value but are not fair value, such as the realizable value in IAS 2 or value in use in IAS 36.

Additionally, for financial information purposes, fair value measurements are categorized as Level 1, 2, or 3 based on the degree to which the entries to fair value measurements are observable and the importance of the entries to fair value measurements as a whole, which are described as follows:

- Level 1 entries are quoted prices (not adjusted) in active markets for identical assets and liabilities, to which the company has access on the measurement date;
- Level 2 entries are entries, which are different from the quoted prices included in Level 1 and are observable for an asset or liability, either directly or indirectly; and
- Level 3 entries are unobservable entries for an asset or liability.

2.2.2. ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Company in the preparation of its separate financial statements:

1. Cash and Cash Equivalents

Cash and cash equivalents in the financial position and in the cash flow statements include money in cash and in banks, highly liquid investments that are easily convertible into a certain amount of cash and subject to an insignificant risk of changes in value, with a maturity of three months or less from the date of acquisition.

2. Financial Instruments

Financial assets and liabilities are initially recognized at their fair value plus (minus) directly attributable transaction costs, except for those that are measured later at fair value with changes in the income statement. The Company subsequently measures financial assets and liabilities at an amortized cost or fair value, depending on the Company's business model for managing financial assets and the characteristics of the contractual cash flows of the instrument.

Financial Assets
Financial assets other than those at amortized cost are subsequently measured at fair value with recognized changes in the period income statement. However, for investments in equity instruments that are not held for negotiation purposes, the Company may choose, during the initial recognition and irrevocably, to present the profits or losses from fair value measurements in other comprehensive income. When disposing of investments at fair value through other comprehensive income, the accumulated value of profits or losses is transferred directly to retained earnings and is not reclassified as income for the period. Cash dividends received from these investments are recognized in the income statement. The Company has chosen to measure some of its investments in equity instruments at fair value in other comprehensive income. A financial asset is subsequently measured at amortized cost, using the effective interest rate. If the asset is held within a business model whose objective is to hold them in order to obtain cash flows and its contractual terms grant, on specific dates, cash flow which is only principal and interest on the value of the outstanding principal.

A financial asset or part of it is written off from the separate financial position statement when it is sold, transferred, it matures or control is lost over the contractual rights or cash flows of the instrument, or when the financial asset is transferred, and transfer meets with requirements for derecognition. A financial liability or part of it is written off from the separate statement of financial position when the contractual obligation has been settled or has matured. When derecognizing a financial asset or part of it, the difference between its book value and the sum of the consideration received is recognized in the period income (including any new asset obtained minus any liability assumed).

When an existing financial liability is replaced by another from the same counterpart under substantially different terms, or if the terms of an existing liability are substantially modified, such a replacement or modification is treated as a write-off of the original liability and the recognition of the new liability, and the difference in the respective book values, are recognized in the income statement.

Financial Assets Impairment
The impairment model according to IFRS 9 shows the expected credit losses. The Company records expected credit losses from debt securities, trade accounts receivable, and leases at the end of the reporting period. In the calculation of expected credit losses under IFRS 9, the Company applies a simplified approach, which allows to not track changes in the credit risk but recognizes a provision for losses based on expected credit losses during the asset's lifetime on each reporting date; that is, to recognize the expected credit losses resulting from possible breach events during the expected lifetime of the financial instrument. In cases where there is objective evidence that a financial asset is impaired, the Company recognizes an individual impairment loss provision, excluding the collective impairment evaluation under the expected loss model.

To determine the expected credit losses, the Company has used a provision matrix based on the number of days that a trade account receivable is in default, i.e., by grouping the portfolio by ranges of overdue days and applying to the balances of accounts receivable an expected default percentage on the measurement day for each range of overdue days. The default percentage according to overdue days in portfolio is determined using the transition matrix methodology, according to the Markov chains theory. Each subsidiary's portfolio is segmented into two homogeneous groups–industrial business, and mass business.

Loss from impairment is recognized in the overhead expense and costs of sale in the Company's separate income statement. When there is confirmation that the trade account receivable will be uncollectible, the gross book value of the account receivable is then written off in accounts against the associated provision.

Financial Liabilities
The initial recognition of financial liabilities is carried out at fair value and subsequently valued at the amortized cost, using the effective interest method. Losses and profits are recognized in the income statement when liabilities are written off, as well as accrued interest using the effective interest method. The amortized cost is calculated taking into account any discount or premium on acquisition and installments or costs that are an integral part of the effective interest method.

The effective interest method is used to calculate the amortized cost of a financial asset or a financial liability and for the distribution and recognition of interest income or interest expense in the income, for the period throughout the corresponding period. The amortized cost of a financial asset or financial liability is the cost at which it was measured on initial recognition, minus principal repayments, plus or minus, the cumulative amortization, using the effective interest method, of any difference between the initial amount and the amount at maturity and, for financial assets, adjusted for any value adjustments for losses.

Liabilities with minority interests have been recognized in accordance with IAS 32 in the "Other financial liabilities" account, to the extent that there are options to put their shares and purchase obligations by the Company, even if the possibility of exercising the said option is remote.

Financial Derivatives

Financial derivatives are recorded in the separate statement of financial position at their fair values, taking into account the market curves in force at the valuation date. The accounting for changes in the fair value of derivatives depends on the use of the derivative and its designation as an accounting hedging instrument. Certain derivatives embedded in other financial instruments (implicit derivatives) are treated as separate derivatives when their risk and characteristics are not closely related to the host contract, and it is not recorded at fair value with their unrealized profits and losses included in the income statement.

To mitigate risks in foreign currency transactions and exposure to interest rates, the Company undertakes natural hedging and financial hedging operations by using derivative financial instruments, mainly derivative swap contracts, and forward contracts. All derivatives in force have been designated as accounting hedging instruments for cash flow or fair value in accordance with the IAS 39 Financial Instruments criteria. The Company does not use derivative instruments or any other public financial instruments for speculative purposes.

Certain derivative transactions that do not qualify to be accounted for as derivatives for hedging are treated and reported as derivatives for negotiation, even though they provide effective hedging for the management of risk positions. The Company formally appoints and documents the relationship for derivatives that qualify to be accounted for as hedge accounting, at the beginning of the hedging relationship, and also documents the goals of the risk management and the hedging strategy. At the end of December 2023, the Company signed financial option contracts that would allow it to mitigate the impact on net income of possible falls in share prices in the United States market, pursuant to the contract signed on September 7, 2023, with Summit Materials Inc. (Note 40). Considering that this transaction is not highly probable as of December 31, 2023, as it is subject to approval by the Meeting during 2024, this derivative was classified for accounting purposes as a trading instrument and hedge accounting was not applied.

Swap operations relate to financial transactions in which the Company, through a contractual agreement with a bank, exchanges cash flows with the purpose of reducing the risks related to currency, rate, term, or issuer, and also relate to the restructuring of assets or liabilities.

Forward transactions and currency swap transactions are used to hedge the exchange rate risk in operations of foreign currency debt, to hedge future cash flows with a high probability of occurrence, such as the Company’s monthly exports, and with the purpose of balancing the Company’s currency exposure by taking advantage of what, in the Management’s opinion, is considered favorable market conditions. The existence of this agreement has no impact on the underlying debt valuation.

The Company also uses interest rate swaps to manage its exposure to interest rates. In the case of interest rate swaps, there is no exchange of capital, and the Company is responsible for its debts with defined amounts and terms, the accounting record is independent of the swap. These exchanges aim to convert financial instruments either from fixed to variable or from variable to fixed.

Management documents the hedging relationship from the time of initial recognition. This documentation includes, but is not limited to, the following:

- Designation, including identification of the hedging instrument, hedged item or transaction, or hedging relationship, hedging objective, and risk management strategy;
- Designation and hedging relationship, hedging objective, and risk management strategy;
- Designation date of the accounting hedge; and
- Procedure to assess the effectiveness of the hedging and method to evaluate the effectiveness of the prospective and retroactive hedging and its periodicity.

Such hedges are expected to be highly effective in offsetting the changes in fair value or cash flows and are being constantly evaluated to determine that this has been so throughout the reporting periods for which they were designated. For hedge accounting purposes and for those applying to the Company, hedges are classified and accounted for as follows, once the strict criteria for accounting are met:

- Fair value hedges, when they hedge exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments. In fair value hedging relationships, changes in the fair value of the hedged item and the hedging instrument are recognized and offset in the separate income statement for the period, presented as financial cost or income. The change in fair value of the hedged item attributable to the hedged risk is recorded as part of the book value of the hedged item and is also recognized in the statement of comprehensive income under the income statement section as a financial income or cost.
- Cash flow hedges, when hedging exposure to variations in the cash flows attributed either to a particular risk associated with a recognized asset or liability or to a highly probable foreseen transaction or to the exchange rate risk related to an unrecognized firm commitment. In cash flow hedging relationships, changes in the fair value of the hedging instrument are recognized directly in the other comprehensive income, separated by the effective hedging portion. Thus, the ineffective portion is recognized in the separate financial income or expenses. The profits or losses recognized in equity are reclassified later to the separate income statement when the hedged item affects the Company's separated income.

In highly probable transactions hedging relationships, changes in the fair value of the hedging instrument are directly recognized in the other comprehensive income, separated by the effective hedging portion. Thus, the ineffective portion is recognized in the separate financial income or expenses. Profits or losses recognized in equity are reclassified at the end of the hedging relationship to the same account of the hedged item.

The effective portion of the profit or loss from measuring the hedging instrument is immediately recognized in the other comprehensive statement, whereas the ineffective portion is recognized immediately in the statement of comprehensive income under the income statement section as a financial cost.

The values recognized in the other comprehensive income are reclassified to the statement of comprehensive income under the income statement section when the hedged transaction affects the income, just as the hedged financial income or financial expense is recognized, or when the foreseen transaction takes place. When the hedged item constitutes the cost of a non-financial asset or liability, the values recognized in the other comprehensive income are reclassified to the initial book value of the non-financial asset or liability. If the foreseen transaction or firm commitment is no longer expected to take place, the cumulative gain or loss previously recognized in the other comprehensive income is reclassified to the statement of comprehensive income under the income statement section.

If the hedging instrument matures or is sold, resolved, or exercised without a replacement or successive renewal of a hedging instrument for another hedging instrument, or if its designation as a hedge is revoked, any cumulative profit or loss previously recognized in other comprehensive income remains in the other comprehensive income, until the foreseen operation or firm commitment affects the result.

Derivatives that are not designated as hedges for accounting purposes under IAS 9 are measured at fair value.

2. Provisions for Decommissioning, Restoration and Rehabilitation

The Company recognizes as part of the cost of a property, plant, and equipment item when there is a legal or implicit obligation to dismantle an asset or restore the site where it was built, the present value of the estimated future costs expected to be incurred for the dismantling or restoration.

The provision for decommissioning or restoration is recognized at the present value of estimated future disbursements to pay the obligation. Cash flows adjusted to reflect liability risks are discounted at a risk-free rate before taxes.

The estimated future cash flows for decommissioning or restoration are reviewed periodically. Changes in estimates, in the expected disbursement dates, or in the discount rate used to discount flows are recognized as an increase or decrease of the decommissioning cost included in the property, plant, and equipment item. The change in the provision value associated with the passage of time is recognized as a financial expense in the comprehensive income statement.

3. Exploration and Evaluation Disbursement

The Company recognizes as a period expense for mineral resources evaluation and exploration, those disbursements incurred before demonstrating the technical feasibility and commercial viability of an exploitation project, even if they are directly related to or associated with the activity of mineral resources exploration and evaluation. If disbursements meet the conditions for recognition, then they are recorded as intangible assets. These expenses will be recognized at the disbursed value at the time they are incurred.

4. Fair Value Measurements
Fair value is the price that would be received when selling an asset or would be paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value of all financial assets and liabilities is determined as of the financial statements' presentation date, for recognition or disclosure in the notes to the separate financial statements. Judgments include data such as liquidity risk, credit risk, and volatility. Changes to the hypotheses about these factors might affect the reported fair value for financial instruments.

5. Foreign Currency
Transactions in foreign currencies corresponding to those transactions in currencies other than the Company's functional currency are recorded initially at the exchange rate of the functional currency in force on the transaction date. Later, the monetary assets and liabilities in foreign currencies are converted at the exchange rate of the functional currency in force on the closing date of the period. Non-monetary headings measured at their fair value are converted using the exchange rates of the date when their fair value is determined, and non-monetary headings measured at historical cost are converted using the exchange rates determined to be applicable on the date of the original transaction and have not been re-converted.

All exchange rate differences of monetary headings are recognized in the income statement, except for monetary headings that provide an effective hedge for a net investment in a foreign business, as well as those that come from investments in shares classified at fair value through equity. For the presentation of the Company's separate financial statements, the assets and liabilities of foreign operations have been converted into Colombian pesos at the exchange rate in force on the reporting period closing date. Revenues, costs and expenses, and cash flows are converted at the average exchange rates of the period unless these fluctuate significantly during the period, in which case the exchange rates on the date where the transactions are carried out, are used. Any exchange rate differences that arise, as the case may be, are recognized in other comprehensive income and are accumulated in equity (attributed to non-controlling interests where appropriate).

When disposing of a foreign operation, including the disposal of the Company’s total participation in a foreign operation and disposal involving the partial sale of a stake in a joint venture or associate that includes a foreign operation in which the retained participation becomes a financial asset, all exchange differences accumulated in equity relating to that attributable operation to the owners of the Company are reclassified from equity to the separate period income.

Additionally, regarding a subsidiary partial disposal (which includes a foreign operation), the entity will again attribute the proportional share of the accumulated amount of the exchange differences to the non-controlling interests, and they are not recognized in profit or loss. For any other partial disposals (i.e. the partial disposal of associations or joint agreements that do not involve the loss of significant influence and joint control by the Company), the Company will reclassify to profits or losses only the proportional share of the cumulative amount of exchange differences.

Adjustments corresponding to goodwill and fair value on acquired identifiable assets and liabilities generated in the acquisition of a foreign business are considered as assets and liabilities of such a transaction and are converted at the exchange rate in effect at the end of each reporting period. Exchange differences that arise will be recognized in other comprehensive income.

6. Impairment of Non-Financial Assets
At the end of each period, the Company evaluates the existence of any indications that an asset’s value may be impaired. If there are indications of impairment or at least annually for goodwill, from intangible assets with an indefinite useful life and intangible assets that are not yet in use, the recoverable asset value or the cash-generating unit(s) is estimated, the latter level when it is not possible to estimate the recoverable amount of the individual asset. When a reasonable and consistent basis of distribution is identified, common assets are also allocated to the cash-generating units or distributed to the smallest group of cash-generating units for which a reasonable and consistent distribution basis might be identified.

The recoverable value of an asset is the highest value between the fair value minus the costs of sales, whether it is an asset or a cash-generating unit, and its value in use. When estimating the value in use, estimated future cash flows are discounted from the current value using a discount rate before taxes that reflects current market valuations of the temporary value of money, as well as the specific risks for the asset for which the estimated future cash flows have not been adjusted. When the book value of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired, and the value is reduced to its recoverable amount.

When an impairment loss is reversed later, the book value of the asset (or cash-generating unit) is increased to the revised estimated value of its recoverable amount, so that the increased book value does not exceed the book value that would have been measured if the asset's (or cash-generating unit's) impairment loss had not been recognized in previous years. The reversal of an impairment loss is recognized in income.

7. Taxes
The expense for income tax represents the sum of the payable current income tax and the deferred tax.

Current Income Tax
Current assets and liabilities for the income tax of the period are measured by the values expected to be recovered or paid to the tax authority. The expense for income tax is recognized in the current tax according to the refinement made between the income tax and the accounting profit or loss affected by the income tax rate for the current year, and pursuant to the tax standards provisions of each country. The tax rates and regulations used to compute these values are those that have been approved or substantially approved by the end of the reporting period, in the countries where the Group operates and generates taxable profits.

Deferred Tax
Deferred income tax is recognized using the liability method calculated on the temporary differences between the tax bases of the assets and liabilities and their book values. The deferred tax liability is recognized for temporary taxable differences and the deferred asset tax is recognized for temporary deductible differences and future offset of tax credits and unused tax losses, to the extent that the availability of future taxable income against which they may be allocated is likely. These assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than the business combination) of other assets and liabilities in an operation that does not affect the tax profit or the accounting profit.

Liabilities deferred due to temporary taxable differences associated with investments in subsidiaries and associates, and interests in joint ventures, except those where the Company is able to control the reversal of the temporary difference, and when there is the possibility that this might not be reversed in the near future, must be recognized. Deferred tax assets that arise from deductible temporary differences associated with such investments and interests, are only recognized to the extent that it is likely that the company will have future taxable profit against which the temporary differences might be charged and when there is the possibility that these might be reversed in the near future.

The book value of a deferred tax asset should be subject to revision at the end of each reporting period and should be reduced to the extent it is likely that the Company will not have sufficient tax profits in the future, in order to allow the asset to be recovered, either in total or in part. Deferred tax assets and liabilities should be calculated using the tax rates that are expected to be applicable during the period in which the asset is realized or the liability is settled based on the rates (and tax laws) that have been approved or practically approved by the end of the reporting period, after the approval process has been completed. The measurement of deferred tax liabilities and deferred tax assets will reflect the tax consequences that would occur from the manner in which the Company expects to recover or settle the book value of its assets and liabilities at the end of the reporting period. Deferred taxes are not discounted.

Deferred tax is recognized in the period income, except those related to headings recognized outside the income; in this case, they will be presented in other comprehensive income or directly in equity. In the case of a business combination when current or deferred tax arises from the initial accounting for the business combination, the tax effect is considered within the accounting for the business combination.

See note 2.1. on treatment adopted in accordance with Decree 2617 dated December 29, 2022.

8. Intangible Assets
Intangible assets acquired separately are initially calculated at cost. The cost of intangible assets acquired in business combinations are recognized separately from goodwill at fair value at the acquisition date (which is regarded as its cost). After the initial recognition, intangible assets are carried at cost minus any accumulated amortization and any accumulated impairment losses. Internally generated costs for intangible assets, except for development costs that meet recognition criteria, are not capitalized and when disbursed, these are recognized in the comprehensive income statement at the time when they are incurred.

Disbursements arising from research activities are recognized as an expense in the period in which they are incurred. An internally generated intangible asset as a result of development activities (or of the development phase of an internal project) is recognized if, and only if, the following conditions are met:

- Technically, it is possible to complete the production of the intangible asset, so that it may be made available for use or sale;
- Its ability to complete the intangible asset in question, either to use it or to sell it;
- Its ability to use or sell the intangible asset;
- How the intangible asset will generate probable economic benefits in the future;
- The availability of adequate technical, financial, or other kind of resources, to complete its development and to use or sell the intangible asset; and
- Its ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognized for an internally generated intangible asset will be the sum of the disbursements incurred from the time when the item meets the conditions for recognition, which were set forth above. Subsequent to its initial recognition, an internally generated intangible asset will be accounted for at its cost less accumulated amortization and the accumulated amount of impairment losses, on the same basis as intangible assets that are acquired separately.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each period. Changes in the estimated useful life of the asset are recognized prospectively. The amortization expense of intangible assets with finite useful lives is recognized in the comprehensive income statement. Intangible assets with indefinite useful lives are not amortized but are tested for impairment.

An intangible asset is written off at the time of disposal, or when no future economic benefits from its use or disposal are expected. Profits or losses arising from the write-off of an intangible asset, calculated as the difference between the net income from the asset sale and its book value is recognized in the consolidated profits or losses at the time the asset is written off.

9. Investments in Associates and Joint Ventures

An associate is an entity over which the Company has considerable influence. Significant influence is the power to participate in financial policy and operational decisions of the investee, but without having absolute or joint control of it.

A joint venture is a joint agreement, whereby the jointly controlling parties have rights to the net assets of the agreement. Joint control is shared control contractually agreed upon, that only exists when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The results, assets, and liabilities of the associate or joint venture are incorporated into the consolidated financial statements using the equity method, unless the investment or a portion thereof is classified as held for sale, in which case it is accounted pursuant to IFRS 5. Under this method, the investment is initially recorded at cost and adjusted with the changes in the participation of the Company and are subsequently adjusted to account for the Company's interest in profits or losses and in other comprehensive income statements of the associate or joint venture, minus any losses due to impairment of the investment.

When the Company's interest in the losses of an associate or joint venture exceeds the Company's interest in the associate or joint venture (including any long-term interest that is basically a part of the Company's net investment in the associate or joint venture), the Company ceases to recognize its interest in future losses. Additional losses are recognized as long as the Company has acquired a legal or implicit obligation or has made payments on behalf of the associate or joint venture.

When the equity method applies, the necessary adjustments are made to standardize the accounting policies of the associate or joint venture with those of the Company. The share belonging to the Company is included in the obtained profits or losses and unrealized losses from transactions between the Company and the associate or joint venture. The equity method is applied from the date where the investee becomes an associate or joint venture. This is because, for example, it can occur in stages, and it is not the date of acquisition; until significant influence or joint control over the entity is lost. In the investment acquisition in the associate or joint venture, any excess of the investment cost on the distribution of the net fair value of identifiable assets and liabilities of the investee is recognized as Goodwill Credit, which is included in the amount book value for the investment.

Any excess in the Company's distribution of the net fair value of identifiable assets and liabilities over the investment cost, after having been revaluated, is immediately recorded in profit or losses for the period where the investment was acquired. IFRS 9 requirements are applied to determine whether it is necessary to account for an impairment loss regarding the Company's investment in an associate or joint venture. The entire investment carrying amount (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets, as an individual asset by comparing its recoverable amount (highest between the useful value and the fair value minus the disposal costs) to its book value. Any recognized impairment loss is part of the investment carrying amount. Any reversal of that impairment loss is recognized in accordance with IAS 36 until the recoverable investment amount increases later.

The Company stops using the equity method on the date where the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Company has a stake in a former associate or joint venture and the holding is a financial asset, the Company measures the holding at fair value on that date, and at the fair value considered as fair value during the initial recognition, pursuant to IFRS 9. The difference between the associate or joint venture book value on the date the equity method stopped being used and the fair value of any retained stake, and any result from the sale of a part of the stake in the associate or joint venture, is included in the profit or losses determination from the sale of the associate or joint venture.

Additionally, the Company records all previously recognized amounts in other comprehensive income regarding that associate or joint venture on the same basis that would have been required if the associate or joint venture had directly sold the assets or liabilities. Therefore, if a profit or loss previously accounted in other comprehensive income by the associate or joint venture had been reclassified to profits or losses upon selling the related assets or liabilities, the Company would reclassify the profit or loss from equity to profits or losses (as a reclassification adjustment) at the time when they stop using the equity method.

The Company continues using the equity method when an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate. There is no recalculation at fair value at the time of such changes in ownership interests. When the Company reduces its equity stake in an associate or a joint venture but continues to use the equity method, the Company reclassifies to profits or losses the share of the profit or loss that had been previously recognized in other comprehensive income regarding that reduction in equity interest, if such a profit or loss were reclassified to profit or losses upon the sale of the corresponding assets or liabilities.

If a Company entity enters into a transaction with an associate or joint venture of the Company, the profits and losses resulting from such transactions are accounted for in the Company's separate financial statements, solely for the portion of interest in the associate or joint venture that is not related with the Company. Goodwill arising from the acquisition of an associate, or a joint venture is included in the investment carrying amount and is not individually amortized or subjected to impairment tests.

10. Investment Property

Investment properties are properties (land or buildings considered, either in whole or in part, or both) that are held (by the Company or by a lessee under a financial lease) in order to earn income, capital gains, or both, instead of a) using it for goods or services production or supply, or for administrative purposes, or b) selling it in the ordinary course of operations, including investment properties under construction for such purposes. These are measured initially at their acquisition price, plus all costs associated with the transaction and non-recoverable indirect taxes, after deducting financial or commercial discounts, as well as the directly attributable costs to placing the investment property under the necessary conditions for it to operate in the manner intended by the Management. After the initial recognition, investment properties are measured at fair value, with reference to the price that would be received on the measurement date, when disposing the asset in a market transaction. In the determination of the reasonable value, the Company hires independent experts with recognized professional capability and experience in property appraisal. Changes in fair value of investment property are recognized in the period income as they arise. Investment property may be transferred from and to property, plant, and equipment.

An investment property is written off when it is disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected to be received from its sale. Any profit or loss arising from writing off the property (measured as the difference between the net income from the sale and the asset book value) is included in the income for the separate period where the property was written off.

11. Non-Current Assets Held for Sale

Non-current assets and groups of assets for disposal are classified as held for sale if their book value may be recovered through a sales transaction rather than through their continued use. These assets or groups of assets are presented separately as assets and liabilities in the statement of financial position, at either their book value or fair value minus sales costs, whichever is lower, and are not depreciated or amortized from their classification date.

This condition is considered to be met only when the sale is highly likely and the asset (or group of assets for disposal) is available for immediate sale in its present condition, subject only to the usual terms adapted for the sale of these assets (or group of assets for disposal). The Management must be committed to making the sale, which should be recognized as a completed sale within the period of one year after the classification date.

When the Company is committed to a sales plan involving loss of control of a subsidiary, all assets and liabilities of that subsidiary are classified as held for sale when they meet the criteria described above, regardless of whether the Company is going to keep a non-controlling interest in its former subsidiary after its sale.

When the Company is committed to a sales plan involving the sale of an investment, or a portion of an investment in an associate or joint venture, the investment or portion of the investment that will be sold is classified as held for sale when the criteria described above are met, and the Company discontinues the use of the equity method regarding the portion that is classified as held for sale. Any portion retained of an investment in an associate or a joint venture that has not been classified as held for sale, will continue to be accounted under the equity method. The Company discontinues using the equity method at the time of sale when the sale results in the Company losing significant influence over the associate or joint venture.

The commitment to sell the subsidiary signed in September 2023 (Note 40) did not generate classification of the subsidiary' net assets as non-current assets held for sale, considering that as of December 31, 2023, the transaction was not highly likely as it was subject to approval by Summit Materials shareholders, which was given during January 2024. This transaction is a subsequent event that does not require adjustment in accordance with IAS 10 paragraph 22.

After the sale takes place, the Company recognizes any interest retained in the associate or joint venture in accordance with IFRS 9, unless the interest retained is still an associate or a joint venture, in which case the Company uses the equity method (see the accounting policy regarding the influence over an associate or joint venture). In cases where the Company undertakes to distribute an asset (or group of assets for disposal) to the owners, said non-current asset (or group of assets for disposal) is classified as held for distribution to owners. For this to be the case, the assets must be available for immediate distribution in their current conditions, and the distribution must be highly likely, i.e., activities must be underway to complete the distribution and should be expected to be completed within a year from the classification date. The Company has classified its subsidiaries in liquidation processes as groups of assets to distribute to the owners.

Revenues, costs, and expenses from a discontinued operation are presented separately from those coming from continuing operations–in a single item after income taxes–in the separate comprehensive income statement for the current period and for comparative the period of the previous year, even though the Company retains a non-controlling interest in the subsidiary after the sale.

The Company impairs a net investment in an associate or joint venture if, and only if, objective evidence indicates that one or more events, which occurred after initial recognition, have had an impact on the future cash flows of the net investment and that impact can be reliably estimated. The following events make it possible to establish whether there is objective evidence that these investments might show impairment:

- Significant financial difficulties of the associate or joint venture;
- Contract violations, such as defaults or delays in payment by the associate or joint venture;
- Granting of concessions to associates and joint ventures that would not have been granted in other circumstances;
- It becomes probable that the associate or joint venture will go into bankruptcy or some other form of financial reorganization;
- The disappearance of an active market for net investment due to financial difficulties of the associate or joint venture;
- Significant changes with adverse effect that have taken place in the environment, technological, market, economic or legal, in which the associate or joint venture operates; or
- A significant and prolonged decrease in the fair value of an investment in an associate or joint venture that is an equity instrument below its cost.

12. Property, Plant and Equipment
Property, plant and equipment include the amount of land, buildings, furniture, vehicles, computing equipment and other facilities owned by the consolidated entities, and which are used for the entity's operations. The Company recognizes an item of property, plant and equipment when it is likely that the asset will generate future economic benefits, it is expected to be used for a period longer than one year, or all the risks and benefits inherent to the asset have been received and its value may be reliably measured. Spare parts and permanent maintenance equipment are recognized as an item of property, plant and equipment as they meet the recognition criteria.

Fixed assets are measured at cost minus accumulated depreciation and accumulated impairment losses, if any. Trade discounts, rebates, and other similar headings are deducted from the acquisition cost of the fixed asset. Properties under construction for administrative, production or service supply purposes are recorded at cost minus any recognized impairment loss. The cost includes professional fees, decommissioning and removal direct costs, and in the case of qualifying assets, capitalized loans costs in accordance with the accounting policy of the Company. These properties are classified in the appropriate property, plant and equipment categories at the time of their completion and when they are ready for their intended use. Depreciation of these assets, as in the case of other property assets, begins when assets are ready for use. Depreciation begins when the asset is available for use and is calculated on a straight-line basis over the estimated technical useful life of the asset as follows:

Buildings and constructions	40 to 70 years
Aqueduct, networks and communication routes	20 to 40 years
Machinery and production equipment	10 to 30 years
Office, computer and communication equipment	3 to 10 years
Overland transport equipment	3 to 10 years
River transport fleet	3 to 45 years
Mines, quarries and mineral deposits	2 to 38 years

Property land is not depreciated.

An item of property, plant and equipment will be written off at the time of disposal or when economic future benefits are no longer expected from their continued use.

The profit or loss arising from writing off an asset of property, plant and equipment is measured as the difference between sales revenue and the asset book value, and it is recognized in profit or losses. The assets residual values, useful lives and depreciation methods are reviewed and adjusted prospectively at each year-end, if required.

13. Leases
The Company recognizes leases, subleases and contracts with similar characteristics and circumstances taking into account the lessor or lessee capacity, the underlying asset, and the contract term.

At the beginning of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease, if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration. In order to assess whether a contract transfers the right to control the use of the identified assets, the Company uses the lease definition in IFRS 16.

The Company as a Lessee
As a lessee, at the beginning or in the modification of a contract that contains a lease component, the Company assigns consideration in the contract to each lease component based on their relative independent prices.

The Company initially recognizes on the lease start date a right-of-use asset that represents the right to use the underlying asset of the contract, as well as a lease liability, which represents its obligation to make the payments agreed upon in the contract. Right-of-use assets are measured at cost, minus any accumulated depreciation and impairment losses, and are adjusted with new lease liabilities measurements. The cost of right-of-use assets includes the value of recognized lease liabilities, initial direct costs incurred, and lease payments made before the contract start date minus any lease incentives received. Unless the Company has reasonable assurance of obtaining ownership of the leased asset at the end of the lease term, the assets recognized by the right-of-use are amortized in a straight line over the lease term. Right-of-use assets are subject to impairment.

On the lease start date, the Company recognizes the lease liabilities at the present value of the lease payments to be made during the lease term. Lease payments include fixed payments (including essentially fixed payments) minus lease incentives receivable, variable lease payments depending on an index or rate, and amounts expected to be paid based on residual value guarantees. Lease payments include the year's price of a purchase option when the Company has reasonable assurance that it will be exercised and the penalties for canceling the lease, if the lease term reflects that the Company will exercise an option to terminate the lease. Variable lease payments that do not depend on an index or a rate are recognized as an expense in the period where the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate on the lease start date if the implicit interest rate in the lease may not be readily determined. After the start date, the lease liabilities value is increased to reflect interest accrual and is reduced by the lease payments made. In addition, the lease liabilities book value is remeasured if there is a modification, a change in the lease term, a change in essentially fixed lease payments, or a change in the valuation to acquire the underlying asset.

The Company recognizes the right-of-use assets depreciation and distributes the lease payments between the financial expense and the lease obligations reductions. Financial expense is charged directly to income, unless it is directly attributable to eligible assets, in which case these are capitalized in accordance with the general borrowing costs policy. The Company recognizes leases payments for contracts with a lease term of 12 months or less and no purchase option, or contracts whose underlying asset is of low value (i.e. assets whose new value is equal to or less than 3,500 dollars for assets intended for operation, and 5,000 dollars for administrative use assets), as a lease expense minus lease incentives related, in a straight-line basis during the term corresponding to the lease, unless another systematic distribution basis is more representative to more adequately reflect the temporal pattern of the lease benefits to the lessee.

The Company presents the lease right-of-use assets and lease liabilities separately in the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within the investment property item.

The Company presents interest expense on lease liability separately from the asset depreciation charge for the lease right-of-use. Interest expense on the lease liability is a financial costs component, which is presented separately in the separate comprehensive income statement.

The Company classifies in the separate cash flow statement, cash payments for principal and interest from lease payments as financing activities, and payments for short-term leases and payments for leases of low-value assets as operation activities.

Short-Term Leases and Low-Value Asset Leases
The Company has decided not to recognize the lease right-of-use assets and the lease liabilities for leases with a lease term of 12 months or less and no purchase option (short-term leases), and leases whose underlying asset is of low value (i.e., assets whose new value is equal to or less than 3,500 dollars for assets intended for operation, and 5,000 dollars for administrative use assets), including IT equipment. The Company recognizes the lease payment associated with these leases as a linear lease expense over the lease term.

The Company as a Lessor
At the beginning or when modifying a contract that contains a lease component, the Company assigns the consideration in the contract to each lease component based on their relative independent prices.

As a lessor, the Company classifies the leases as financial or operating at the beginning of the lease, evaluating the extent to which the risks and benefits derived from the asset ownership affect it. The Company classifies a lease as financial when all the risks and benefits inherent to the property are substantially transferred, and as operating when all the risks and benefits inherent to the property are not substantially transferred.

The Company recognizes amounts owed by lessees under finance leases as accounts receivable at the amount of the Company's net investment in the leases. Financial lease income is distributed over the accounting periods in order to reflect a regular rate of constant return on the Company's net pending investment regarding leases.

Revenue stemming from operating leases is recorded using the straight-line method over the same period as the lease term. Initial direct costs incurred upon negotiating and agreeing upon an operating lease are added to the leased asset's book value and recorded in a straight-line basis over the lease term.

14. Borrowing Costs
The Company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, if these costs could have been avoided if no disbursements had been made for the asset. Borrowing costs are capitalized as part of the assets cost when they are likely to generate future economic benefits and may be reliably measured. The capitalization of borrowing costs starts as part of the cost of a qualified asset on the date where the following conditions are met: a. Disbursements are made regarding the asset, b. Borrowing costs are incurred, and c. Necessary activities to prepare the asset for its intended use or sale are carried out.

The Company suspends borrowing costs capitalization during the periods where the activities of a qualifying asset are interrupted. However, borrowing costs capitalization is not interrupted by leases during a period if important technical or administrative actions are being carried out. Borrowing costs capitalization will not be suspended either when a temporary delay is necessary as part of the preparation process of a qualified asset for its intended use or sale.

Borrowing costs capitalization ends when all necessary activities to prepare a qualified asset for its intended use or sale have been substantially completed. If the asset has components and these components may be used separately while the construction continues, the borrowing costs capitalization on these components should be stopped.

15. Biological Assets
The Company recognizes a biological asset or agricultural product when it controls the biological asset or agricultural product as a result of past events, it is likely it will generate future economic benefits and the cost of the biological asset or agricultural product may be reliably measured.

The Company measures biological assets both at the beginning and at the end of the period, at fair value minus selling costs. The biological asset fair value is established by its quoted market price in an active market. In the event there are different active markets for the same biological asset, the asset fair value will be determined by the price quoted in the most relevant asset market. If there is no asset market, the Company uses the following information to determine the fair value, provided it is available, and select the most reliable: a) the price of the most recent market transaction, assuming there have been no significant changes in economic circumstances between the transaction date and the end of the reporting period, b) the market price of similar assets, adjusted to reflect existing differences, c) sector benchmarks, such as plantations value expressed as a function of surfaces or capacity, weight or volume units.

Profits or losses arising from the initial recognition of a biological asset or agricultural product at fair value minus selling costs and from changes in this value are included in the income statement of the separate period when they occur.

16. Provisions
Provisions are recognized when the Company has a current, legal or implicit obligation as a result of a past event, it is likely that the Company will have to dispose of resources to settle the obligation, and the obligation value may be reliably estimated. In cases where the Company expects the provision to be partially or fully reimbursed, the reimbursement is recognized as a separate asset, only when such a reimbursement is virtually certain, and the amount of the account receivable may be reliably measured.

Provisions are measured with the Management's best estimate of the future disbursements required to settle the present obligation and it is discounted using a risk-free rate. The expense related to the provisions is presented in the income statement, net from any reimbursement. The provision increase due to the passage of time is recognized as a financial expense in the income statement. The Company recognizes the present obligations, derived from an onerous contract, as provisions. An onerous contract is one in which the unavoidable costs of meeting the obligations it implies exceed the economic benefits expected to be received from it.

Contingent Liabilities
Possible obligations arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly under the control, are not recognized in the separate statement of financial position but are disclosed as contingent liabilities.

Contingent liabilities acquired in a business combination are initially measured at their fair values on the acquisition date. At the end of the subsequent reporting periods, such contingent liabilities are measured either between the amount at which it would have been recognized under IAS 37 and the amount at which it was initially recognized minus the accumulated amortization recognized under IAS 15 Revenue from ordinary activities.

17. Post-Employment Benefit Plans
The Company recognizes liabilities related to pensions, pension securities and bonds, retirement premiums and other post-employment benefits pursuant to the IAS 19 Employee Benefits requirements.

On December 22, 2016, the Ministry of Commerce, Industry and Tourism issued Decree 2131, whereby it is required to disclose the pension liabilities calculation, in accordance with the parameters established in Decree 1625/2016 and, in the case of partial pension commutation, in accordance with Decree 1833/2016, as well as the differences arising from the calculation carried out in accordance with IAS 19 – Employee Benefits. This information is included in Note 22 employee benefits.

The Company recognizes the benefit plans classified as contribution plans in the separate income statement as overhead or sales expense, or cost of merchandise sold according to a submission by function on the date where it occurs. The Company recognizes benefit plans classified as benefit plans defined as an asset or liability in the statement of financial position by the difference between the fair value of the plan assets and the present value of the obligation of said plan, using the Projected Unit Credit Method to determine the present value of the obligation related to the defined benefits and the cost of the current service and, where applicable, the cost of past services, at least once a year. Plan assets are measured at fair value, which is based on market price information, and, in the case of quoted securities, it constitutes the published purchase price.

The Projected Credit Unit treats each period of service as a generator of an additional entitlement unit to benefits and measures, each unit separately to build up the final obligation. The Company deducts the total value of post-employment benefits obligation, even if part of it is to be paid within 12 months following the reporting period. The estimate of the liability for post-employment benefits is carried out by an independent actuary.

Actuarial profits or losses, the yield on plan assets, and changes in the effect of the asset ceiling, excluding amounts included in the net interest on the liability (asset) of the defined net benefits, are recognized in the other comprehensive income. Actuarial profits or losses include the effects of changes in actuarial assumptions, as well as experience adjustments. The net interest on the liability (asset) of defined net benefits includes income from interest on plan assets, interest costs for the defined benefit obligation and interest on the effect of the asset ceiling.

The current service cost, the past service cost, any liquidation or reduction of the plan are recognized immediately in the comprehensive income statement, in the statement section for the period where they arise.

18. Subsidiaries Investments
A subordinate or controlled is a partnership where its decision-making power is subject to another one or others will, that will be its parent or controlling company, either directly, in which case it will be called a subsidiary, or through the parent's subordinates, in which case it will be called subsidiary. Control is given by compliance with one or more of the following cases:

a). Power on the investee.
b). Exposure, or right, to variable returns from its involvement in the investee.
c). Ability to use its power on the investee to influence the import of the investor's returns.

Subsidiaries investments are incorporated into separate financial statements using equity method, except if the investment or a portion of it is classified as held for sale, in which case it is accounted in accordance with IFRS 5. Respect to equity method, the subsidiaries investments are initially recorded in the statement of financial position at cost, and are subsequently adjusted to account for the Company's interest in profits or losses and in other comprehensive subsidiary income.

19. Inventories
Assets acquired with the intention of selling them in the ordinary course of business or consumed in the rendering services process are classified as inventories. The inventory of raw materials, products in process, merchandise not manufactured for sale and finished products are measured at the acquisition cost. The Company recognizes a decrease in the value of inventories of finished goods, materials, spare parts and accessories if the cost exceeds the net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, minus the estimated costs of finalization and the estimated costs necessary to make the sale. Inventories include goods in existence that do not require transformation, materials such

as minor parts and accessories for rendering services, as well as goods in transit and held by third parties.

Inventories are valued using the weighted average method and its cost includes costs related to the acquisition and those incurred to give them their current condition and location.

20. Revenue
IFRS 15 requires the recognition of ordinary income when the promised goods or services are transferred to customers, for the amounts that reflect the consideration that the entity expects to receive in exchange for said goods or services, through the application of a five-step approach: Step 1: Identify the contract(s) with the customer; Step 2: Identify performance obligations within the contract; Step 3: Determine the transaction price; Step 4: Assign the transaction price to each performance obligation based on the individual relative sale price of each good or service; and Step 5: Recognize ordinary income when (or to the extent that) the entity meets performance obligations by transferring control of promised goods and services to the customer. Performance obligations may be fulfilled at a timepoint or over a period of time.

Sale of Goods
In the sale of goods, a single performance obligation is established. The Company recognizes revenue when the obligation is fulfilled, i.e., when control of the goods or services underlying the performance obligation has been transferred to the customer, at a timepoint.

Rendering Services
The Company renders some services that are sold on their own in contracts with customers or bundled with the sale of goods to a customer. In both scenarios, revenues from service contracts are satisfied at a timepoint.

IFRS 15 excludes from its scope the recognition requirements for dividend and interest revenues and operating leases, for which the Company continues to apply the same accounting treatment.

Dividend and Interest Income
Income from investment dividends is recognized once the shareholders' rights to receive this payment have been established (as long as it is probable that the economic benefits will flow to the Company and that ordinary income can be reliably measured). Income from dividends generated from investments where the equity participation method has previously been recognized on the distributed profits, are recognized as lower investment value.

Interest income from a financial asset is recognized when it is probable that the Company will receive the economic benefits associated with the transaction and the amount of revenue from ordinary activities can be reliably measured. Interest income is recorded on a time basis, in reference to the outstanding principal and the applicable effective interest rate, which is the discount rate that exactly equals the estimated receivable or payable cash flows along the life expectation of the financial instrument with the net book value of the financial asset upon initial recognition.

Operating Leases Revenue
The Company policy for revenue recognition from operating leases consists of the recognizing the payments received as revenue in the income statement on a straight-line basis throughout the useful life of the contract unless another basis of distribution is deemed representative.

21. Related Parties
The Company considers as a related party the subsidiaries and associates and direct joint ventures, the entities that exercise joint control or significant influence over Cementos Argos S.A., and the key management personnel, which includes the members of the Board, Nomination and Remuneration Committee, Audit and Finance Committee, Sustainability and Corporate Governance Committee, Directive Committee (made up by the President and Vice-Presidents), and any other committee that directly depends on Cementos Argos S.A. Board of Directors, as well as the Managers who have the ability to direct, plan and control activities and their close relatives.

Transactions between related parties are considered as any transfer of resources, services and obligations between the Company and a related party, as well as the outstanding balances between them at the preparation date of the separate financial statements, including any commitment and guarantee granted or received between both sides.

The information that is disclosed to related parties is provided according to the categories established by IAS 24 Related Party Disclosures, which correspond to transactions with: (a) the parent company, (b) entities with joint control or significant influence over the entity, (c) subsidiaries, (d) associates, (e) joint ventures, (f) key management personnel, and (g) other related parties. Likewise, headings of a similar nature are grouped together for disclosure purposes.

The transactions characteristics with related parties do not differ from those carried out with third parties, nor do they imply differences between market prices for similar operations.

22. Materiality
The Company considers that information is material if its omission, inappropriate expression or obscuring could reasonably be expected to influence the decisions made by the financial statements' main users. The materiality assessment of Cementos Argos is carried out in the following 4 phases:

- Phase 1: Cementos Argos identifies information on transactions and conditions that the main users may need to understand decision-making on the resources flow to the Company. The primary users are existing and potential investors, lenders, and other creditors. The Company intends to satisfy common information needs, which includes resources, acquired rights (assets), obligations, commitments, rights against (liabilities and equity), changes in those resources (income and expenses) and the extent to which the Management and the governing bodies of the Company have efficiently and effectively fulfilled their responsibilities for the use of the entity's resources.
- Phase 2: Cementos Argos assesses whether the information identified in phase 1 is material. The evaluation includes elements judged regarding the specific circumstances of the Company in terms of its nature, magnitude and a combination of both. In this phase, quantitative and qualitative factors are evaluated. To determine the quantitative factor, the Company takes as a reference income, profitability, level of assets, liabilities and equity. Within the qualitative evaluation we consider internal factors (unusual transactions, with related parties, among others) and external (social, political, environmental, economic conditions, among others).
- Phase 3: The information identified in phase 2 is classified and organized, so that it is properly disclosed.
- Phase 4: This last phase allows re-evaluating the financial situation, financial performance and cash flows from a global perspective, to conclude that the information identified and disclosed continues to be material for the main users. This review may lead to additional information, different disaggregation, or deletion of non-material information.

23. Going Concern
Consolidated financial statements have been prepared on the going concern basis, and as of December 31, 2023, there are no material uncertainties related to events or conditions that produce significant doubts about the ability of any firm within the Group to continue operating. The Group has the required liquidity and solvency to continue operating the business for the foreseeable future.

NOTE 3: ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

3.1. IFRS INCORPORATED IN COLOMBIA AND ADOPTED AT THE PREPARATION DATE OF THE SEPARATE FINANCIAL STATEMENTS

3.1.1. STANDARDS ISSUED BY THE IASB AND INCORPORATED IN COLOMBIA AS OF JANUARY 1, 2023
The accounting pronouncements issued that are applicable to the annual periods beginning after January 1, 2023 and 2024, and have not been applied in the preparation of these financial statements are presented below. The Company plans to adopt the corresponding accounting pronouncements on their respective application dates and not in advance.

Standards and amendments issued applicable from January 1, 2023:
- **IFRS 9** – Financial Instruments, IAS 39 – Financial Instruments: Recognition and Measurement, IFRS 7 – Financial Instruments: Disclosure: Reference Interest Rate Reform (amendments to IFRS 9, IAS 39 and IFRS 7)
- **IFRS 9** – Financial Instruments, IAS 39 – Financial Instruments: Recognition and Measurement, IFRS 7 – Financial Instruments: Disclosure, IFRS 4 – Insurance Contracts, IFRS 16 – Leases: Reference Interest Rate Reform – Phase 2

- **IFRS 3** – Business Combinations: Amendments by Reference to the Conceptual Framework.
- **IAS 16** – Property, plant and equipment. It is amended regarding the products obtained before the intended use.
- **IAS 37** – Provisions, contingent liabilities and contingent assets, Onerous Contracts — Cost of Fulfilling a Contract.
- **Annual Improvements to IFRS Standards 2018–2020**. Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments and IAS 41 - Agriculture. Amendment to IFRS 1. Subsidiary adopting IFRS for the first time.
- **IAS 1** – Presentation of Financial Statements. Amendments related to the classification of liabilities as current or non-current are made.
- **Extension of the Temporary Exemption from the Application of IFRS 9** – Financial Instruments. Amendments to IFRS 4 – Insurance Contracts.

Standards and Amendments Issued Applicable from January 1, 2024:

- **IAS 8** - Definition of Accounting Estimates.
- **IAS 1** - Disclosure of information on Accounting Policies.
- **IFRS 16** - Rental concessions related to covid-19 beyond June 30, 2021.
- **IAS 12** - Deferred Taxes related to Assets and Liabilities arising from a Single Transaction.

These accounting pronouncements issued (not yet effective) are not expected to have a significant impact on the Company's separate financial statements.

NOTE 4: CRITICAL ACCOUNTING JUDGMENTS AND KEY ESTIMATE SOURCES

4.1. Assumptions Made about the Future and Other Causes of Estimation Uncertainty that Have a Significant Risk of Causing Significant Adjustments in the Book Value of Assets or Liabilities within the Next Accounting Period

4.1.2. CURRENT AND DEFERRED INCOME TAX

The Company recognizes significant amounts of current and deferred income tax in its separate financial statements given the volume of its operations and the multiple countries where it operates. The determination of current and deferred tax is based on the best interpretation by the Management of current and applicable laws and best practices of the jurisdictions where it operates. The reasonableness of this estimate depends significantly on the Management's ability to integrate complex tax and accounting standards, to consider the changes in the applicable laws, and the evaluation, for purposes of recognition of deferred tax assets, of the existence of enough tax profits to carry it out.

An uncertain tax treatment is a tax treatment for which there is uncertainty as to whether the taxing authority will accept the tax treatment under the tax law. The Company recognizes uncertain tax positions in accordance with the IFRIC 23 requirements. The probability analysis to recognize uncertain tax positions is based on expert opinions and on the interpretation of current tax regulations in the applicable jurisdiction.

RECOGNITION OF DEFERRED TAX ASSETS FROM LOSSES OR UNUSED TAX CREDITS

Management applies its judgment to determine the value and recognize the deferred tax asset from losses or unused tax credits, evaluating whether it is probable that there will be sufficient taxable income from subsequent periods for its compensation and/or recovery, together with the strategies of future tax planning.

4.2. Other Judgments And Estimates Made

In preparing the financial statements, the Company makes judgments and estimates in the application of accounting policies.

Said judgments and estimates do not have a significant risk of causing significant adjustments in the book value of the assets or liabilities. Some of these judgments and estimates are detailed below:

- Determination of cash generating units

- Determination of Average Exchange Rates for Financial Statements Conversion
- Determination of whether an instrument meets the Hedging Accounting requirements under IAS 39
- Evaluation of Non-Financial Assets Impairment
- Determination of Lease Term for Contracts with Renewal Options and Leases Whose Term is Automatically Extended to the End of the Original Term
- Fair Value of Derivatives and Financial Assets
- Fair Value of Investment Properties
- Determination of Expected Credit Losses of Trade Debtors
- Provisions for Decommissioning, Restoration and Rehabilitation
- Provisions for Contingencies, Litigation and Lawsuits
- Estimation of Useful Life and Residual Values of Property, Plant and Equipment and Intangible Assets
- Liabilities of Pension Plans and Other Defined Post-Employment Benefits

NOTE 5: CASH AND CASH EQUIVALENTS

For purposes of the separate cash flow statement, cash and cash equivalents include cash and banks. Cash and cash equivalents at the end of the reported period in the separate cash flow statement and in the separate financial statement are:

	2023	2022
Cash and banks	255,905	102,518
Restricted cash and cash equivalent or unavailable for use	637	576

As of December 31, 2023, the Company maintains cash and cash equivalents balances restricted by agreements entered into with Universidad of Antioquia, which is a research and development project that will increase capacities in the microalgae pilot plant at Cartagena site, in terms of microalgae cultivation systems and advance knowledge of biodiesel production to continue research. The concepts considered in the project to execute the resources co-financed by the Ministry of Sciences (Minciencias) include: equipment, academic events, technological services, materials and supplies, publications and results dissemination, as well as specialized consulting. The main executor in the call is Universidad de Antioquia, the entity that receives the resources from Minciencias and disburses them to the other actors involved in the project.

The Company's exposure to interest rate risks and a sensitivity analysis for financial assets and liabilities is disclosed in Note 25.3.2 and 25.5 respectively.

During the current year and comparative periods, the Group carried out the following investment and financing activities, which are not reflected in the consolidated cash flow statement:

- In June 2022, the associate SUMMA S.A.S. was capitalized for $1,490 using advance payment given in previous years for said value.

NOTE 6: DERIVATIVE FINANCIAL INSTRUMENTS

	2023	2022
Derivative financial assets designated as cash flow hedging instruments recorded at fair value	44,124	125,809
Derivatives financial assets	**44,124**	**125,809**
Current	9,208	66,715
Non-current	34,916	59,094
Derivatives financial assets	**44,124**	**125,809**

	2023	2022
Derivative financial liabilities designated as cash flow hedging instruments recorded at fair value	252,712	22,557
Derivatives financial liabilities	**252,712**	**22,557**
Current	138,573	21,908
Non-current	114,139	649
Derivative financial liabilities	252,712	22,557
Short net position in financial derivatives	**(208,588)**	**103,252**

During the current year, the net effect of financial derivatives amounted to $21,320 (2022: $62,693) in favor of the

Company.

The Company's financial derivatives operations as of December 2023 and 2022 are related below.

Swap Operations:

					Underlying value I SWAP Amount		Fair value	
Swap type	**Underlying**	**Underlying rate**	**SWAP**	**Expiration**	**2023**	**2022**	**2023**	**2022**
Currency	Long-term credit	Libor 3m + 1.32%	5.39%	02/18/2026	USD 15,000	USD 15,000	8,427	28,472
Currency	Long-term credit	Libor 3m + 1.32%	IBR + 2.05%	02/18/2026	USD 15,000	USD 15,000	4,540	20,543
Currency	Long-term credit	TF 7.43%	14.46%	05/26/2026	USD 10,000	-	(7,164)	-
Currency	Long-term credit	SOFR 3m + 3.58%	15.10%	05/26/2026	USD 20,000	-	(14,028)	-
Currency	Short-term credit	SOFR 3m + 2.90%	15.40%	11/10/2025	USD 40,000	-	(55,534)	-
Currency	Short-term credit	SOFR 3m + 2.25%	IBR + 0.69%	03/09/2023	USD 11,000	-	(12,146)	-
Currency	Short-term credit	SOFR 6m + 1.95%	TF + 13.46%	04/14/2023	-	USD 10,000	-	(378)
Currency	Short-term credit	SOFR 3m + 2.90%	16.22%	11/10/2023	-	USD 40,000	-	(8,046)
Interest rate	Long-term credit	IBR + 2.05%	11.73%	02/18/2024	COP 53,175	COP 53,175	207	2,467
Interest rate	Long-term credit	IBR + 4.93%	9.37%	07/24/2025	COP 100,000		5,462	-
Interest rate	Long-term credit	IBR + 4.93%	8.69%	07/24/2026	COP 100,000	-	8,587	-
Interest rate	Long-term credit	5.28%	IBR + 1.85%	11/20/2023	-	COP 160,000	-	(12,675)
Interest rate	Long-term credit	IBR + 7.85%	11.31%	06/14/2024	-	COP 50,000	-	3,386
Interest rate	Long-term credit	15.01%	IBR + 4.69%	08/29/2023		COP 30,000		(365)
Interest rate	Short-term credit	IBR + 7.85%	11.6%	12/14/2023		USD 100,000		3,836
Interest rate	Short-term credit	IBR +8.40%	11.79%	11/25/2023		COP 50,000		1,686
Interest rate	Short-term credit	IBR + 4.74%	11.39%	06/07/2023		COP 30,000		345
Interest rate	Short-term credit	IBR + 4.52%	11.46%	08/22/2023		COP 50,000		107
Interest rate	Bonds	CPI +2.24%	TF + 9.60%	08/25/2024	-	COP 50,000	(1,388)	(95)
Interest rate	Bonds	CPI +2.24%	TF + 9.55%	08/25/2024	-	COP 50,000	(1,370)	(61)
Interest rate	Bonds	CPI +2.24%	TF + 9.74%	08/25/2024	-	COP 50,000	(1,441)	(202)
Interest rate	Bonds	CPI +7.19%	TF + 7.87%	04/28/2024	-	COP 100,000	404	2.698
Interest rate	Bonds	CPI +7.19%	TF + 8.09%	04/28/2024	-	COP 50,000	148	1.204
Interest rate	Bonds	CPI +4.5%	TF + 9.69%	08/16/2024	-	COP 150,000	(3,493)	(292)
Interest rate	Bonds	CPI +3.64%	TF + 7.50% two years then IBR - 2%	08/24/2027	-	COP 50,000	1,160	309
Interest rate	Bonds	CPI +3.99%	TF + 8.00% two years then IBR -2%	08/24/2027	-	COP 150,000	2,974	(257)
Interest rate	Bonds	CPI +3.99%	TF + 7.40% two years then IBR -2%	08/24/2027	-	COP 150,000	3,621	1.166
Interest rate	Bonds	CPI +3.99%	TF + 8.28% two years then IBR -1.50%	08/24/2027	-	COP 50.000	144	(894)
Interest rate	Bonds	CPI +3.64%	TF + 9.93%	08/24/2024	-	COP 50,000	(1,513)	-
Interest rate	Bonds	CPI +3.64%	TF + 11.63%	05/24/2026	-	COP 100,000	(3,872)	-
Interest rate	Bonds	CPI +3.64%	TF + 11.62%	08/24/2026	-	COP 100,000	(4,917)	-
Interest rate	Bonds	CPI +3.75%	TF + 11.47%	09/27/2026	-	COP 150,000	(7,164)	-
Interest rate	Bonds	CPI +4.04%	TF + 11.60%	09/27/2026	-	COP 100,000	(4,543)	-
Interest rate	Bonds	CPI +4.47%	TF + 8.30%	07/13/2027	-	COP 150,000	(7,297)	-
Interest rate	Bonds	CPI +4.21%	TF + 8.30%	05/27/2027	-	COP 200,000	(9,620)	-
Swap operation fair value							**(99,816)**	**42,954**

Operaciones forward:

Forward type	Underlying	Underlying value [1]	Forward rate	Expiration	Fair value 2023	Fair value 2022
Purchase	Intercompanies	USD 27,000	4,907.29	06/17/2024	(25,311)	-
Purchase	Intercompanies	USD 15,796	4,097.09	06/08/2023	-	12,864
Purchase	Intercompanies	USD 8,435	4,159.08	06/14/2023	-	6,410
Purchase	Intercompanies (partial)	USD 27,000	4,741.86	08/29/2023	-	7,439
Purchase	Short-term credit	USD 11,746	5,085.57	01/11/2024	(14,706)	-
Purchase	Short-term credit	USD 11,797	4,993.31	04/01/2024	(12,617)	-
Purchase	Short-term credit	USD 5,000	4,765.28	04/12/2024	(4,183)	-
Purchase	Short-term credit	USD 5,000	4,884.56	04/17/2024	(4,733)	-
Purchase	Short-term credit	USD 5,969	4,862.28	04/11/2024	(5,560)	-
Purchase	Short-term credit	USD 10,000	4,850.73	05/22/2024	(8,785)	-
Purchase	Short-term credit	USD 8,000	4.487.98	07/16/2024	(3,901)	-
Purchase	Short-term credit	USD 15,059	4,537.50	07/12/2024	(8,095)	-
Purchase	Short-term credit	USD 40,000	4,240.47	07/25/2024	(9,924)	-
Purchase	Short-term credit	USD 8,000	4,455.49	09/17/2024	(3,268)	-
Purchase	Short-term credit	USD 5,000	4,781.40	04/17/2024	(4,235)	-
Purchase	Short-term credit	USD 1,500	3,978.40	01/11/2024	(224)	-
Purchase	Short-term credit	USD 1500	3,971.50	01/11/2024	(214)	-
Purchase	Short-term credit	USD 26,799	4,043.54	05/30/2023		23,020
Purchase	Short-term credit	USD 15,632	4,665.7	06/29/2023	-	4,589
Purchase	Short-term credit	USD 11,300	4,455.8	01/12/2023	-	4,078
Purchase	Short-term credit	USD 8,377	4,732.68	08/24/2023	-	2,342
Purchase	Short-term credit	USD 5,177	4,918.09	04/14/2023	-	(73)
Purchase	Short-term credit	USD 10,304	4,979.05	05/26/2023	-	(371)
Forward operations fair value					**(105,756)**	**60,298**

Option operations:

Forward type	Underlying	Underlying value [1]	Option amount	Option rate	Expiration	Fair value 2023	Fair value 2022
Buy Put	Equity Hedging	USD 219,231	1,161,912	188.68	01/12/2024	4,201	-
Buy Put	Equity Hedging	USD 219,231	1,162,764	188.65	01/12/2024	4,248	-
Forward operations fair value						**8,449**	**-**
Swap, forward and options operations fair value						**(197,121)**	**103,252**

[1] The underlying value is rounded to the nearest million units when expressed in Colombian pesos and to the nearest thousand units when expressed in dollars.

In December, Cementos Argos S.A. negotiated two hedges (Put Options) to cover the arrival of the shares of Summit. This type of instrument has a cost, which in this case is premiums worth $11,465.

NOTE 7: OTHER FINANCIAL ASSETS

	2023	2022
Financial assets measured at fair value with changes in other comprehensive income (See note 25)	828,349	1,196,577
Financial assets measured at fair value through profit or loss (See note 25)	3,539	2,797
Financial assets measured at amortized cost (See note 25)	2,276	470,643
Other financial assets	**834,164**	**1,670,017**
Current	864	471,098
Non-current	833,300	1,198,919
Other financial assets	**834,164**	**1,670,017**

As of December 31, 2023, none of these assets are expired or impaired.

The category of other financial assets at fair value with changes in other comprehensive income includes investments held by the Company in Grupo de Inversiones Suramericana S.A. and Occidental de Empaques S.A. The investment is measured at fair value with changes in other comprehensive income with a monthly frequency. In note 26.2.1., Financial assets are measured at fair value with changes in other comprehensive income, this investment value is detailed for the periods reported.

The company made an investment in a project in Valparaiso in 2023 for $409 and an advance for the purchase of investments in Syma worth $2,276.

The company purchased TIDIS with the following companies: Concretos Argos S.A.S. for $27,898, Corredores Davivienda $10,000, Credicorp Capital Colombia $37,337, Fiduciaria BBVA $52,000 and made sales worth $65,514 (2022 $34,331). A sale of CDTS obtained in 2022 was made for $466,000.

NOTE 8: TRADE AND OTHER ACCOUNTS RECEIVABLE

	2023	2022
Trade accounts receivable	156,541	159,399
Other accounts receivable	250,265	624,186
Deterioration for expected credit losses and provision for doubtful accounts	(1,640)	(1,641)
	405,166	**781,944**
Current	346,401	755,069
Non-current	58,765	26,875
Trade and other accounts receivable	**405,166**	**781,944**

The impairment movement for expected credit losses of trade accounts receivable and other accounts receivable as of December 31 is detailed below:

	2023	2022
Impairment movement for expected credit losses and doubtful accounts		
Opening balance	(1,641)	(2,957)
Value impairment losses recognized on accounts receivable (1)	(915)	(2,379)
Punishment of amounts considered uncollectible (2)	763	2,184
Reversed impairment losses	153	1,511
Closing balance	**(1,640)**	**(1,641)**

(1) Cementos Argos S.A. adopted the simplified approach for measuring the value losses of commercial accounts receivable, contract assets and accounts receivable for leases, retroactively with the option not to restate comparative information. For presentation purposes, the provision movement of expected credit losses for 2023 and 2022 is presented in accordance with the new IFRS 9 Financial Instruments guidelines.

(2) The contractual amounts of financial assets written off during the reporting period that are still subject to enforcement activities are $763 (2022 $2,184).

For each day range of non-payment of the portfolio, the following table presents the value of trade accounts receivable and other accounts receivable subject to credit risk before recognizing any loss due to value impairment, the values of expected losses determined individually and collectively, the value of accounts receivable after considering the expected impairment, at the end of the reporting period, and the percentage of expected credit loss determined using the transition matrix methodology according to the Markov chains theory.

2023	Expected Credit Loss Rate	Gross accounts receivable	Expected credit loss impairment	Net accounts receivable
Impairment for expected credit losses explanation				
Not expired	0.11%	236,084	(36)	236,048
Between 0 and 30 days	0.18%	69,956	(12)	69,944
Between 31-60 days	0.63%	36,521	(6)	36,515
Between 61-90 days	1.39%	3,068	(2)	3,066
Between 91-120 days	3.05%	2,650	(6)	2,644
Between 121-150 days	3.67%	4,086	(4)	4,082
Between 151-180 days	6.24%	1,492	(6)	1,486
Between 181-360 days	9.42%	17,223	(214)	17,009
More than a year	0.71%	35,726	(1.354)	34,372
Total		**406,806**	**(1.640)**	**405,166**

2022	Expected Credit Loss Rate	Gross accounts receivable	Expected credit loss impairment	Net accounts receivable
Impairment for expected credit losses explanation				
Not expired	0.13%	400,025	(37)	399,988
Between 0 and 30 days	0.20%	130,183	(16)	130,167
Between 31-60 days	0.57%	41,403	(4)	41,399
Between 61-90 days	1.40%	79,315	(3)	79,312
Between 91-120 days	2.59%	83,968	(1)	83,967
Between 121-150 days	4.34%	2,106	(2)	2,104
Between 151-180 days	4.36%	945	-	945
Between 181-360 days	8.44%	19,313	(46)	19,267
More than a year	11.03%	26,327	(1,532)	24,795
Total		**783,585**	**(1,641)**	**781,944**

The average credit period over the sale of goods is 30 days. No interest surcharge is carried out on trade accounts receivable after the average credit period. Cementos Argos S.A. assesses at the end of the period on which it is reported and with the same periodicity of financial information. If there is objective evidence that financial assets are impaired, and if this is the case, it recognizes a loss in the income statement due to a value deterioration. Cementos Argos S.A. recognizes a provision on individual clients when they are in an economic insolvency state or when a financing or restructuring agreement of the account receivable is agreed upon and collectively grouping the portfolio by default days ranges and applying to these values the non-compliance percentages using the transition matrix methodology according to the Markov chain theory. In determining the recoverability of a trade account receivable, Cementos Argos S.A. considers any change in the credit quality of the account from the date the credit was initially granted until the end of the reporting period. The concentration of credit risk is limited because the customer database is long and independent.

Cementos Argos S.A., as of December 31, 2023, sold trade and other debtors to Bancolombia, BBVA and Bancóldex for a value of $114,908 (2022 $83.871), influencing income of $3,643 (2022 $1,789)..

Dividends received in 2023 were $970,801 (2022: $303,446).

NOTE 9: INCOME TAX

Tax provisions applicable and in force in Colombia establish the following:

- Income tax in Colombia is settled at a rate of 35% for 2023 (year 2022 35%).
- Occasional earnings are taxed at the 15% rate.
- For 2023 and 2022, the minimum percentage to determine the income tax is 0%.
- Companies may offset losses with ordinary liquid income obtained in the following twelve (12) periods.
- Excesses of presumptive income over ordinary income generated as of 2003 can only be compensated with ordinary net income, within the following five (5) years.
- Pursuant to the provisions of Laws 788 of 2002 and 863 of 2003, income taxpayers who enter into transactions with economic associates or foreign related parties are required to determine, for income tax and supplementary purposes, the study on transfer prices. As of the date of the statement of financial position, the Company has not completed the study on 2023 operations. However, considering that the operations carried out with foreign related parties during 2023 had a similar behavior to those carried out in 2022, the Management considers that there will be no impact on the income statement for the period.
- As of 2017, the references contained in the tax regulations regarding the accounting regulations will be to the International Financial Reporting Standards applicable in Colombia, considering the refinements established by the National Government.
- Act 1819 of 2016, determined through article 22 that for the 2017 term and subsequent years, the determination of income tax and complementary, in the value of assets, liabilities, equity, income, costs and expenses. The recognition and measurement systems will apply for the taxpayers obliged to keep accounts, in accordance with the accounting normative technical frameworks in force in Colombia, when the tax law expressly refers to them and in cases in which it does not regulate the matter. In any case, the tax law may expressly provide a different treatment, in accordance with article 4 of

Act 1314 of 2009.

- Income tax returns for taxable years 2022, 2021, 2020, 2019, 2018, and 2017 are subject to review and acceptance by tax authorities.
- The general term of finality of statements is 3 years (5 years, for taxpayers who determine or offset tax losses or who are subject to the transfer pricing regime).
- Starting in 2019, the 4-year time limit for the use of the tax discount for taxes paid abroad is eliminated.

Tax Reform

On December 13, 2022, the National Government issued Act 2277, the Equality and Social Justice Reform, through which significant changes are introduced in terms of taxes effective as of January 1, 2023. The most significant changes for the effects of the income and supplementary tax were as follows:

- The general income rate is maintained at 35% for national companies and their similar companies obliged to present the annual income declaration and complementary tax in Colombia.
- A minimum tax is established for residents in Colombia, fixing an additional tax in the event that the adjusted income tax with some adaptations is less than 15% of the accounting profit before taxes with certain adaptations. Thus, taxpayers must: (i) Determine the adjusted tax of the Colombian taxpayer, or the adjusted tax of the group, in the event that it becomes part of a business group. (ii) Determine the adjusted profit of the Colombian taxpayer or the group, in the event that it becomes part of a business group, and (iii) Determine the adjusted tax rate of the Colombian taxpayer or the group, in the event that it becomes part of a business group. If the effective rate (adjusted tax/adjusted profit) is less than 15%, the tax to be added must be calculated to reach the rate of fifteen percent (15%) of the taxpayer or of the group in case it becomes part of a business group.

The Economic and Social Zones (ZESE, by its Spanish acronym) are excepted from this regulation during the period that their rental rate is zero (0%), taxpayers whose adjusted utility is equal to or less than zero, who are governed by the provisions set forth in Art 32 of the Tax Code. (Concessions), state industrial and commercial companies or mixed economy companies that exercise the monopolies of games of chance and liquors, hotels and theme parks, as long as they are not required to submit a country report by country.

- The amount of the sum of some non-income, income, special deductions, exempt income, and tax discounts is limited to 3% per year of ordinary liquid income.
- Article 158-1 is repealed, eliminating the possibility of deducting the costs and expenses associated with investments in Science, Technology, and Innovation (STI); that is, these investments will only give the right to a tax discount. The possibility of taking as a tax discount 30% of investments in STI that have the approval of the National Council of Tax Benefits (CNBT) is maintained; the previous regulation established a discount of 25%.
- The possibility of deducting royalty payments dealt with in articles 360 and 361 of the National Constitution is eliminated, regardless of the name of the payment, the accounting treatment, and the form of payment (money or kind), the non-deductible amount corresponds to the total cost of production of non-renewable resources.
- 100% of the taxes, rates and contributions effectively paid in the taxable year, which are causally related to the income generation (except income tax), continue to be deductible; 50% of the tax on financial movements (GMF) will be deductible, regardless of whether it has a causal relationship with the income-generating activity.
- Payments for affiliations to social clubs, work expenses of support staff at home or other activities unrelated to the income-producing activity, personal expenses of partners, participants, shareholders, clients and/or their relatives, all of which will not be deductible. These will be considered income in kind for their beneficiaries.
- It is established that non-deductible values for convictions from administrative, judicial, or arbitration processes, correspond to values that are punitive, sanctioning, or compensation for damages (Tax Code, Article 105, Item 3).
- The occasional income tax rate is established at 15%.
- A 10% withholding rate is established for dividends received by national companies that do not constitute income or occasional earnings (previously 7.5%), which will be transferable to the resident natural person or to the foreign investor. The exceptions established in the current regulations are maintained. Dividends and participations received by permanent establishments of foreign national companies that do not constitute income or occasional gain will be taxed at the special rate of 20%.
- It was established that the tax on taxed dividends will be determined: (i) applying the income rate corresponding to the year in which they are declared (35%) and (ii) the rate corresponding to the untaxed dividend will be applied to the remainder, depending on the beneficiary (if he or she is a resident natural person or illiquid succession of deceased

resident, the table from article 241 of the Tax Code will apply).

- Dividends declared charged to profits from 2016 and prior years will retain the current treatment at that time; and those corresponding to profits for the years 2017, 2018 and 2019 that are declared as of 2020, will be governed by the rates provided in Act 2010.

9.1. Income Tax Recognized in Profit or Loss

	Current Tax	
	2023	2022
With respect to the current year	(33,404)	(41,038)
With respect to the previous year	(2,722)	(48,113)
Current tax	**(36,126)**	**(89,151)**
Origin and reversal of temporary differences	(26,540)	(56,504)
Deferred tax	(26,540)	(56,504)
Total tax expense related to continuous operations	**(62,666)**	**(145,655)**

In both years, the liquid income tax was settled, using the tax discounts up to the maximum limit established by Act, and occasional income tax is generated.

The variation in the expense for deferred tax was mainly caused using excess presumptive income and tax discounts for the year 2023, such as those derived from the income statements adjustments for 2021, 2022 and 2023.

Reconciliation of the Effective Rate:

	2023		2022	
	Value	%	Value	%
Profit before taxes	**382,642**		**287.884**	
Notional tax	**(133,924)**	**(35%)**	**(100,759)**	**(35%)**
Equity method	315,491	82.5%	122,598	42.6%
Dividends, net	(218,257)	(57.0%)	(171,399)	(59.5%)
ECE Regime	(26,651)	(7.0%)	(22,493)	(7.8%)
Indirect tax discounts	8,833	2.3%	36,943	12.7%
Non-deductible expenses	(13,239)	(3.5%)	(9,889)	(3.4%)
Non-deductible donations	(2,792)	(0.7%)	(367)	(0.1%)
Taxes from previous years	(10,295)	(2.7%)	-	0.0%
Other tax effects	18,168	4.7%	(289)	(0.1%)
Total current and deferred income tax	**(62,666)**	**(16.4%)**	**(145,655)**	**(50.6%)**

The effective tax rate of the Company is 16.4% for 2023 (2022 50.6%), it is 0.9 percentage points below the theoretical tax rate, generated mainly by the impact of the passive income of the ECE Regime, the net effect between the equity method, and the taxed dividends, and in addition to adjustments to the deferred tax from previous years.

The tax calculation made by the presumptive income system is as follows:

	2023	2022
Net income taxable	100,500	132,395
Income Rate	35%	35%
Current income rate	(35,175)	(46,338)
Occasional profit	(638)	(319)
Applied discounts	8,833	11,392
Income from previous years	(2,722)	(48,113)
Foreign expenses not originating in Colombia	(6,424)	(5,773)
Deferred tax	(26,540)	(56,504)
Total tax expense related to continuing operations	**(62,666)**	**(145,655)**

9.2. Income Tax directly recognized in Equity

	Deferred tax	
	2023	2022
Generated by income and expenses recognized in other comprehensive income:		
Difference in foreign investment instead	3,792	(3,014)
New measurements of defined benefit plans	20,363	(9,079)
Cash flow hedges	14,073	3,710
Changes in laws and tax rates	-	(13,743)
Total income tax recognized in comprehensive income	**38,227**	**(22,126)**

The company decides to adhere Decree 2617 of 2022, which establishes an accounting alternative to mitigate the effects of the rate change generated by occasional earnings, which allows this variation to be recognized within equity in the accumulated results of previous years.

9.3. Current Tax Assets and Liabilities and Deferred Tax Balances

	Current Tax	
	2023	2022
Income tax	118,773	53,359
Net current tax asset	**118,773**	**53,359**

	Current Tax	
	2023	2022
income tax payable	-	50
Net current tax liability	**-**	**50**

9.4. Tax Deferred Behavior

The following is an analysis of the liability presented in the statement of financial position for December 2022 and comparative periods:

2023	Opening balance	Recognized in results	Recognized in other comprehensive income	Closing balance
Other current assets	334	28	-	362
Associates and joint ventures	(12,293)	(1,089)	3,792	(9,590)
Property, Plant and Equipment	(238,814)	(16,044)	-	(254,858)
Intangible assets	(33,059)	18,913	-	(14,146)
Other non-current assets	(1,694)	230	-	(1,464)
Provisions	16,245	8,425	-	24,670
Employee benefits	(10,326)	(11,565)	20,363	(1,528)
Financial Liabilities	(1,400)	686	-	(714)
Convertible instruments	20,238	6,753	14,073	41,064
Finance leases	1,244	1,036	-	2,280
Unused tax credits	216,023	4,588	-	220,611
Unused tax losses	124,335	(855)	-	123,480
Unused presumptive income excesses	43,143	(37,647)	-	5,496
Total Deferred Tax Assets	**123,976**	**(26,541)**	**38,228**	**135,663**

2022	Opening balance	Recognized in results	Recognized in other comprehensive income	Rate change tax reform	Closing balance
Other current assets	2,716	(2,681)	-	-	35
Associates and joint ventures	-	3,014	(3,014)	-	-
Other equity investments	(9,249)	(3,045)	-	-	(12,294)
Property, Plant and Equipment	(224,965)	(107)	-	(13.743)	(238,815)
Intangible assets	(30,701)	(2,359)	-		(33,060)
Other non-current assets	(1,131)	(263)	-		(1,394)
Provisions	20,798	(4,552)	-		16,246
Employee benefits	1,659	(2,906)	(9,079)		(10,326)
Financial Liabilities	18,219	36,757	-		54,976
Convertible instruments	(4,824)	(35,024)	3,710		(36,138)
Finance leases	1,657	(412)	-		1,245
Unused tax credits	193,179	22,844	-		216,023
Unused tax losses	153,042	(28,707)	-		124,335
Unused presumptive income excesses	82,205	(39,062)	-		43,143
Total net deferred tax assets	**202,605**	**(56,503)**	**(8,383)**	**(13,743)**	**123,976**

The Company recognizes deferred tax assets which will be offset by the reversal of the current taxable temporary differences; however, if the deferred tax asset depends on future earnings, due to the reversal periodicity of taxable differences, the Company supports the deferred tax asset in the projection of future taxable income generation. When, in the development of the analyses, it is determined that there is a high probability of rejection of the tax asset by tax authorities or that it will not be possible to use the deferred tax asset before its expiration, said asset is not recognized. Both situations affect the income tax expense in the period in which it is determined.

In compliance with IAS 12, the Company did not record deferred tax liabilities related to temporary differences of investments in subsidiaries, mainly for concepts corresponding to undistributed profits and tax readjustments on investments. This is due to the fact that: i) The Company has control of the subsidiaries and, consequently, it can decide on the reversal of such temporary differences; and ii) the Company does not plan to carry it out in the medium term; therefore, it is probable that such temporary differences will not be reversed in the foreseeable future.

	2023	2022
Investments in subsidiaries	4,216,237	5,087,932
Investments in associates and joint ventures	(3,819)	(2,048)

9.5. Unrecognized Deductible Temporary Differences, Unused Tax Losses And Unused Tax Credits

At the end of 2023, the Company does not have tax credits without recognition of deferred tax assets.

9.6. Impact on Income Tax For The Potential Dividend's Payment To Its Shareholders

The Company does not show potential consequences for the income statement in the event of dividends payment to its shareholders.

The Company does not present proposed or declared dividends before the financial statements have been authorized for issuance, on which an impact on income tax could be anticipated.

9.7. Impact on Income Tax For The Potential Dividend's Payment To Its Shareholders

No additional taxes are foreseen due to possible visits by tax authorities or due to the existence of uncertainties related to tax positions applied by the Company.

NOTE 10: INVENTORIES

	2023	2022
Materials, spare parts, and accessories	87,947	88,253
Product on process	62,921	64,728
Raw materials and direct materials	43,600	70,533
Finished product	25,845	26,114
Inventory in transit	6,182	11,570
Inventory to develop	5,403	679
Others	3,462	5,334
Inventory of goods not manufactured by the company	626	434
Advances for inventory acquisition	-	167
Inventories	**235,986**	**267,812**

Cementos Argos S.A. measures its inventory at the lower between the cost and the net realizable value.

The cost of inventories recognized as cost of merchandise sold during the period, regarding operations in the separate statement of comprehensive income, corresponds to $1,445,132 (2022 $1,422,749), of which $62,808 correspond to unabsorbed costs (2022 $31,754), and distribution costs $262,997 (2022 $287,763).

During the year and comparatives, there was no reversal of inventory value. The decrease value in inventories at net realizable value corresponds to $3,273 (2022 $150). Cementos Argos S.A. expects to carry out its inventories in less than 12 months.

As of December 31, 2023, and December 31, 2022, Cementos Argos S.A. does not maintain committed inventories as collateral for liabilities.

NOTE 11: OTHER NON-FINANCIAL ASSETS AND LIABILITIES

11.1. Other Non-Financial Assets

	2023	2022
Prepaid expenses	26,923	27,410
Assets for VAT, ICA and other taxes	17,017	15,650
Other non-financial assets	**43,940**	**43,060**
Current	37,585	36,819
Non-current	6,355	6,241
Other non-financial assets	**43,940**	**43,060**

11.2. Other Non-Financial Liabilities

	2023	2022
Advances received	58,866	62,016
VAT, ICA and other tax liability	76,075	60,997
Deferred Income	1,016	1,291
Other non-financial liabilities	**135,957**	**124,304**
Current	135,957	124,304
Other non-financial liabilities	**135,957**	**124,304**

NOTE 12: BIOLOGICAL ASSETS

	2023	2022
Opening balance	19,470	19,953
Changes in fair value less costs to sell	(1,722)	772
Biological assets selling	(1,584)	(1,255)
Biological assets	**16,164**	**19,470**

Cementos Argos S.A. carries out agricultural activities through forestry projects. The Company biological assets are measured at fair value less the estimated costs of sale at the harvest or collection point, considering significant observable Level 3 input data. Changes in biological assets fair value are presented in the statement of comprehensive income, such as income or valuation expense as appropriate.

For the plantation's valuation, the discounted cash flow model was used, considering that the future economic benefits associated with the forest cover are expected to be carried out 3 or 4 times over time, as follows: at the moment when the 2 or 3 thinning are carried out, which depend on the age and diameter of the plantation, and at a last moment when the clear felling is carried out.

Accordingly, fair value is determined by applying a discount rate to future net cash flows, for which purpose Weighted Average Cost of Capital (WACC) was used, which was estimated at 12.4% for 2023 (2022 10%).

The sale price, volume, determined based on forestry experience and studies, and the estimation of costs and expenses are significant unobservable input data for the measurement.

Losses were recognized as a valuation result, which amounts to $1,722 (2022 $772 income). For the valuation, market prices were taken as the basis, which remain constant, and the costs increase with the CPI throughout the projection.

During 2023, a total of 213.43 Ha Eucalyptus plantations were sold for a value of $3,109, leaving a profit of $1,525. During 2022, a total of 53.54 Ha of the Eucalyptus plantations were sold for a value of $1,753, leaving a profit of $498.

Cementos Argos S.A. biological assets are composed of plantations, as follows:

	2023	2022
Plantations (Hectares planted = Ha)	962	1,103

As of December 31, 2022, and comparative, the plantations mainly include teak, eucalyptus, pine, rubber, acacia and melina, distributed throughout the national territory in Boyacá, Riosucio (Caldas), Montebello (Antioquia), Rioclaro (Antioquia), Cartagena (Bolivar), Victoria (Caldas), Puerto Nare (Antioquia).

At the end of the reporting and comparative period, there are no restrictions on the biological assets' ownership of Cementos Argos S.A., nor contractual commitments for their development or acquisition and they have not been pledged as collateral for debts fulfillment.

NOTE 13: INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

13.1. Investments in Associates and Joint Ventures

The summarized financial information regarding each of the Cementos Argos S.A. associates are presented below. This information represents amounts presented in the associates' financial statements prepared in accordance with IFRS:

	SUMMA –Servicios Corporativos Integrales S.A.S.		Soluciones de Crédito S.A.S.		Saint-Gobain Colombia S.A.S.	
	2023	2022	2023	2022	2023	2022
Current assets	62,282	52,498	615	1,458	4,264	11,866
Non-current assets	7,561	10,490	5	7	7,548	2,497
Current liabilities	60,223	51,657	10	34	2,223	2,165
Non-current liabilities	3,748	5,555	-	611	-	-
Ordinary income	27,028	14,618	660	787	11,250	3,170
Net income	96	23	(209)	(1,953)	(2,609)	(2,023)
Total comprehensive income	96	23	(209)	(1,953)	(2,609)	(2,023)

The reconciliation of the summarized financial information with the associates and joint ventures book value in the separate financial statements is:

	SUMMA –Servicios Corporativos Integrales S.A.S. (1)		Soluciones de Crédito S.A.S.		Saint-Gobain Colombia S.A.S. (2)		Total investee	
	2023	2022	2023	2022	2023	2022	2023	2022
Net investee assets	1,468	5,776	299	820	5,090	12,197	6,857	18,793
Participation in the investee	25%	25%	49%	49%	40%	40%	25%-49%-40%	25%-49%-40%
Investee Book value							**6,857**	**7,979**

(1) On June 28, 2022, Cementos Argos S.A. capitalized the company Summa – Servicios Corporativos Integrales S.A.S for $1,490. This contribution did not imply changes in the associate's participation.

(2) In February 2022, the Company began a new investment for $6,942 with Saint Gobain Colombia S.A.S. for the manufacture and Commercialization of mortars in which we have a 40% stake.

All associates and joint ventures are accounted for using the equity participation method in the separate financial statements. None of the investments in associates and joint ventures maintained by Cementos Argos S.A. is listed in a national or foreign stock market; therefore, there is no quoted market price for the investment.

For the reported periods, investments in associates and joint ventures do not have unrecognized losses of the current or prior period, nor did they declare dividends.

13.2. Significant Restrictions

As of December 31, 2023, and comparable periods, there are no significant restrictions on the ability of associates or joint ventures to transfer funds to Cementos Argos S.A., in the form of cash dividends, or for the loans repayment or advances made by the Company. The Company does not hold contingent liabilities related to their investments in associates and joint ventures.

NOTE 14: SUBSIDIARIES

14.1. General Information on Investments in Subsidiaries

ARGOS PANAMÁ S.A.
A stock corporation incorporated in accordance with the laws of the Republic of Panama on June 25, 1943. Its main purpose is the manufacture, sale, import and export of cement and its derivatives, as well as the importation of all types of raw material, machinery, equipment, spare parts for cement manufacture and sale. The main domicile of the company is located in Panama City, Republic of Panama, and the term is indefinite. This Company consolidates with Concreto S.A., and Terminal Granelera Bahía Las Minas S.A.

ARGOS SEM, LLC.
Incorporated on March 21, 2014, in the city of Panama, (and re-domiciled in December 2018 in Delaware, United States, at which time the name Argos SEM SA was also transformed into Argos SEM, LLC), its purpose is establish and operate as the Multinational Company Headquarters to provide any and all management and/or administration services for operations in a specific or global geographic area of a company of the business group, dedicate itself internationally to the manufacture and marketing of goods of all kinds, as well as the commercialization of services of all kinds, as allowed by the law of the respective state or jurisdiction. In May 2018, it absorbed the International Cement Company S.A., an entity incorporated in Panama on November 24, 1997, with the purpose of acquiring, owning, administering, taxing, leasing, and disposing in any way all kinds of goods, whether on their own or third parties.

BMR LTD.
Incorporated under the laws of Bermuda on April 19, 2022, with business address at Crawford House, 50 Cedar avenue, Hamilton, Pembroke, HM 11, Bermuda. Its corporate purpose is reinsurance for the management of the company's risks. Its term of duration is indefinite.

CEMENTOS DE CALDAS S.A.
Incorporated in accordance with the Colombian laws on July 17, 2007, with business place in Villamaría, Caldas department. Its corporate purpose is the exploitation of the cement industry and the production of concrete mixtures and their derivatives. Its term of duration extends until July 22, 2054.

C.I. DEL MAR CARIBE (BVI) INC.
Incorporated in accordance with the laws of the British Virgin Islands on June 2, 2004, with business place in Tortola. Its corporate purpose is cement, clinker, and lime commercialization. Its term is indefinite.

COLCARIBE HOLDINGS, S.A.
Incorporated in accordance with the Panamanian laws on June 25, 1996, with business place in Panama City. Its corporate purpose is to negotiate or dispose of securities, bonds, participations in other Companies and rights of any kind, either on its own or third parties, as well as open, operate, close accounts and deposits in financial institutions, lend or accept money in loans and give guarantees in favor of third parties in any currency of the world. Its term is indefinite.

CONCRETOS ARGOS S.A.S.
Simplified joint stock company incorporated in accordance with the Colombian laws on April 22, 1985. Its main purpose is the exploration, exploitation, transport, benefit, integral use, commercialization, and sale of stony minerals such as: sand, cement, gravels, pre-mixed concrete and precast concrete elements, concrete blocks and any materials and own elements, accessories and complementarians used in the construction industry. Its main place in is in Bogotá, and the term of duration is until September 8, 2093.

CORPORACIONES E INVERSIONES DEL MAR CARIBE S.A.S.
Incorporated in accordance with the Colombian laws on December 14, 1982, with business place in Medellín, and the term of duration is indefinite. The Company's corporate purpose is to carry out any lawful economic activity, both in Colombia and abroad. Currently, it is dedicated to investment in shares or interest rates. This Company consolidates with Argos USVI Corp., Argos (Dominica) Ltd., Argos Saint Maarten N.V. and Cementos Argos Company Limited.

HAITÍ CEMENT HOLDING, S.A.
Incorporated and domiciled in Panama City, Republic of Panama on October 7, 1997. Its main activity is to acquire, buy, invest in securities, bonds, shares, participations in other Companies, as well as any lawful business allowed by the Republic of Panama laws. The duration of the company is indefinite. This company consolidates with Cimenterie Nationale S.E.M. (CINA).

LOGÍSTICA DE TRANSPORTE S.A.
Incorporated in accordance with the Colombian laws on April 16, 1996, with business place in Medellín. Its corporate purpose is the transport of people and all types of cargo inside or outside the country, in any of its modalities, land, air, river and sea, whether in vehicles, ships or aircraft owned or owned by third parties that are affiliated with it. The term of the company expires on April 16, 2026.

TRANSATLANTIC CEMENT CARRIERS, INC.
Incorporated in accordance with the Panamanian laws on July 26, 1974, with business place in Panama City and the term of duration is indefinite. Its corporate purpose is maritime transport, especially cement, clinker, and the sale of these same products. In June 2018, through merger, it absorbed Compañía Marítima de Graneles S.A., which had been established in accordance with Panamanian laws on December 29, 1978, and which was dedicated to maritime transport, especially cement and clinker and the purchase and sale of these same products, ships chartering and especially the provisioning of them.

VALLE CEMENT INVESTMENTS INC.
Incorporated in accordance with the laws of the British Virgin Islands on November 18, 1998, with business place in the British Virgin Islands (new business place in Panamá from March 2021, and renamed from Valle Cement Investments Limited to Valle Cement Investments INC), and its corporate purpose is to make investments of any kind. The term of duration is indefinite.

ZONA FRANCA ARGOS S.A.S.
Incorporated in accordance with the Colombian laws on July 5, 2007, with business place in the city of Cartagena and its term of duration is indefinite. Its corporate purpose is the exploitation of the cement industry, the production of concrete

mixtures and any other materials or articles based on cement, lime or clay, the acquisition and disposal of minerals or ore deposits that can be used in the cement industry and its similar, rights to explore and exploit minerals indicated, either by concession, privilege, lease or any other title, direct, manage, supervise, promote and develop a free zone, carry out all activities that in its condition of a single user of a special free zone are convenient, relevant or necessary, carry out the following activities as a port operator: loading and unloading, storage in ports, import and export of goods and services, general cargo handling, containerized cargo handling. It was declared in 2007 as a permanent special duty free zone.

14.2. Information on Direct Participation in Investments in Subsidiaries

			Shareholding interest		Carrying amount	
Subsidiary name	Main activity	Place of incorporation and operations	2023	2022	2023	2022
Argos SEM, LLC	Investments	United States	100.00%	100.00%	6,267,123	7,339,219
Zona Franca Argos S.A.S.	Cement industry	Colombia	100.00%	100.00%	1,540,397	1,501,099
Valle Cement Investments INC	Investments	Virgin Islands	100,00%	91.81%	424,221	889,831
Colcaribe Holding S.A.	Investments	Panama	100.00%	100.00%	72,322	368,734
Argos Panamá S.A.	Cement and concrete industry	Panama	83.35%	83.35%	810,652	845,076
Concretos Argos S.A.S.	Stony minerals extraction	Colombia	93.13%	93.13%	174,309	175,800
C.I. del Mar Caribe BVI	Marketing	Virgin Islands	93.88%	93.88%	24,241	21,710
Corporaciones e Inversiones del Mar Caribe S.A.S.	Investments	Colombia	100.00%	100.00%	201,810	207,473
Transatlantic Cement Carriers, INC	Marine transport	Panama	100.00%	100.00%	143,901	138,750
Logística de Transporte S.A.	Transportation	Colombia	100.00%	100.00%	28,426	30,323
Haiti Cement Holding S.A.	Investments	Panama	50.00%	50.00%	4,082	5,863
Cementos de Caldas S.A.	Cement production	Colombia	40.07%	40.07%	3,834	3,831
BMR Ltd [1]	Insurance	Bermudas	100.00%	100.00%	1,911	1,490
					9,697,229	**11,529,199**

[1] For the year 2022, the investment of Corporations was capitalized in the amount of $35,854 and the investment of BMR in the amount of $1,146 was acquired.

14.3. Information on Indirect Participation in Subsidiaries Investments

			Shareholding interest	
Subsidiary name	Main activity	Place of incorporation and operations	2023	2022
American Cement Terminals Trust (BVI)	Investments	British Virgin Islands	100.00%	100.00%
Argos (Dominica) Ltd.	Cement distribution	Dominica	100.00%	100.00%
Argos Dominicana S.A., y subsidiarias	Clinker and cement exploitation; commercialization	Dominican Republic	80.00%	79.18%
BMR Ltda	Reinsurance	Bermuda	100.00%	100.00%
Argos Guatemala	Cement import and marketing	Guatemala	100.00%	100.00%
Argos Guyane S.A.S.	Cement exploitation and marketing	French Guiana	100.00%	100.00%
Argos Honduras S.A. de C.V., y subsidiarias	Cement and derivatives exploitation and marketing	Honduras	53.29%	53.29%
Argos North América Corp.	Investments	United States	100.00%	99.08%
Argos Panamá, S.A., y subsidiarias	Cement and concrete industry and marketing	Panama	83.35%	83.35%
Concreto S.A.	Ready-mix concrete factory	Panama	83.35%	83.35%
Terminal Granelera Bahía Las Minas S.A.	Sea ports operation	Panama	83.35%	83.35%
Argos Puerto Rico Corp.	Cement distribution and sale	Puerto Rico	60.00%	60.00%
Argos SEM, LLC	Investments	United States	100.00%	100.00%
Argos St. Maarten N.V.	Cement distribution	St. Maarten	100.00%	100.00%
Argos Trading Puerto Rico LLC	Exporting cement and related products from Puerto Rico	Puerto Rico	60.00%	60.00%
Argos USA LLC.	Cement and concrete industry	United States	100.00%	99.08%
Argos USVI Corp.	Cement distribution	United States Virgin Islands	100.00%	100.00%
Cement and Mining Engineering Inc.	Investments	Panama	100.00%	100.00%

Subsidiary name	Main activity	Place of incorporation and operations	Shareholding interest 2023	Shareholding interest 2022
Cementos Argos Company Limited	Cement distribution	Antigua	100.00%	100.00%
Cementos de Caldas S.A.	Cement production	Colombia	99.64%	99.64%
CI del Mar Caribe (BVI) Inc.	Marketing	British Virgin Islands	100.00%	99.97%
Cimenterie Nationale S.E.M. (CINA)	Cement industry and marketing	Haiti	65.00%	65.00%
Colcaribe Holdings S.A.	Investments	Panama	100.00%	100.00%
Concretos Argos S.A.	Stony minerals extraction	Colombia	100.00%	99.46%
Corporaciones e Inversiones del Mar Caribe S.A.S.	Investments	Colombia	100.00%	100.00%
Framing Colombia S.A.S. BIC	Investments	Colombia	70.00%	0.00%
Haiti Cement Holding S.A.	Investments	Panama	100.00%	100,00%
Inmueble Miraflores S.A.	Property management	Panama	100.00%	100,00%
Logística de Transporte S.A.	Transportation	Colombia	100.00%	100,00%
Soluciones Modulares Argos S.A.S.	Precast concrete	Colombia	100.00%	99.46%
Southern Star Leasing, LLC	Concrete industry	United States	100.00%	99.08%
Surcol Houdstermaatschapij N.V.	Investments	Surinam	50.00%	50.00%
Transatlantic Cement Carriers Inc.	Marine transport	Panama	100.00%	100.00%
Valle Cement Investments Inc.	Investments	British Virgin Islands	100.00%	91.81%
Venezuela Ports Company S.A.	Investments	Panama	100.00%	100.00%
Vensur N.V.	Cement production and marketing	Surinam	42.10%	42.10%
Zona Franca Argos S.A.S.	Cement industry	Colombia	100.00%	100.00%

	Colombia		Caribbean and Central America		United States	
Subsidiary	2023	2022	2023	2022	2023	2022
Number of wholly owned subsidiaries	5	3	16	14	3	1
Number of partially owned subsidiaries	2	3	10	12	1	3

In 2023 y 2022, the following movements were recorded in subsidiary companies and business acquisitions:

- On April 22, 2022, the company acquired 120,000 shares at USD$1 per share. The Board of Directors of the company BMR Ltda, approved additional contributions from Cementos Argos S.A. for USD $180,000.
- On September 27, 2022, the company Corporaciones e Inversiones del Mar Caribe S.A.S. offers 593,822 ordinary shares through the regulations for the shares issuance and placement, for a total value of $35,854.
- On March 10, 2023, Cementos Argos, through its subsidiary Corporaciones e Inversiones del Mar Caribe, acquires 50% of the stake in Framing Colombia S.A.S. Then, on May 19, it acquires an additional 20%, resulting in a total acquisition of 70%. The corporate purpose of the acquired company is the study, planning, contracting, design and construction of homes, warehouses and other types of works through the implementation of alternative, light, resistant and environmentally friendly construction systems. Through this purchase, 10,500 shares are acquired, resulting in a total purchase price of $1,117, of which, $950 correspond to the purchase price and $167 correspond to a contingent payment. The agreed purchase value of $950 was paid in cash on the transaction date. The acquired subsidiary constitutes a business in accordance with the requirements of IFRS 3, for which goodwill was recognized in the amount of $296.
- On November 16, 2023, the repurchase of Valle Cement Investments INC. shares, Cementos Argos subsidiary is formalized at its minority shareholder Grupo Argos S.A., equivalent to 8.19% of the stake in the entity. Through this contract, Valle Cement Investments repurchases 712,836 shares for USD $30,144,771 (COP $121,789); this amount will be paid during the first quarter of 2024. With this transaction, Cementos Argos' percentage of participation in this company is modified to 100%. Likewise, the shareholding held through Valle Cement in other subsidiaries of the Group in the United States, Colombia, and the Caribbean is modified
- Mainly, the decrease in the investments balance is due to the valuation under the equity method model.

14.4. Summarized financial information of subsidiaries

The summarized financial information regarding each of the subsidiaries to which Cementos Argos S.A. applies the equity accounting method is presented below. The financial information summarized below represents amounts before eliminations between group companies, and includes business combination adjustments, when applicable:

2023	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Ordinary income	Net income	Other comprehensive income	Total comprehensive income
Argos SEM, LLC.	46,054	7,505,039	57,211	-	-	128,874	1,369,511	1,498,385
Valle Cement Investments Limited	1,651,978	700,485	428,471	954,825	-	22,705	174,550	197,255
Argos Panamá, S.A. and subsidiaries	222,801	715,732	263,016	8,493	415,870	15,132	112,747	127,879
Colcaribe Holdings S.A.	429,093	66,727	129,944	-	-	(19,794)	69,269	49,475
Zona Franca Argos S.A.S.	411,635	1,250,395	107,525	53,406	836,465	124,444	-	124,444
CI del Mar Caribe (BVI) Inc.	281,039	-	257,914	-	1,320,024	20,402	17,742	38,144
Corporaciones e Inversiones del Mar Caribe S.A.S.	39,828	208,828	40,747	575	-	33,069	(213)	32,856
Transatlantic Cement Carriers Inc.	112,158	97,288	23,107	47,588	428,478	28,989	22,034	51,023
Concretos Argos S.A.S	187,121	484,113	329,709	152,585	948,299	(8,590)	-	(8,590)
Haiti Cement Holding S.A.	4,544	7,183	-	-	-	(11,437)	8,452	(2,985)
Logística de Transporte S.A.	35,510	845	5,976	56	14,219	4,176	-	4,176
BMR Ltda	8,529	-	7,016	-	4,293	189	155	344
Cementos de Caldas S.A.	6,904	3,356	140	558	49	(18)	-	(18)

2022	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Ordinary income	Net income	Other comprehensive income	Total comprehensive income
Argos SEM, LLC.	46,054	7,505,039	57,211	-	-	128,874	1,369,511	1,498,385
Valle Cement Investments Limited	1,651,978	700,485	428,471	954,825	-	22,705	174,550	197,255
Argos Panamá, S.A. y subsidiarias	222,801	715,732	263,016	8,493	415,870	15,132	112,747	127,879
Colcaribe Holdings S.A.	429,093	66,727	129,944	-	-	(19,794)	69,269	49,475
Zona Franca Argos S.A.S.	411,635	1,250,395	107,525	53,406	836,465	124,444	-	124,444
CI del Mar Caribe (BVI) Inc.	281,039	-	257,914	-	1,320,024	20,402	17,742	38,144
Corporaciones e Inversiones del Mar Caribe S.A.S.	39,828	208,828	40,747	575	-	33,069	(213)	32,856
Transatlantic Cement Carriers Inc.	112,158	97,288	23,107	47,588	428,478	28,989	22,034	51,023
Concretos Argos S.A.S	187,121	484,113	329,709	152,585	948,299	(8,590)	-	(8,590)
Haiti Cement Holding S.A.	4,544	7,183	-	-	-	(11,437)	8,452	(2,985)
Logística de Transporte S.A.	35,510	845	5,976	56	14,219	4,176	-	4,176
BMR Ltda	8,529	-	7,016	-	4,293	189	155	344

14.5. Significant Restrictions

Cementos Argos S.A. does not have subsidiaries with significant restrictions to transfer and/or receive assets from other Group Companies, nor are there protective rights to non-controlling interests that can significantly restrict the company's ability to access or use the assets and settle the liabilities from the subsidiaries; there are also no guarantees or other requirements that may restrict dividends and other distributions of capital to be paid within the Group.

As of December 31, 2023, and comparable years, Cementos Argos S.A., has not provided financial support without any contractual obligation to conduct it towards any investee, nor has it helped to obtain financial support.

14.6. Analysis of Impairment Signs

At the end of each period, the impairment signs associated with each investment are reviewed, based on available external and internal information. In the case of investments that presented at least one impairment sign, an impairment test was carried out.

Cementos Argos S.A. reviews the book value of impairment investments each time events or circumstances indicate that the carrying amount may not be recoverable. If the total discounted future cash flows are less than the book value, the investment book value is not recoverable, and an impairment loss is recognized in the statement of separate income.

At the end of the reporting period and comparable ones, no investment in subsidiaries presented impairment indicators, nor were losses due to impairment recognized.

NOTE 15: OTHER INTANGIBLE ASSETS, NET

15.1. Conciliation of Cost, Accumulated Depreciation, and Intangible Assets Impairment

2023	Opening balance	Additions	Amortization	Intangibles Sale	Recognized Impairment	Other changes	Closing balance
Intangible assets with indefinite useful life	115,389	-	-	-	-	-	115,389
Acquired brands	-	16	-	-	-	(16)	-
Mines	252,757	-	-	(1,352)	-	800	252,205
Patents, licenses, and software	197,978	-	-	-	-	-	197,978
Intangible asset projects	1	859	-	-	-	(385)	475
Intangible assets in progress	26,406	-	-	-		-	26,406
Total historical cost	**592,531**	**875**	**-**	**(1,352)**	**-**	**415**	**592,453**
Mines	(209,752)	-	(19,314)	436	-	-	(228,630)
Acquired brands	-	-	-	-	(16)	16	-
Patents, licenses, and software	(189,837)	-	(3,672)	-	-	-	(193,509)
Total depreciation and impairment	**(399,589)**	**-**	**(22,986)**	**436**	**(16)**	**16**	**(422,139)**
Intangible assets, net	**192,942**						**170,314**

2022	Opening balance	Additions	Amortization	Intangibles Sale	Recognized Impairment	Other changes	Closing balance
Intangible assets with indefinite useful life	115,389	-	-	-	-	-	115,389
Mines	255,546	626	-	-	-	-3,415	252,757
Patents, licenses, and software	193,567	3,256	-	-	-	1,155	197,978
Intangible asset projects	52	1	-	-	-	-52	1
Intangible assets in progress	26,406	-	-	-	-	-	26,406
Total historical cost	**590,960**	**3,883**	**-**	**-**	**-**	**-2,312**	**592,531**
Mines	-194,973	-	-19,119	-	-	4,340	-209,752
Patents, licenses, and software	-184,310	-	-5,527	-	-	-	-189,837
Total depreciation and impairment	**-379,283**	**-**	**-24,646**	**-**	**-**	**4,340**	**-399,589**
Intangible assets, net	**211,677**						**192,942**

As of December 31, 2023 and 2022, intangible assets in progress do not include current borrowing costs capitalization. The useful lives of other intangible assets are:

	Useful life ranges in years	Depreciation method
Argos brand	Undefined	
Rights	Finite: 1-28 years	Linear
Concessions, franchises, and licenses	Finite: 2-40 years	Linear
Licenses, patents, and software	Finite: 1-12 years	Linear

The amortization of intangibles is recognized under the straight-line method as an expense in the statement of comprehensive income, in the sales cost line, administrative expenses and selling expenses, and impairment losses are recognized as expenses in the statement of comprehensive income in the asset's impairment line.

As of December 31, there are no restrictions on the intangible asset's realization, Cementos Argos S.A. has no contractual obligations to acquire or develop intangible assets.

Disbursements for research and development projects were recognized as expenses in the statement of comprehensive income during the period amounted to $10,625 (2022 $8,369). As of December 31, there are no restrictions on the intangible asset's realization, Cementos Argos S.A. has no contractual obligations to acquire or develop intangible assets.

The book value as of December 31, 2023 and 2022, and the remaining amortization time for significant assets is:

	Remaining amortization period	2023	2022
Intangible asset with indefinite useful life	Undefined useful life	115,389	115,389

The administration determined that the Argos brand, acquired from Grupo Argos S.A. in December 2005 for $115,389 is an intangible asset with an indefinite useful life, since it is not possible to estimate a foreseeable time limit over which it is expected to generate future economic benefits for the Company.

The Argos brand does not present an event or circumstance that constitutes an impairment indicator. However, because it is an intangible asset with an indefinite useful life, an impairment test was carried out to verify its value, allowing to conclude that by 2022, the brand does not present value decreases for impairment. The recoverable amount was determined using the value in use; the cash flows projection was carried out at a consolidated level for a period of 10 years, considering the expected business conditions for each Regional.

The discount rate applied to cash flow projections was a pre-tax WACC of 13.14%. It was calculated using the CAPM methodology, including risk-free rate, average country risk considering the geographies where Argos has a presence, stock market premium, beta sector, implicit devaluations, average tax rate, D/E ratio, debt cost from Cementos Argos S.A., and perpetual growth rate: 2.5%.

On December 18, 2023, the transfer contract was signed between Cementos Argos and Grupo Argos of the Argos CI 35 and 19 brand in Venezuela, with the purpose of Cementos Argos being the owner of said brands, the value of the transfer was from $13, plus VAT. In the same month, Cementos Argos recognized an impairment of $16, since in Venezuela there is no expectation of income from the use of this brand.

NOTE 16: PROPERTY, PLANT AND EQUIPMENT

16.1. Conciliation of Cost, Accumulated Depreciation and Property, Plant and Equipment Impairment

2023	Opening balance	Additions and depreciation	Sales and withdrawals	Other changes	Closing balance
Land	379,407	-	(1,995)	952	378,364
Assets in progress, assembly and transit	662,468	125,782	-	(121,475)	666,775
Buildings and constructions	312,189	728	(4,993)	4,158	312,082
Machinery and production equipment	1,953,283	615	(11,313)	106,523	2,049,108
Office, computer and communication equipment	60,212	1,839	(3,209)	4,574	63,416
Mines, quarries and mineral deposits	126,004	(1)	-	19,945	145,948
Overland transport equipment	21,645	-	-	2,988	24,633
River transport fleet	2,151	-	-	-	2,151
Aqueduct, networks and communication routes	56,920	10	(174)	3,268	60,024
Other assets	21,866	-	-	-	21,866
Advances given to third parties	3,177	2,625	-	-	5,802
Total historical cost	**3,599,322**	**131,598**	**(21,684)**	**20,933**	**3,730,169**
Buildings and constructions	(126,737)	(10,303)	4,993	-	(132,047)
Machinery and production equipment	(905,921)	(102,151)	10,659	(407)	(997,820)
Office, computer and communication equipment	(48,312)	(3,934)	3,209	(194)	(49,231)
Mines, quarries and mineral deposits	(89,480)	(4,326)	-	(12,979)	(106,785)
Overland transport equipment	(14,471)	(1,806)	-	-	(16,277)
River transport fleet	(902)	(114)	-	-	(1,016)
Aqueduct, networks and communication routes	(29,139)	(2,736)	88	-	(31,787)
Other assets	(4,592)	(736)	-	-	(5,328)
Total depreciation and impairment	**(1,219,554)**	**(126,106)**	**18,949**	**(13,580)**	**(1,340,291)**
Net property, plant and equipment	**2,379,768**				**2,389,878**

2022	Opening balance	Additions and depreciation	Sales and withdrawals	Other changes	Closing balance
Land	379,102	859	(566)	12	379,407
Assets in progress, assembly and transit	576,168	142,143	-	(55,843)	662,468
Buildings and constructions	306,546	1,082	(377)	4,938	312,189
Machinery and production equipment	1,906,036	6,621	(1,612)	42,238	1,953,283
Office, computer and communication equipment	56,161	1,617	(743)	3,177	60,212
Mines, quarries and mineral deposits	132,902	-	(2,296)	(4,602)	126,004
Overland transport equipment	21,097	197	(1,267)	1,618	21,645
River transport fleet	2,081	-	-	70	2,151
Aqueduct, networks and communication routes	55,134	523	(82)	1,345	56,920
Other assets	21,866	-	-	-	21,866
Advances given to third parties	1,542	1,633	-	2	3,177
Total historical cost	**3,458,635**	**154,675**	**(6,943)**	**(7,045)**	**3,599,322**
Buildings and constructions	(119,749)	(12,082)	248	254	(131,329)
Machinery and production equipment	(814,630)	(92,601)	1,546	(236)	(905,921)
Office, computer and communication equipment	(44,965)	(4,079)	741	(9)	(48,312)
Mines, quarries and mineral deposits	(93,274)	(4,235)	2,148	5,881	(89,480)
Overland transport equipment	(13,494)	(2,209)	1,232	-	(14,471)
River transport fleet	(793)	(109)	-	-	(902)
Aqueduct, networks and communication routes	(27,193)	(1,996)	50	-	(29,139)
Total depreciation and impairment	**(1,114,098)**	**(117,311)**	**5,965**	**5,890**	**(1,219,554)**
Net property, plant and equipment	**2,344,537**				**2,379,768**

For 2023, there were no new capitalizations of costs per loan.

Within the heading construction in progress, equipment in assembly and transit and assets from the Helios project are included for a value of $526,748 and $583,546 million pesos for 2023 and 2022, respectively; corresponding to the construction and updating project of one of the cement plants, which is part of the existing integrated network for Colombia and its start-up in operation is estimated for 2025.

As of December 31, 2023 and 2022, there are no affected assets as collateral for the fulfillment of property, plant and equipment obligations.

At the end of the reporting and comparative periods, there are no restrictions on the realization of property, plant and equipment, nor contractual commitments for the acquisition of property, plant and equipment. Cementos Argos S.A. did not obtain compensation from third parties for impaired, lost or abandoned property, plant and equipment.

NOTE 17: INVESTMENT PROPERTY

17.1. Investment Properties Conciliation

	2023	2022
Opening balance	**103,528**	**100,767**
Additions	-	551
Net profits from fair value adjustments	3,285	3,011
Transfers from plant and equipment property	954	1,600
Sales	(740)	(2,401)
Total investment properties	**107,027**	**103,528**

The fair value of investment properties for disclosure purposes is determined by the appraisal independent company Activos e Inventario Ltda. The appraisal companies used the comparative market and/or residual approach methodology to estimate the fair value.

The input data for the fair value modification are classified as level 2 input data within the fair value hierarchy, a hierarchy that also corresponds to the complete estimation, since it corresponds to offer prices, appraisals or controls of similar properties that are observable, either directly or indirectly, in the market, and that have been adjusted or homogenized by factors such as the area, access roads, immediate neighborhood, finishes, improvements, conservation status, among others.

Rental income from investment properties for the period amounted to $878 (2022 $983). Direct expenses related to investment properties are $2,920 (2022 $2,740).

As of December 31, 2023 and 2022, the Company has no contractual obligations to acquire, build or develop investment properties, nor are there restrictions on any property.

NOTE 18: ASSETS HELD FOR SALE

Cementos Argos S.A. has assets that are expected to be realized through a sale transaction instead of being maintained for continued use and for which a sales plan has been initiated, these assets have been classified as held for sale in accordance with IFRS 5. The assets are available for immediate sale and their sale is highly probable.

As of December 31, 2023 and 2022, Cementos Argos S.A. does not have discontinued operations classified as non-current assets held for sale or disposed of during the period. For these periods, the balance of non-current assets held for sale is:

Headings mentioned above are detailed below:

2023	Opening balance	Additions	Sales	Other changes	Closing balance
Property, plant and equipment	1,025	166	-	(955)	236
Other assets	53		(53)	-	-
2023 Historical cost	**1,078**	**166**	**(53)**	**(955)**	**236**

2022	Opening balance	Additions	Sales	Other changes	Closing balance
Property, plant and equipment	2,625	-	-	(1,600)	1,025
Other assets	-	53	-	-	53
2022 Historical cost	**2,625**	**53**	**-**	**(1,600)**	**1,078**

I. On July 25, 2022, a sale plan begins for an asset worth of $53 million, which is expected to be sold in the first half of 2023.

II. On December 28, 2022, three non-current assets held for sale worth $1,600 million were classified back to Investment Property, since the sale could not be materialized in the expected time.

III. On November 30, 2023, five non-current assets held for sale worth $955 million were classified back to Investment Property, since the sale could not be materialized in the expected time.

NOTE 19: FINANCIAL LIABILITIES

	2023	2022
Promissory notes in national currency	647,900	818,648
Promissory notes in foreign currency	801,586	755,040
Other obligations (i)	488,677	499,346
	1,938,163	**2,073,034**
Current	1,260,902	1,441,228
Non-current	677,261	631,806
Financial Obligations	**1,938,163**	**2,073,034**

i. These correspond to financial liabilities with Companies from the same economic Group, and additionally, it includes REPO operations with Sudamericana shares worth $0 (2022 $34,008)..

For the year 2023, the Company acquired new loans with banks for a value of $1,325 (2022: $2,041) and with $337 (2022 $355), payments on loans with banks amounting to $1,280 (2022 $1,331) and with $280 (2022: $341) and interest payments were also made on hedges: $39,204 (2022: $21,110), financial obligations $163,233 (2022: $43,352) and bonds $471,301 (2022: $333,442).

19.1. Loan Agreements Summary

Financial liabilities in national and foreign currencies include short and long-term credits. The most significant credits include.

19.1.1. 2023 FINANCIAL LIABILITIES

Category	Entity	Concept	Expiration	Currency	Valor Contractual (COP)
					2023
National banks	Banco de Bogotá	Working capital loan	2028	COP	280,881
National banks	Bancolombia	Working capital loan	2024	COP	138,192
National banks	Itaú Corpbanca	Working capital loan	2024	COP	123,099
National banks	Bancolombia	Working capital loan	2024	COP	103,337
National banks	Banco Popular	Working capital loan	2024	COP	53,811
National banks	BBVA	Working capital loan	2024	COP	51,681
National banks	BBVA	Working capital loan	2026	COP	30,410
National banks	Banco de Occidente	Working capital loan	2024	COP	26,695

Category	Entity	Concept	Expiration	Currency	Contractual Value (USD)
					2023
Foreign banks	SMBC, Scotiabank, BNP, Natixis	Deal-SMBC Club	2026	Dollar	205,272
Foreign banks	SMBC, Scotiabank, BNP, Natixis	Deal-SMBC Club	2027	Dollar	205,087
Foreign banks	BBVA	Working capital loan	2024	Dollar	41,326
Foreign banks	NATIXIS	Working capital loan	2023	Dollar	40,469
Foreign banks	BCP	Working capital loan	2026	Dollar	28,411
Foreign banks	Bancolombia Panamá	Working capital loan	2024	Dollar	27,339
Foreign banks	Davivienda Intern.	Working capital loan	2024	Dollar	22,392
Foreign banks	Scotiabank – Colpatria	Working capital loan	2024	Dollar	20,076
Foreign banks	BCP	Working capital loan	2024	Dollar	19,902
Foreign banks	Banco Santander	Working capital loan	2025	Dollar	15,118
Foreign banks	Banco Santander	Working capital loan	2026	Dollar	15,118
Foreign banks	Banco General	Working capital loan	2024	Dollar	10,048
Foreign banks	Banco de Bogotá Miami	Working capital loan	2024	Dollar	5,081
Foreign banks	Banco Popular	Working capital loan	2026	Dollar	4,056

Category	Entity	Concept	Expiration	Currency	Contractual Value (DOP)
					2023
Foreign banks	Banco General	Working capital loan	2024	DOP	100,000

Category	Entity	Concept	Expiration	Currency	Contractual Value (JPY)
					2023
Foreign banks	Citibank NY	Working capital loan	2024	JPY	27,179,128

19.1.2. 2022 FINANCIAL LIABILITIES

Category	Entity	Concept	Expiration	Currency	Contractual Value (COP)
					2022
National bank	BBVA	Working capital loan	2023	COP	160,000
National bank	Banco Popular	Working capital loan	2023	COP	100,000
National bank	Itaú Corpbanca	Working capital loan	2023	COP	60,000
National bank	Bancolombia	Working capital loan	2023	COP	50,000
National bank	Davivienda	Working capital loan	2023	COP	50,000
National bank	BBVA	Working capital loan	2023	COP	30,000
National bank	Banco de Occidente	Working capital loan	2023	COP	25,900
National bank	Valores Bancolombia	REPO	2023	COP	25,512
National bank	Banco de Occidente	Working capital loan	2023	COP	12,850
National bank	Scotiabank – Colpatria	Working capital loan	2023	COP	12,500
National bank	Banco de Occidente	Working capital loan	2023	COP	11,250
National bank	Brokers	REPO	2022	COP	8,303

Category	Entity	Concept	Expiration	Currency	Contractual Value (USD) 2022
Foreign bank	BCP	Working capital loan	2023	Dollar	60,000
Foreign bank	NATIXIS	Working capital loan	2023	Dollar	40,000
Foreign bank	Banco Santander	Working capital loan	2025	Dollar	15,000
Foreign bank	Banco Santander	Working capital loan	2026	Dollar	15,000
Foreign bank	Scotiabank – Colpatria	Working capital loan	2023	Dollar	10,000
Foreign bank	SMBC	Working capital loan	2023	Dollar	10,000
Foreign bank	Bancolombia	Working capital loan	2023	Dollar	5,000

19.2. Loan Agreement Breach

During the reported periods, the Company did not default on principal or interest payments for financial liabilities and/or for loans payable. Also, during 2023, there was no material modification to the credit agreements that already existed.

19.3. Reconciliation between the Beginning and Ending Liabilities arising from Financing Activities:

	Financial Liabilities	Related obligations	Obligations Rights of use	Bonds	Hedges	Dividends	Total
Balance as of January 01, 2023	**1,607,697**	**601,862**	**37,465**	**3,138,163**	**103,252**	**165,874**	**5,654,313**
Changes in cash flow from financing							
Amounts from loans	1,325,061	529,910	-	-	-	-	1,854,971
Payment of loans and debt instruments	(1,280,372)	(472,912)	-	-	-	-	(1,753,284)
Paid interest	(163,233)	-	(7,819)	(471,301)	(39,204)	-	(681,557)
Paid dividend on ordinary shares	-	-	-	-	-	(459,811)	(459,811)
Paid dividend on preferred shares	-	-	-	-	-	(82,181)	(82,181)
Outstanding bonds payment	-	-	-	(479,844)	-	-	(479,844)
Lease liabilities payments	-	-	(12,764)	-	-	-	(12,764)
Collections (payment) from financial derivatives	-	-	-	-	21,320	-	21,320
Total changes in cash flow from financing	**(118,544)**	**56,998**	**(20,583)**	**(951,145)**	**(17,884)**	**(541,992)**	**(1,593,150)**
Other Changes in other EFE lines	**3,096**	**(54,486)**	**24,979**	**464,026**	**211,468**	**428,236**	**1,077,319**
Balance as of December 31, 2023	**1,492,249**	**604,375**	**41,861**	**2,651,044**	**296,836**	**52,118**	**5,138,483**

	Financial Liabilities	Related obligations	Obligations Rights of use	Bonds	Hedges	Dividends	Total
Balance as of January 01, 2022	**760,384**	**530,486**	**65,899**	**3,183,557**	**32,634**	**69,372**	**4,642,332**
Changes in cash flow from financing							
Amounts from loans	2,040,877	354,595	-	-	-	-	2,395,472
Payment of loans and debt instruments	(1,330,644)	(340,651)					(1,671,295)
Amounts from bond issuance	-	-	-	302,771	-	-	302,771
Paid interest	(43,352)	-	(5,456)	(333,442)	(21,110)	-	(403,360)
Paid dividend on ordinary shares	-	-	-	-	-	(246,854)	(246,854)
Paid dividend on preferred shares	-	-	-	-	-	(44,120)	(44,120)
Outstanding bonds payment	-	-	-	(381,149)	-	-	(381,149)
Lease liabilities payments	-	-	(16,214)	-	-	-	(16,214)
Collections (payment) from financial derivatives	**-**	**-**	**-**	**-**	**62,693**	**-**	**62,693**
Total changes in cash flow from financing	**666,881**	**13,944**	**(21,670)**	**(411,820)**	**41,583**	**(290,974)**	**(2,056)**
Other Changes in other EFE lines	**180,432**	**57,432**	**(6,764)**	**366,426**	**29,035**	**387,476**	**1,014,037**
Balance as of December 31, 2022	**1,607,697**	**601,862**	**37,465**	**3,138,163**	**103,252**	**165,874**	**5,654,313**

Cementos Argos S.A. reports overdrafts under IAS 7, overdrafts enforceable at any time by the bank are an integral part of the Company's cash management. In such circumstances, overdrafts are included as cash and cash equivalents components.

NOTE 20: ASSETS AND LIABILITIES FOR LEASE

20.1. Leases as Lessee

20.1.1. LEASE AGREEMENTS

In the ordinary course of business, Cementos Argos S.A. executes agreements for the lease of land, buildings, yellow machinery, vehicles, including concrete mixer trucks and equipment, which are accounted for as assets for a lease's right-of-use in the separate financial statements, except for those leases whose lease term is less than twelve months or the underlying asset of the new contract is less than $3,000 for administrative assets and $5,000 for operating assets.

On the other hand, there are no significant lease agreements that provide significant restrictions related with the dividend's distribution, additional debt and new leases contracts, nor are there significant contingent fees, renewal options or escalator clauses.

As of December 31, 2023, most of the real estate lease contracts recognized are linked to the consumer price index of each jurisdiction in which they were subscribed. Few lease contracts are referenced at reference rates or payments that vary to reflect changes in market rental prices.

20.1.2. LEASE RIGHT-OF-USE ASSETS AND LIABILITIES

Balance of lease right-of-use assets and liabilities includes:

	Lease right-of-use assets						
2023	**Opening balance**	**Transfers from (to) PPE**	**Additions**	**Depreciation**	**Other changes**	**Final Balance**	**Lease liability closing balance**
Land	340	-	-	(266)	(75)	(1)	-
Buildings and constructions	20,525	15	7,997	(6,769)	(535)	21,233	15,261
Machinery and production equipment	15,077	(158)	9,102	(7,538)	687	17,170	19,215
Overland transport equipment	7,978	-	4,226	(2,996)	(1,833)	7,375	7,387
Lease assets and liabilities, net	**43,920**	**(143)**	**21,325**	**(17,569)**	**(1,756)**	**45,777**	**41,863**

	Lease right-of-use assets						
2022	**Opening balance**	**Transfers from (to) PPE**	**Additions**	**Depreciation**	**Other changes**	**Final Balance**	**Lease liability closing balance**
Land	558	-	888	(1,106)	-	340	355
Buildings and constructions	44,115	6	(10,124)	(9,430)	(4,042)	20,525	11,413
Machinery and production equipment	20,909	-	858	(6,571)	(119)	15,077	18,286
Overland transport equipment	8,543	-	2,944	(2,900)	(609)	7,978	7.413
Lease assets and liabilities, net	**74,125**	**6**	**(5,434)**	**(20,007)**	**(4,770)**	**43,920**	**37,467**

The contractual lease liabilities cash flows classified by maturity as of December 31, 2023, are:

	2023	**2022**
One year or less	19,321	13,884
From 1 to 3 years	26,814	23,688
From 3 to 5 years	11,954	7,563
From 5 to 10 years	3,937	4,573
Total contractual cash flows from lease liabilities	**62,026**	**49,708**
Discount effect from lease liabilities	(20,163)	(12,241)
Total lease liabilities	**41,863**	**37,467**
Current	10,629	9,790
Non-current	31,234	27,677
Total lease liabilities	**41,863**	**37,467**

20.1.3. HEADINGS RECOGNIZED IN THE INCOME STATEMENT AND CASH FLOWS FROM LEASES

	2023	2022
Leases under IFRS 16		
Interest expense from lease liabilities	7,819	5,456
Expenses related to short-term leases and variable leases	6,417	6,821
Expenses related to leases of low value assets	2,045	1,350

20.1.4. RENEWAL OPTIONS

Most of the Company's leases contain renewal options that can be exercised to extend the lease term from one year to 20 years, and that can be exercised up to one year before the end of the non-cancellable contract period. Generally, the Company exercises these renewal options for the financial and operational facilities they provide. The renewal options are only exercisable by Cementos Argos S.A. and not by the lessor. The Company evaluates on the lease start date if it is reasonably safe to exercise the renewal options and considers them in the lease term determination. It also reassesses whether it is reasonably safe to exercise the options if there is an event or significant changes in the circumstances under its control.

20.2. Leases as Lessors

20.2.1. FINANCIAL LEASES

The company has no financial lease agreements in which it acts as lessor.

20.2.2. OPERATING LEASESS

Cementos Argos S.A. signs lease contracts as lessors of commercial premises, warehouses, apartments, and houses, as well as leasing of machinery and operating equipment, fleet and transport equipment. All leases are classified as operating leases from the lessor perspective. The minimum future rights of the lease of non-cancellable operating leases for ranges of years and in total, consisted of the following:

	2023	2022
Leases under IFRS 16		
One year or less	640	286
Non-cancellable operating lease rights	640	286

Rental income recognized by the Company during 2023 was $935 (2022 $1,070).

NOTE 21: TRADE LIABILITIES AND OTHER ACCOUNTS PAYABLE

	2023	2022
Current commercial accounts	158,461	136,524
National suppliers	129,378	129,074
Dividends payable	9,186	105,007
Miscellaneous creditors	4,190	6,242
Other accounts payable	27,212	22,565
Costs and expenses payable	690	1,862
Foreign suppliers	7,267	18,508
Accounts payable to contractors	401	321
Trade liabilities and other accounts payable	**336,785**	**420,103**
Current	336,785	420,103
Trade liabilities and other accounts payable	**336,785**	**420,103**

The average credit period for the Company’s purchases ranges between 8 and 60 days. No interest is paid to suppliers for 60-day payments.

NOTE 22: EMPLOYEE BENEFITS LIABILITIES

	2023	2022
Short-term employee benefits	58,156	44,796
Post-employment employee benefits - Defined benefit plans	240,450	183,141
Post-employment employee benefits without actuarial calculation	292	9
Employee benefits for termination	181	748
Employee benefits	**299,079**	**228,694**
Current	98,133	79,529
Non-current	200,946	149,165
Employee benefits	**299,079**	**228,694**

22.1. Post-Employment Benefit Plans – Defined Benefit Plans

Pension liabilities, pension bonds and titles, retirement premiums and other post-employment benefits are accounted for in accordance with the IAS 19 requirements.

Independent actuarial consultants annually calculate the actuarial valuation of plan's assets and the present value of the defined benefit obligation. The present value of the defined benefit obligations and the related current and past service costs were calculated using the projected unit credit method.

On December 22, 2016, the Ministry of Commerce, Industry and Tourism issued Decree 2131, whereby it is required to disclose the calculation of pension liabilities in accordance with the parameters established in Decree 1625/2016 and, in the case of partial pension commutation, in accordance with Decree 1833/2016, as well as the differences arising from the calculation carried out in accordance with IAS 19 – Employee Benefits.

For 2023, the amount included in the consolidated statement of financial position derived from the entity's obligation regarding the defined benefit plans, and movements in the present value from the defined benefit obligations for the current year are presented below:

	Pension plan	Pension securities and bonds	Seniority premium and similar	Retirement bonus	Other defined benefit plans	Total
Current obligations value as of January 1, 2023	**151,773**	**28,299**	**8,908**	**2,491**	**389**	**191,860**
Current service cost	-	-	579	109	5	693
Interest cost for the defined benefits obligation	19,180	3,429	864	328	41	23,842
Actuarial (gain)/loss for changes in:	-	-	-	-	-	-
Experience	7,979	5,497	-	69	(39)	13,506
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	39,410	1,824	2,520	691	54	44,499
Benefits directly paid by the company	(21,491)	(5,037)	-	(156)	(166)	(26,850)
Past services cost	-	2,821	-	-	-	2,821
Present obligations value as of December 31, 2023	**196,851**	**36,833**	**12,871**	**3,532**	**284**	**250,371**
Current plan assets value as of January 1, 2023	-	-	8,720	-	-	8,720
"Risk Free" Interest Income	-	-	876	-	-	876
Return on plan assets, excluding interest	-	-	(174)		-	(174)
Contributions made by the company	-	-	499	-	-	499
Payments made by the plan	-	-	-	-	-	-
Current plan assets value as of December 31, 2023	**-**	**-**	**9,921**	**-**	**-**	**9,921**
Net current obligations value as of December 31, 2023	**196,851**	**36,833**	**2,950**	**3,532**	**284**	**240,450**

	Pension plan	Pension securities and bonds	Seniority premium and similar	Retirement bonus	Other defined benefit plans	Total
Current obligations value as of January 1, 2022	**184,265**	**27,336**	**9,826**	**2,479**	**2,589**	**226,495**
Current service cost	-	-	624	113	4	741
Interest cost for the defined benefits obligation	14,823	1,864	813	203	223	17,926
Actuarial loss/(gain) for changes in:						
Experience	2,456	5,721	-	97	(55)	8,219
Demographic assumptions	-	-	-	179	-	179
Financial assumptions	(30,025)	-2,695	(2,353)	(406)	(7)	(35,486)
Benefits directly paid by the company	(19,746)	-6,869	-	(174)	(17)	(26,806)
Past services cost	-	2,942	-	-	(2,348)	594
Present obligations value as of December 31, 2022	**151,773**	**28,299**	**8,910**	**2,491**	**389**	**191,862**
Current plan assets value as of January 1, 2022	-	-	10,011	-	-	10,011
"Risk Free" Interest Income	-	-	849	-	-	849
Return on plan assets, excluding interest	-	-	(1,150)	-	-	(1,150)
Contributions made by the company	-	-	482	-	-	482
Payments made by the plan	-	-	(1,471)	-	-	(1,471)
Current plan assets value as of December 31, 2022	**-**	**-**	**8,721**	**-**	**-**	**8.721**
Net current obligations value as of December 31, 2022	**151,773**	**28,299**	**189**	**2,491**	**389**	**183,141**

The plan assets fair value is composed as follows:

	2023	2022
Investment funds	9,921	8,721
Plan assets fair value	**9,921**	**8,721**

22.1.1. LIABILITIES COMPARISON FOR DEFINED BENEFIT PENSION PLANS, SECURITIES AND PENSION BONDS

On December 22, 2016, the Ministry of Commerce, Industry and Tourism issued Decree 2131, whereby it is required to disclose the pension liabilities calculation, in accordance with the parameters established in Decree 1625/2016 and, in the case of partial pension commutation, in accordance with Decree 1833/2016, as well as the differences arising from the calculation carried out in accordance with IAS 19 – Employee Benefits. The following is the comparison between the benefits plans liabilities established for pension plans, securities and bonds, calculated in accordance with Decree 1625 of 2016 and, in the case of partial pension swaps, in accordance with Decree 1833 of 2016 and with the calculation pursuant to IAS 19 - Employee Benefits, as of December 31, 2023 and 2022:

	Calculation made in accordance with IAS 19 - Employee Benefits	Calculation made in accordance with Decree 1625 of 2016	Comparison between the liability calculated in accordance with IAS 19 and Decree 1625
Current obligations value as of:			
December 31, 2023	233,684	244,818	(11,134)
December 31, 2022	180,072	212,645	(32,573)

The main actuarial assumptions used to determine obligations for the defined benefits plans are the following:

	2023	2022
Inflation rate (%)	4.33%	3.00%
Discount rate (%)	10.26%	12.86%
Salary increases (%)	2.28%	5.13%
Minimum wage increase (%)	5.44%	5.00%
Mortality table	Valid rentiers 2008	Valid rentiers 2008
Turnover table	150% SOA Pension turnover	150% SOA Pension turnover

The total expense recognized in the statement of income for the period represents the contributions for the defined contribution plans for 2023, $35,959 (2022 $32,242). The Company expects to make contributions for the next 2024 annual period about $34,679.

22.2. Pension Plans, Securities and Pension Bonds

According to the Colombian Labor Code, the pension benefits granted to employees under the new social security regime (Act 100 of 1993) are accounted for as defined contribution plans, the Company covers its obligation to pensions through the payment of contributions to the Social Security Institute (ISS, by its Spanish acronym), and/or to the private pension funds under the terms and conditions contemplated by the law.

The pension benefits granted to employees not covered under the new social security regime (Act 100 of 1993), which essentially correspond to senior staff, are accounted as unfunded defined benefit plans. The company must pay retirement pensions or issue pension bonds to their employees or beneficiaries who meet certain requirements regarding age and length of service.

The benefit gives employees the right to a lifetime monthly retirement pension or an old age pension, equivalent to seventy-five percent (75%) of the average wages earned in the last year of service, subject to a minimum payment of a monthly minimum wage and a maximum wage equal to 25 monthly minimum wages. In addition, two additional payments are made, one in June and one in December.

When the participant expects to receive benefits from the Social Security Institute (ISS), these benefits are deducted from the benefits payable by the Company's plan, and therefore, reduce the Company's obligation. Pension payments increase according to inflation. When a pensioner receives a pension equal to the minimum wage, the pension increases in accordance with the minimum wage increases.

On the other hand, the death benefit takes place in the event of death after retirement, in which the beneficiary receives 100% of the pension for a period that will depend on each beneficiary. Payments for social security pensions to Pension Administration Funds are the responsibility of the Company as employer.

For workers who have retired from the company with a conventional or anticipated pension, which in any case is shared, the company continues to make contributions to the pension system until such time the pensioner meets the old-age requirements stated by the ISS (Colpensiones). Thus, the company is in charge of 100% of pension contributions until those requirements are met. The contribution is calculated based on the pension value. Additionally, in terms of health, Cementos Argos S.A. partially assumes a percentage of the pensioner's contribution.

Additionally, the defined benefit obligation for retirement pensions includes employees of Compañia Industrial Hullera S.A., in liquidation, as a result of the normalization process of pension liabilities in which Cementos Argos S.A., assumed in a definitive manner the obligation proportion that corresponds to it according to the Official Communication set forth on October 9, 2012, issued by the Ministry of Labor.

22.3. Retirement Bonus

For employees covered by any of the collective bargaining agreements, when the worker contract for the recognition of retirement, disability or old age pension is terminated; a bonus equivalent to 5 current legal minimum wages is granted to them.

22.4. Pension Bonds and Securities Plan

According to the Colombian Labor Code, employers must pay retirement pensions or issue pension bonds to their employees who meet certain requirements regarding age and length of service. The Company has issued pension securities to them, Pension Bond Type A Mode 2 and Pension Bond Type A Mode 1. This obligation applies to some areas where the ISS did not have pension coverage prior to 1994.

The benefit is conferred upon retirement from the Company until such time the participant retires through the Colombian Social Security system. During this period, the Company makes contributions to the pension system on behalf of the employee. Pension bonds and titles are resources to contribute to the conformation of the capital needed to finance the pensions of members of the Colombian General Pension System.

22.5. Other Defined Benefit Plans

Retired employees in Colombia receive a death benefit that increases according to the Consumer Price Index (CPI), equivalent to 5 legal minimum wages (SMLV, by its Spanish acronym). Retired employees of the Valle plant in Colombia receive an education benefit until their death, as well as the children of retirees up to 25 years old. Beneficiaries receive the amount regardless of the worker survival. Every year the benefit increases according to Consumer Price Index (CPI), as does the dental benefit until the death of the employee, as long as the service is formally requested, with annual increases according to Consumer Price Index (CPI).

Benefit For Pension Gap At Retirement
The benefit of this provision consists in the granting of a single premium at the time of termination in order to enjoy the old age pension, the value of which corresponds to the money needed to close the executive's pension gap. This benefit currently has contributions in private pension funds that will be used only at the time of compliance with the requirements to obtain the benefit.

Retroactive Severance Plan
According to Colombian labor law, employees hired before the entry into force of Act 50 of 1990 are entitled to receive at the end of the employment contract one month’s salary for each year of service, and proportionally for each fraction of a year, as a severance benefit for any reason that terminates the employment, including: retirement, disability, death, etc. The benefit is paid at the time of the employee’s retirement based on the last salary earned.

As of December 31, 2023 and 2022, the Company has no reimbursement rights related to obligations under defined benefit plans.

The average duration in years of the defined benefit obligation is as follows:

	Pension plan	Pension securities and bonds	Retirement bonus	Other defined benefit plans	Total average duration
2023 Average duration	7.77	2.47	6.79	5.19	5.44
2022 Average duration	6.2	2.8	6.5	4.6	5.0

The significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increases and mortality. The following sensitivity analyses are based on potential reasonable changes in the respective presumptions that occur at the end of the reporting period, while all other assumptions remain constant.

	2023		2022	
	Decreases	Increases	Decreases	Increases
Higher (lower) discount rate, 100 basis points	252,288	224,419	192,741	174,169
Expected salary growth increases (decreases) by 1%	3,388	3,885	2,557	2,917
Life expectancy increases (decreases) by one year	203,280	190,997	155,869	147,997

The sensitivity analysis presented above may not be representative of real change in the defined benefit obligation, since assumptions are not likely to change in isolation from one another, given that some of the assumptions may be correlated.

Additionally, in the above sensitivity analysis the present value of the defined benefit obligation was calculated using the projected unit credit method at the end of the reporting period, which is the same that was applied when calculating the liability of the defined benefit obligation recognized in the statement of financial position.

NOTE 23: PROVISIONS

	Litigation, lawsuits and other contingencies (i)	Decommissioning (ii)	Environmental (iii)	Other provisions (iv)	Total
Book value as of January 1, 2023	**8,150**	**22,068**	**8,192**	**2,642**	**41,052**
Realized provisions	7,679	1,161	2,464	32,567	43,871
Provision's utilization	(5,859)	(2,000)	(1,518)	(30,900)	(40,277)
Reversals carried out	-	(934)	(22)	-	(956)
Discount rate adjustment	(1,365)	7,681	(260)	-	6,056
Book value as of December 31, 2023	8,605	27,976	8,856	4,309	49,746
Current	6,913	2,744	8,529	4,309	22,495
Non-current	1,692	25,232	327	-	27,251
Book value as of December 31, 2023	**8,605**	**27,976**	**8,856**	**4,309**	**49,746**

	Litigation, lawsuits and other contingencies (i)	Decommissioning (ii)	Environmental (iii)	Other provisions (iv)	Total
Book value as of January 1, 2022	**9.288**	**31.993**	**8.366**	**193**	**49.840**
Realized provisions	5.775	4.383	1.085	22.632	33.875
Provision's utilization	(5.638)	(3.133)	(1.742)	(20.183)	(30.696)
Reversals carried out	-	(1.927)	(453)	-	(2.380)
Discount rate adjustment	(1.275)	(9.248)	936	-	(9.587)
Book value as of December 31, 2022	8.150	22.068	8.192	2.642	41.052
Current	7.988	3.467	4.694	2.642	18.791
Non-current	162	18.601	3.498	-	22.261
Book value as of December 31, 2022	**8.150**	**22.068**	**8.192**	**2.642**	**41.052**

(i) Cementos Argos S.A. is a party to judicial proceedings of different natures, both as a plaintiff and defendant, which are being addressed diligently by qualified attorneys hired by the Company. Conflicts are of labor, civil, administrative, criminal and tax character. This type of litigation arises in the ordinary course of business of any company the size of Cementos Argos S.A., and the Company expects a probable outflow of resources. The appropriate reserves have been estimated for these processes based on criteria, such as the nature of the process, the evidence contained, economic factors, the possible sentence projected, etc., which will cover the possible unfavorable sentences or decisions that may occur. We believe that the estimated time of resolution for these processes ranges between three (3) and eight (8) years approximately.

(ii) Cementos Argos S.A. is obliged to incur in future costs related to compliance with mining laws regarding the exploitation of mineral resources, the assets decommissioning and restoration of the environment where these assets were built, which is carried out when a mining operation is completed or when the mining rights expire, whichever occurs first. The maximum decommissioning obligations execution date is the expiration date of the mining title concession, so the disbursement of economic resources is estimated for a five-year period prior to the legal requirement. However, in some cases where the operation is completed in an area covered by a title that is still effective for more than five years, the disbursements are estimated to be made within five years after the operations completion. In order to determine the best estimate to be used to settle, the Management considers the areas affected by mining exploitation, the mining exploitation schedule and the costs incurred during past decommissioning operations.

(iii) Cementos Argos S.A. is obliged to incur in environmental costs related to forestry compensation for quarries and forestry exploitation, costs of removal and subsequent disposal of hazardous waste, specifically previously stored PCBs (polychlorinated biphenyls). For forestry compensations, Cementos Argos S.A. has pledged to settle its environmental obligations within a maximum period of five years or as indicated by Resolution to each identified environmental liability. In order to determine the best estimate to be used to settle, the Management mainly considers financial variables and planting, maintenance and isolation costs for a four years' period. In the estimation of the PCBs disposition, the disbursements of packaging, transportation and disposal are mainly considered.

NOTE 24: OUTSTANDING BONDS AND PREFERRED SHARES

	2023	2022
Outstanding bonds	2,651,046	3,138,163
Preferred shares classified as compound financial instruments	42,932	60,866
	2,693,978	**3,199,029**
Current	196,845	458,288
Non-current	2,497,133	2,740,741
Current obligations value as of December 31	**2,693,978**	**3,199,029**

24.1. Outstanding Bonds

Outstanding bonds issued by Cementos Argos S.A., comprise the following as of December 31, 2023 and 2022:

					Securities issued	
Issuance	Placement date	Term	Effective rate	Interest payment method	2023	2022
2009 issuance	04/28/2009	15 years	CPI + 7.19%	Quarterly in arrears	151,130	201,130
2012 issuance	05/16/2012	15 years	CPI + 4.50%	Quarterly in arrears	-	303,082
2014 issuance	11/27/2014	10 years	CPI + 3.80%	Quarterly in arrears	167,385	186,175
2014 issuance	11/27/2014	15 years	CPI + 4.21%	Quarterly in arrears	311,707	311,707
2016 issuance	04/13/2016	10 years (1)	CPI + 4.19%	Quarterly in arrears	121,075	121,075
2016 issuance	04/13/2016	15 years (1)	CPI + 4.47%		184,157	121,075
2017 issuance	05/24/2017	6 years (2)	TF+6,65%	Quarterly in arrears	-	194,055
2017 issuance	05/24/2017	13 years (2)	CPI+ 3,64%	Quarterly in arrears	388,145	388,145
2017 issuance	05/24/2017	25 years (2)	CPI + 3,99%	Quarterly in arrears	400,500	400,500
2018 issuance	06/27/2018	10 years (2)	CPI+ 3,75%		158,550	158,550
2018 issuance	06/27/2018	20 years (2)	CPI+ 4,04%		125,850	125,850
2020 issuance	11/25/2020	5 years (3)	CPI+ 2,24%	Quarterly in arrears	204,747	204,747
2022 Reopening 2020 Issuance	12/01/2022	2 years	CPI+ 8,75% (4)	Quarterly in arrears	102,350	102,350
2022 Issuance of commercial papers	12/01/2022	1 year	IBR + 7,15% (4)	Quarterly in arrears	-	113,201
2022 Issuance of commercial papers	12/01/2022	1 year	TF + 18,70% (4)	Quarterly in arrears	-	99,298
					2,614,178	**3,030,940**

(1) The issue is part of the issue and placement program for ordinary bonds and commercial papers charged to a global quota of $1,000,000, approved through Resolution No. 0422 of the Financial Colombian Superintendence on March 23, 2012.

(2) The issue is part of the issue and placement program for ordinary bonds and commercial papers charged to a global quota of $1,000,000, approved through Resolution No. 0518 of the Financial Colombian Superintendence on April 03, 2017. Previously, the increase in said quota had been approved by Resolution No. 0422 of 2012.

(3) The issue is part of the issue and placement program for ordinary bonds and commercial papers charged to a global quota of $1 billion approved through Resolution No. 0585 of the Colombian Superintendence ("SFC") on May 10, 2018.

(4) The issuance constitutes the second batch of the second issuance of ordinary bonds corresponding to the bond issuance and placement program of Cementos Argos S.A. in the main market. The Company awarded one hundred two thousand three hundred and fifty million pesos ($102,350) in the market.

In 2023, those bonds with an initial nominal balance of $464,026 (2022 $299,896) million pesos.

All issues are rated AA with a stable outlook by the rating firm Fitch Ratings Colombia S.A. and they are registered securities, issued to order and negotiable in the secondary market through the Colombian Stock Exchange. On September 21, 2023, the aforementioned rating agency placed the company's long-term ratings on positive observation.

The financial expense associated with bonds and commercial papers during the year was $464,026 million. The payment made on said bonds is $479,844 (2022 $381,149).

24.2. Preferred Shares

Per the approval of the General Shareholder's Meeting on March 15, 2013, Cementos Argos S.A., carried out the issuance and placement of shares with preferential dividends and no voting rights (hereinafter, preferred shares) in May 2013 for $1,610,824, allocating 209,197,850 preferred shares with a subscription price of $ 7,700 per preferential share, as determined by the Board of Directors of the Company.

The issuance of preferred shares is a compound financial instrument. The issuer, for its subsequent recognition and measurement, identified the debt and equity components by assessing the contractual instrument terms, as well as the issuer's obligations. Given the issuer contractual obligation to pay the minimum annual dividend to shareholders if the Company generates profits, the issuance incorporates a financial liability component. Once this liability has been measured, the difference between the value received and the value of the obligation constitutes an equity component. The part corresponding to the financial liability should be measured at least during each interim period and recognize their impact on the period result; the equity element is not subject to further measurement.

Cementos Argos S.A. determined the liability component by discounting the cash flows corresponding to the minimum preferential dividend, which were calculated in perpetuity. The discount rate applied corresponded to the market rate at the issuance date of similar instruments that did not incorporate an equity component. Considering the difficulty of identifying a financial instrument on the market with the same characteristics as the issuance, the financial liability discount rate was determined by referencing the current yield of longer-term bonds issued by Cementos Argos S.A. in Colombian pesos. For this purpose, Cementos Argos S.A. valuation rate for 2024 bonds issuance, was issued in May 2012 at long-term (15 years) and is indexed to the CPI.

Preferred shares had a minimum yearly dividend of 3% on the subscription price that was paid during the first 12 quarters, starting from the placement date. In April 2016, this last minimum dividend corresponding to 3% per year on the subscription price was paid, and as of the thirteenth quarter, the minimum annual dividend will be $10 per share, which will increase with the annual CPI at the end of each year. The issuance prospectus does not contain options to buy or sell the preferred shares.

Shareholders with preferential dividends and no voting rights are entitled to receive a minimum dividend in a preferential manner compared to the one corresponding to ordinary shares, provided they generated distributable profits during the immediately preceding accounting year. Under no circumstances will the dividends received by holders of ordinary shares exceed the ones declared in favor of preferred shares. The preferential reimbursement of their contributions-once the external liabilities have been paid-in the event of the dissolution and liquidation of the issuer, and other rights provided for in the issuer bylaws for ordinary shares holders, except (i) to subscribe ordinary shares preferentially, and (ii) to vote on the proposals in the General Shareholder's Meeting of the issuer. By way of exception, preferred shares will grant their holders the right to vote in the events described in the placement and issuance prospectus.

The liability recognized by the issuance of preferred shares is composed of the debt component valuation and the reduction of direct issuance costs allocated to the liability component, according to the participation percentage of each component in the issuance amount. The debt component is measured at amortized cost using the effective interest rate. The effective interest rate for the subsequent measurement of the debt component at amortized cost was determined by matching cash flows receivable or payable estimated over the expected life of the financial instrument to the net book value of the liability component at the initial recognition time. The financial liability increases with interest recognition applying the effective interest rate and decreases to the extent that the minimum dividends are accounted for to the preferred shareholders.

During 2023, 1,011,761 preferred shares were repurchased, bringing the balance to 208,186,089. The financial expense from preferred shares in the year was $14,841 million.

NOTE 25: FINANCIAL INSTRUMENTS

25.1. Capital Risk Management

Cementos Argos S.A. manages its capital from a long-term perspective, seeking to maintain a balanced, efficient and flexible capital structure to safely accompany and support the organization growth process. The Company considers equity shares, both ordinary and preferential, short and long-term financial obligations, as well as ordinary bonds as capital. Cementos Argos S.A. is not subject to externally imposed capital requirements.

The Company uses the Net debt / EBITDA + dividends indicator to monitor the capital structure. The net debt consists of financial obligations minus cash and temporary investments. This indicator allows to establish the Company's level of leverage regarding its cash generation. Additionally, this indicator is included in the long-term loan agreements executed by the

Company. Other indicators, such as the debt's short-term and long-term relationship, average life, and free cash flow, also are considered to analyze the capital structure.

The Company periodically monitors that the Net debt / EBITDA + dividends leverage indicator stays within a specific range that enables a sustainable growth and the goals achievement set forth by the Management.

In order to manage other indicators, such as the average debt life, and its long and short-term distribution, there is ample access to credit through approved lines with national and international banks and the possibility of accessing the capital market through the issuance of ordinary bonds and/or commercial papers in the local market.

The composition of the Group's liabilities exhibits an adequate balance between currencies, taking advantage of natural hedges between assets and liabilities denominated in the same currency. The capital structure of the Group considers the fit between the indebtedness denominated in dollars and the EBITDA generated in United States and the Central American and Caribbean countries operations, which generate their flows mainly in dollars.

In 2023 and comparative period, there have been no significant changes in the Company's capital management objectives, policies, or processes.

25.2. Financial Instruments Categories

	Financial Assets	
	2023	**2022**
Cash and Banks (See note 5)	255,905	102,518
Instruments derived from hedging relationships (See note 6)	44,124	125,809
Financial assets measured at amortized cost (See note 7-8)	405,166	1,252,586
Financial assets measured at fair value with changes in other comprehensive income (See note 7)	828,349	1,196,577
Financial Assets	**1,533,544**	**2,677,490**

	Financial Liabilities	
	2023	**2022**
Instruments derived from hedging relationships (See note 6)	252,712	22,557
Financial liabilities measured at amortized cost	1,939,805	5,692,168
Financial Liabilities	**2,192,517**	**5,714,725**
Financial liabilities, net	**(658,973)**	**(3,037,235)**

25.2.1. FINANCIAL ASSETS MEASURED AT FAIR VALUE WITH CHANGES IN OTHER COMPREHENSIVE INCOME

	2023	**2022**
Grupo de Inversiones Suramericana S.A.	823,453	1,192,587
Occidental de Empaques S.A.	4,204	3,298
Carvajal Pulpa y Papel S.A.	619	619
	828,276	**1,196,504**
Dividends recognized during the period related to investments that:		
Remain recognized at the end of the period	36,346	22,294
Total dividends recognized during the period related to investments	**36,346**	**22,294**

Equity investments indicated in the table above are not held for negotiation purposes, these are held for strategic purposes in the medium and long term. The Company's Management believes that this classification for these strategic investments provides more reliable financial information, rather than reflecting changes to their fair value immediately in the period results.

25.2.2. Financial Assets Reclassification

For 2023, the financial assets have not made changes in the business model of management and administration of financial assets, therefore, financial assets have not been reclassified under the fair value modality towards amortized cost, or vice versa.

25.3. Financial Risk Management Objectives

Cementos Argos S.A. financial policies are defined by the Corporate Finance committee and managed by the Corporate Finance Management, and they seek to ensure a solid financial structure and maintain the Company's exposure to market risk, liquidity and credit at optimal levels, according to the nature of the operations. The Company is exposed to exchange rate risks, interest rate, credit and liquidity risk, among others. The risk is eliminated or mitigated to tolerable levels of exposure by using natural hedging or financial derivatives, to the extent allowed by the market. The use of financial derivatives for speculative purposes is not allowed.

Special operations, such as shares or bonds acquisitions and issuance, may temporarily exceed the limit established by the Management, a situation that is controlled by permanently monitoring the volatility and the execution of investment plans associated with the specific transaction that was carried out.

25.3.1. FOREIGN EXCHANGE RISK MANAGEMENT

The Company is exposed to exchange rate risk as a result of the investments it maintains in subsidiaries with a functional currency other than the Colombian peso, for transactions carried out in currencies other than its functional currency and for financing sources denominated in currencies other than its local currency. Fluctuations in exchange rates have direct impacts on cash and separate financial statements.

The analysis of exposure to exchange rate risk is carried out on assets, liabilities, income and expenses in currencies other than their functional currency, and where the local currency floats freely without exchange controls, since those subsidiaries located in countries with foreign exchange controls present low volatility in exchange rate fluctuations. The exposure of the statement of financial position is determined by calculating the net position in dollars, made up of the liabilities and assets in dollars of said companies. The company uses different natural hedging mechanisms to meet its objective of minimizing the volatility of the foreign exchange difference item in the separate income statement. Exposure to cash flows is monitored by analyzing the compensation of income and expenses in foreign currency, seeking to maximize the match between cash inflows and outflows in the same currency in order to minimize dollars purchases or sales in the spot market. When there is certainty about the occurrence of a short or long cash flow in foreign currency, hedges are carries out through financial derivatives if an imbalance with the natural position is found.

In the Colombian geographic segment subsidiaries, the net position at the end of 2023 is 206 million short dollars (2022 $60 million short dollars).

The carrying amounts of monetary assets and liabilities denominated in foreign currency at the end of the reporting period are as follows:

	Monetary assets		Monetary liabilities		Net exposure	
	2023	2022	2023	2022	2023	2022
US dollar, expressed in million pesos	1,079,481	501,777	1,127,838	1,148,800	48,357	(647,023)
Euro, expressed in million pesos	160	184	1,686	2,425	1,526	(2,241)

25.3.2. RISK MANAGEMENT OF INTEREST RATES AND INFLATION INDICES

The concentration of interest rate risk materializes when an extremely high exposure to a particular index is detected in the financial debt portfolio. The Group considers that a minimum exposure of between 20% and 30% at a fixed rate of its total consolidated debt is optimal. The Group's debt profile is reported monthly to Management, indicating the concentration levels of fixed rate vs. variable rate, distribution by term (short term vs. long term) and distribution by currency (COP vs. USD vs. other currencies). With the results presented, decisions are made to manage the debt portfolio, such as the prepayment of obligations, structuring of financial derivatives to balance the position in interest rates and/or currencies, etc. As of December 31, 2023, 52% of the consolidated debt was agreed at a fixed interest rate (2022: 36%).

The reference interest rates of the financial market that generate exposure to the Group are CPI, IBR, SOFR and TONAR. The Group has not considered exposure to other local or international rates.

25.3.3. CREDIT RISK MANAGEMENT

The credit risk derived from financial assets that implies the risk of the counterparty defaulting is reduced by evaluating and assessing clients with exposure or who require credit beyond the established limits and actual collaterals. The maximum exposure to credit risk is represented by the financial assets balance. The Management has developed policies for credit authorization to customers. The exposure to credit risk is constantly monitored according to the debtor's payment behavior.

The credit risk derived from the investments made by the Company in the financial system is monitored through the use of an issuer quota model, which stipulates the maximum amount that the company may have invested in an American, European, Honduran, or Colombian bank, where most of the Company's cash is concentrated. The policy restricts the amount of investment in banks to the limit calculated by the model quotas, without the authorization of the Financial Vice President. The models incorporate variables, such as national and international rating, leverage indicators, and liquidity indicators of banking entities. When the amounts invested in a bank exceed the values calculated by the quotas model, the risk is considered to be highly concentrated in a single issuer. The Company balances that concentration, when the market allows it, by divesting the issuer that has exceeded the amount stipulated by the model and recomposing the investments with different alternatives, according to the calculated quotas. For banks that are not part of the model, the Company does not measure the issuer quota risk. Also, banks that are not part of that model are entities in which there are no significant investments at the time of this report.

25.3.4. LIQUIDITY RISK MANAGEMENT

The Company has financial obligations with counterparties in the banking system and in the capital market. In order to mitigate the liquidity risk in the possible renewals of these credits, the Company plans the concentration of maturities monthly in order to avoid accumulating extremely high maturities in any given month of the year. Additionally, it has a broad portfolio of liquidity providers in different currencies, types of indexers and terms, including national banks, international banks, commercial financing companies, stockbrokers and issuance of bonds and trade papers in the capital market as a recurring issuer.

The balance of the debt distribution by term is another clear objective of management, with the goal of not concentrating more than 30% of financial liability maturities in the short-term. The years of duration of the financial liabilities are monitored month by month, and the objective is that the average life of the portfolio exceeds 3.5 years. Likewise, the Company has uncommitted credit quotas in national and international banks in a sufficient amount to cover any eventuality. The Company is also exposed to liquidity risk for breach of their financial commitments, which would trigger cross compliance clauses in other contracts. To mitigate this risk, the financial obligations in the credit agreements are monitored monthly and reported to the Management.

As of December 2023, the company has the following financial commitments (covenant):

- Cement Loan with BBVA COP 30,000, where the following financial commitment is made: Net Debt/EBITDA Ratio: Less than 4 times throughout the life of the loan, measured at the end of each quarter. Interest coverage: Equal to or less than 2.5 times during the entire term of the loan.
- Cement loan with Santander USD 30,000, with a covenant associated with the debt-to-EBITDA ratio of the Separate level debtor (6x in the 1st year, 5x in the 2nd year, 4.5x in the 3rd year).
- ESG loan with Banco de Bogota, for COP 272,000, whose maintenance or reduction of the interest rate depends on the Compliance with sustainability KPIs: Net specific CO2 emissions.

Number of suppliers assessed for sustainability in the last three years.

- Cement Loan with Santander USD 30,000,000. Non-compliance -> non-sending of compliance certificate.

Accounting working capital, defined as current assets minus current liabilities, shows a negative balance. This is mainly due to short-term loans and reclassifications of those loans that were long-term and whose maturity is already within the next 12 months. At the end of December, the company has available uncommitted quotas and is a recurring issuer in the Colombian stock market, with a quota in its bond and commercial paper issuance and placement program. These bank quotas and in the stock, market allow the structuring of sufficient financing alternatives to renew the current debt portion, together with the internal generation of the company liquid assets.

25.4. Foreign Currency Sensitivity Analysis

The Company is mainly exposed to the USD currency. The following table shows the impact on net income of a 20% depreciation or appreciation in the Colombian peso, against the relevant foreign currencies after considering the hedge accounting effect. The 20% represents the sensitivity rate used when reporting currency risk internally to key management personnel and represents management's assessment of a possible but extreme scenario.

The sensitivity analysis includes only outstanding monetary headings denominated in foreign currency and adjusts their translation at the end of the period for a 20% change in exchange rates. The sensitivity analysis includes external loans, as well as loans for foreign operations within the Company, where the loan denomination is in a currency other than the currency of the lender and the borrower. An appreciation of the Colombian peso has a positive impact on net income. Depreciation has the opposite effect.

During the period, there have been changes in the methods and assumptions used for the sensitivity analysis, going from 25% to 20% as standardization to the policies established by the Company.

	2023	2022
20% increase in US dollar regarding functional currency		
Income before taxes, expressed in million pesos	177,202	129,405
Equity	197,832	149,767

25.5. Sensitivity Analysis of Interest Rates and Inflation Indices

The following sensitivity analyzes have been determined based on exposure to interest rates and inflation indices for both derivative and non-derivative instruments at the end of the reporting period. For liabilities at variable rates, a sensitization is carried out, assuming that the amount of the outstanding liability at the end of the reporting period has been the outstanding liability for the entire year. When internally informing key management personnel about interest rate risk, an increase or decrease of 100 basis points over the indicator's spot rate is used, which represents management's assessment of the possible reasonable change in interest rates.

During the period, there have been changes in the methods and hypotheses used for the sensitivity analysis, going from 25% to 100BP on the indexer sport rate as agreement to the policies established by the Company.

	CPI		Libor		IBR	
	2023	2022	2023	2022	2023	2022
Increase of 100BP over the indexer spot rate						
Income before taxes, expressed in million pesos	9,142	25,375	-	-	4,202	8,164
Other comprehensive income	30,481	19,489	-	3,421	2,368	(29,583)

25.6. Derivative Contracts in Foreign Currency

The following table lists derivative contracts in foreign currency under hedge accounting, outstanding at the end of the reporting period:

	Average rate of derivative contract		Underlying notional value in Colombian pesos (1)		Fair assets value (liabilities)	
	2023	2022	2023	2022	2023	2022
US dollar						
1 year or less, purchase forward	4,280	4,470	594,600	611,230	105,756	51,872
One to 5 years, purchase swap	4,643	3,545	424,248	144,306	75,904	49,015
Total foreign currency derivative contracts			**1,018,848**	**755,536**	**181,660**	**100,887**

(1) The underlying notional value includes values in US dollars. For disclosure purposes, these amounts have been converted into Colombian pesos using the closing exchange rate in force for each reporting date.

The following tables detail the notional principal amounts and remaining terms of forward and exchange rate swap contracts outstanding at the end of the reporting period.

25.7. Interest and Liquidity Risk Tables

The following tables detail the remaining contractual maturity of Cementos Argos S.A. for its non-derivative financial liabilities with agreed-upon reimbursement periods. The tables have been designed based on the undiscounted cash flows of financial liabilities, based on the date on which the Company must make payments. The tables include both interest and principal cash flows. When the interest is at the variable rate, the undiscounted amount is derived from the interest rate curves at the end of the reporting period. The contractual maturity is based on the minimum date on which the Company must make the payment.

	Weighted average effective rate	One year or less	From 1 to 5 years	5 years or more	Total contractual cash flows	Book Value
December 31, 2023						
Instruments with variable interest rates	15.06%	1,407,965	2,318,906	2,502,886	6,229,757	3,834,199
Instruments with fixed interest rates	13.48%	181,879	144,772	-	326,651	309,096
Other liabilities		2,521	10,731	188,410	201,662	42,932
		1,592,365	**2,474,409**	**2,691,296**	**6,758,070**	**4,186,227**

	Weighted average effective rate	One year or less	From 1 to 5 years	5 years or more	Total contractual cash flows	Book Value
December 31, 2022						
Non-interest-bearing liabilities		420,103	-	-	420,103	420,103
Instruments with variable interest rates	16.79%	1,229,875	3,027,521	3,085,431	7,342,827	3,437,654
Instruments with fixed interest rates	12.99%	934,014	-	-	934,014	870,644
Other liabilities		2,472	10,520	192,122	205,114	-
		2,586,464	**3,038,041**	**3,277,553**	**8,902,058**	**4,728,401**

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been designed based on the discounted contractual net cash flows that are paid on a net basis, and the discounted gross cash flow of the derivatives that require gross payment. When the amount payable or receivable is not fixed, the amount disclosed has been determined by referencing projected interest rates as illustrated by the yield curves at the end of the reporting period.

As of December 31, 2023, the Company does not have derivative contracts that are settled for their gross amount.

	December 31, 2023			December 31, 2022		
	One year or less	From 1 to 5 years	Total	One year or less	From 1 to 5 years	Total
Net settled amount:						
Forward	(105,756)	-	(105,756)	60,296	-	60,296
Swaps	(20,591)	(79,222)	(99,814)	(15,489)	58,445	42,956
Options	2	-	2	-	-	-
	(126,345)	**(79,222)**	**(205,568)**	**44,807**	**58,445**	**103,252**

25.8. Collateral Guarantee

In 2023, the financial assets pledged as collateral are the following:

- 6,783,262 shares of the issuer Grupo de Inversiones Suramericana S.A. to the financial entity Banco Santander as collateral for a loan for USD 30 million taken in 2021.
- The subsidiary Argos SEM LLC has pledged 360,600 ordinary shares of Argos Puerto Rico Corp., to guarantee the credit between Argos Puerto Rico Corp. and Banco Popular de Puerto Rico. Under this credit, the accounts receivable, deposit accounts and inventory of Argos Puerto Rico Corp. were also pledged.

At the end of 2023, the company doesn't have shares of Grupo de Inversiones Suramericana as collateral for passive repos.

25.9. Financial Assets and Liabilities Fair Value

The Company determines the fair value of all its financial assets and liabilities in the reporting period for measurement or disclosure in the financial statements.

The following table shows, for each of the levels of fair value hierarchy, the Company's assets and liabilities measured at fair value on December 31, 2023 and 2022:

	December 31, 2023			December 31, 2022		
	Level 1	Level 2	Total fair value	Level 1	Level 2	Total fair value
Financial Derivatives	-	252,711	252,711	-	22,557	22,557
Financial assets at fair value	**-**	**252,711**	**252,711**	**-**	**22,557**	**22,557**
Financial assets at fair value:						
In results		2,797	2,797		2,797	2,797
In other comprehensive income (See note 7)	824,072	3,370	827,442	1,193,207	3,370	1,196,577
Financial Derivatives	-	44,124	44,124	-	125,809	125,809
Financial assets at fair value	**824,072**	**50,291**	**874,363**	**1,193,207**	**131,976**	**1,325,183**
Net assets (liabilities) at fair value	**824,072**	**(202,420)**	**621,652**	**1,193,207**	**109,419**	**1,302,626**

The book value and estimated fair value of Cementos Argos S.A. assets and liabilities that are not recognized at fair value in the separate statement of financial position, but require disclosure at fair value as of December 31, 2023, are as follows:

	December 31, 2023		December 31, 2022	
	Book Value	Fair Value, Level 2	Book Value	Fair Value, Level 2
Non-interest-bearing liabilities	336,785	336,786	420,103	420,103
Instruments with variable interest rates	3,834,199	3,516,791	3,437,654	3,437,654
Instruments with fixed interest rates	309,096	300,752	870,644	870,644
Other liabilities	42,932	25,764	-	16,197
Financial liabilities measured at fair value	**4,523,012**	**4,180,093**	**4,728,401**	**4,744,598**
Cash and cash equivalents	255,905	255,905	102,518	102,518
Accounts receivable	405,166	411,323	781,943	788,184
Financial assets measured at fair value	**661,071**	**667,228**	**884,461**	**890,702**
Net financial liabilities measured at fair value	**(3,861,941)**	**(3,512,865)**	**(3,843,940)**	**(3,853,896)**

As of December 31, 2023 and 2021, there were no transfers between fair value hierarchy levels, or changes to the assets and liabilities measured at fair value on a recurrent basis using unobservable variables classified at level 3 of the fair value hierarchy.

NOTE 26: ISSUED CAPITAL

As of December 31, 2023 and 2022, the authorized capital is made up of 1,500,000,000 shares with a nominal value in pesos of $416 each, for a total value of $624,000. The subscribed and paid capital is made up of 1,234,054,317 common shares and 209,197,850 preferred shares, with a nominal value in pesos of $416, for a total of $513,367 and $87,026, respectively. Own shares reacquired are 71,581,285 (2022 63,575,575), the decrease corresponds to the share repurchase program for 6,993,949 common shares and 1,011,761 preferred shares, respectively. As of December 31, 2023 and 2022, the outstanding shares are 1,371,670,882 (2022 1,379,676,592). The separate statement of changes in equity includes a share placement premium of $1,642,158.

26.1. Share Repurchase Program

On June 22, 2023, Cementos Argos’ Board of Directors set the rules for the repurchase program of common and preferred shares for an amount of $125,000 million. The Shareholders' Meeting authorized said program, making a reserve for the repurchase of shares for $125,000 million. The term to carry out the program is one (1) year from its approval by the Shareholders' Meeting, that is, until June 22, 2024.

Investments in associates and joint ventures of the Company do not hold ordinary or preferred shares from Cementos Argos S.A. or any of its subsidiaries at the reporting date or in comparative periods. The Company has not reserved common or preferred shares for option contracts or shares sale contracts.

Cementos Argos S.A. may only acquire its own shares by decision of the General Shareholders’ Meeting, with the favorable vote of the number of subscribed shares determined by law, with funds taken from liquid profits and provided that such shares are fully released.

26.2. Reconciliation of Paid Ordinary Shares

		Number of shares	Social Capital	Share placement premium
Balance as of December 31, 2023	Paid ordinary shares	1,234,054,317	513,367	268,089
Balance as of December 31, 2023	Preferred shares	209,197,850	87,026	1,374,069
Balance as of December 31, 2022	Paid ordinary shares	1,234,054,317	513,367	268,089
Balance as of December 31, 2022	Preferred shares	209,197,850	87,026	1,374,069

Each ordinary share gives its owner the right to participate in and vote the decisions of the General Shareholders’ Meeting, trade the shares freely, inspect the books and social papers freely during the fifteen (15) business days prior to the General Meeting where the year-end financial statements are examined, and receive a proportionate share of the social assets at the time of settlement and once the company’s external liabilities have been paid, among others included in the bylaws.

The shareholders holding ordinary shares shall have the right to subscribe preferentially in all new ordinary shares’ issuance, a proportional amount to those held on the date on which the competent social agency approves the subscription regulations.

NOTE 27: RESERVES AND OTHER COMPREHENSIVE INCOME

27.1. Reserves

Legal Reserve
The company is required to appropriate 10% of its annual net profits as a legal reserve, until the balance of this reserve is equivalent to 50% of the subscribed capital. As of December 31, 2023, and December 31, 2022, the value of the legal reserve amounts to $230,788 and $166,166, respectively.

The reserve is not distributable before the Company liquidation, but it should be used to absorb or reduce annual net losses. Appropriations in excess of the 50% mentioned above are freely available to the General Shareholders’ Meeting.

Reserve for shares repurchase
In June 2023, Cementos Argos’s Board of Directors set the rules for the repurchase program of common and preferred shares for an amount of $125,000 million. The Shareholders' Meeting authorized the program by transferring $125,000 million from the occasional reserve for strengthening equity to the reserve for the reacquisition of shares. The term to carry out the program is 1 year from its approval by the Shareholders' Meeting, that is, until June 22, 2024. The following table provides a summary of the changes in the reserve during the year:

	2023	2022
Reserve for shares repurchase	238,797	113,797
Repurchased own shares	(157,995)	(113,797)

During the year, a total of 6,993,949 common shares and 1,011,761 preferred shares were repurchased, for a total of $40,174 and $4,024, respectively.

Reserves for Equity Strengthening

In addition to the reserves established by law or the bylaws, the General Shareholders' Meeting may constitute freely available reserves for specific purposes.

NOTE 28: RETAINED EARNINGS AND DIVIDENDS

28.1. Retained Earnings

	2023	2022
Opening balance	**2,112,654**	**2,452,904**
Attributable loss to the Company owners	(575,825)	(208,053)
Ordinary and preferred dividends distributed in cash	(127,292)	238,410
Recovered dividends Reacquisition of ordinary shares	538	-
Recovered dividends Reacquisition of preferred shares	77	-
Provisioning	(166,152)	26,223
Participation in the subsidiaries equity variations	550,762	(382,723)
Effect of rate changes in income tax and occasional income tax in Colombia	-	(13,743)
Other variations	(23,966)	(364)
Closing balance	**1,770,796**	**2,112,654**

28.2. Declared Dividends

The General Shareholders' Meeting held on March 24, 2023, decreed cash dividends on common and preferred shares of $92.77 per year per share, payable in one (1) installment.

The dividend payment was carried out on April 17, 2023, for a total value of $127,993 corresponding to $108,585 and $19,407 of common and preferred shares, respectively.

Additionally, in an extraordinary Meeting held on June 22, 2023, the payment of an extraordinary dividend on ordinary and preferred shares was approved at the rate of $229.77 per share, for a total of $317,008, to be paid in three (3) cash installments corresponding to $89,647 and 16,022 ordinary and preferred shares, in the months of July, October and December 2023.

During the period, Cementos Argos S.A. decreed the following dividends:

		2023		2022	
Decreed dividends	**Shares**	**Annual $ per share**	**Total**	**Annual $ per share**	**Total**
Cementos Argos S.A.					
Ordinary dividend	1,170,478,742	92.77 annually	108,585	281.20 annually	329,139
Preferred dividend	209,197,850	92.77 annually	19,407	281.20 annually	58,826
Ordinary dividend (extraordinary)	1,170,478,742	229.77 annually	268,941		-
Preferred dividend (extraordinary)	209,197,850	229.77 annually	48,067		-
			445,000		**387,965**

During the period, Cementos Argos S.A. made the following dividend payment:

		January 1 to December 31, 2023		January 1 to December 31, 2022	
Dividends decreed	**Shares**	**$ dividend per share**	**Paid in cash**	**$ dividend per share**	**Paid in cash**
Cementos Argos S.A.					
Ordinary dividend	1,170,478,742	392.84(1)	459,811	210.9	246,854
Preferred dividend	209,197,850	392.84	82,181	210.9	44,120
			541,992		**290,974**

(1) $392.84 corresponds to the last installment of PDU 2022 for $70.30 per share, $92.77 per share of PDU 2023 and $229.77 per share of the extraordinary PDU installments.

NOTE 29: ORDINARY ACTIVITIES INCOME

An analysis of Cementos Argos S.A. income for the period for continuing operations (excluding financial income – see note 33) is presented below.

	2023	2022
Income from the sale of goods	1,864,200	1,734,568
Income from services provision	144,318	392,353
	2,008,518	**2,126,921**
Net share of investees	895,801	350,282
	2,904,319	**2,477,203**

Cementos Argos S.A. has no commitments that are estimated to generate losses.

Cementos Argos S.A. consolidated operating income is generated mainly through the cement sale. Sales are highly dependent on the construction industry performance, including residential, commercial and infrastructure projects, in each of the countries where Cementos Argos S.A. operates, or the products are sold. Fluctuations in the behavior of the construction industry significantly affect the cement volumes that the Company is able to sell, as well as the sales prices that the Company is able to receive for its products.

29.1. Net equity in income of investees

	2023	2022
Argos SEM, LLC	534,510	141,878
Zona Franca Argos S.A.S.	163,742	124,444
Valle Cement Investments INC	75,343	20,847
Corporaciones e Inversiones del Mar Caribe S.A.S.	57,455	33,069
Transatlantic Cement Carriers, INC	38,128	28,989
Argos Panamá S.A.	21,440	12,611
C.I. del Mar Caribe BVI	7,920	19,153
Logística de Transporte S.A.	2,298	4,175
BMR Ltd	674	189
SUMMA –Servicios Corporativos Integrales S.A.S.	24	7
Cementos de Caldas S.A.	3	(7)
Colcaribe Holding S.A.	(2,433)	(18,616)
Concretos Argos S.A.S.	(1,231)	(8,971)
Saint-Gobain Colombia S.A.S.	(1,044)	(809)
Haití Cement Holding S.A.	(925)	(5,719)
Soluciones de Crédito S.A.S.	(102)	(957)
	895,801	**350,282**

29.2. Contractual balances of contracts with customers

The changes in the contract liabilities during the period are presented below:

	2023	2022
Balance at beginning of period	62,016	56,587
Advances and revenues received in advance customers nations	58,248	62,005
Amounts included in the contract liabilities that were recognized as current period revenue	(62,016)	(56,587)
Advances and revenues received in advance from foreign customers	618	11
Balance at end of period	**58,866**	**62,016**

29.3. Performance obligations

The final balance of the performance obligations of $58,866 (2022: $62,016) is expected to be satisfied in a period of less than one year.

As of December 31, 2023 and 2022, the Company has no commitments that are estimated to generate losses.

NOTE 30: ADMINISTRATIVE EXPENSES

Administrative expenses as of December 31 comprised the following:

	2023	2022
Staff expenses	152,605	129,916
Services	53,412	42,223
Maintenance and repairs	13,157	10,797
Fees	11,681	17,915
Insurances	9,659	8,502
Property, plant and equipment depreciation	9,428	13,734
Intangible assets amortization	8,231	10,305
Travel expenses	7,728	6,484
Taxes	6,917	2,376
Contributions and affiliations	4,196	3,574
Leases	2,825	2,530
Transportation	667	536
Adaptation and repairs	633	532
Casino and restaurant	466	1,372
Legal expenses	309	352
Supplies and stationery	157	403
Representation and public relationships expenses	127	63
Commissions	81	238
Debtor's impairment	45	880
Miscellaneous	5,245	2,567
	287,570	**255,299**

NOTE 31: SELLING EXPENSES

Selling expenses as of December 31 comprised the following:

	2023	2022
Staff expenses	38,154	34,094
Services	24,458	17,677
Taxes	16,355	14,692
Travel expenses	1,952	1,740
Maintenance and repairs	1,246	440
Transportation	1,105	1,014
Property, plant and equipment depreciation	1,000	987
Contributions and affiliations	987	1,183
Debtor's impairment	869	1,500
Insurance	534	538
Fees	526	553
Casino and restaurant	220	249
Representation and public relationships expenses	160	98
Intangible assets amortization	42	42
Leases	35	28
Supplies and stationery	34	33
Legal expenses	23	-
Adaptation and installation	6	36
Customer replacement	-	3,814
Miscellaneous	1,720	1,547
Grand Total	**89,426**	**80,265**

NOTE 32: OTHER (EXPENSES) NET OPERATING INCOME

Other net operating income as of December 31 comprised the following:

	2023	2022
Gain on recoveries [1]	11,450	32,796
Gain on sale of fixed assets and other assets	6,544	6,492
Income (loss) from valuation	1,563	3,783
Gain in uses	1,855	1,743
Gain (loss) in compensation	169	(610)
(Loss) gain on portfolio and fixed assets withdrawal	(1,097)	1,579
Loss in donations	(2,376)	(1,047)
(Loss) other income and expenses	(3,713)	(3,932)
Loss from other assumed taxes	(4,244)	(891)
Loss in litigation	(4,796)	(2,840)
Loss due to assumed tax (four per thousand)	(20,740)	(17,932)
Earning on grants	-	178
	(15,385)	**19,319**

[1] For the year 2022, a change in the structure of the deferred monthly rent, the nominal value for future years was organized and the dates of the rent were organized as well. This change generated a recovery. Provisions assigned to decommissioning were also reviewed, where mine closures were found, generating an opportunity to reduce the provision, and the valuation method for employee loans was changed, thus leading to recovery.

NOTE 33: FINANCIAL INCOME

	2023	2022
Interest income	65,952	14,535
Dividends from equity investments	36,346	22,294
Others financial income	10,202	5,984
Total financial income	**112,500**	**42,813**

NOTE 34: FINANCIAL EXPENSES

	2023	2022
Interest on bonds and preferred shares	449,185	367,914
Interest on financial derivatives	30,146	30,506
Interest on overdrafts and bank loans	191,952	62,881
Interest on related parties loans	48,036	20,760
Other financial expenses	6,592	3,575
Total interest expenses on financial liabilities	**725,911**	**485,636**
Minus included amounts in the qualified assets cost	-	-
Total interest expenses on financial liabilities recorded in results	**725,911**	**485,636**
Interest expenses on lease liabilities (See note 20)	7,819	5,456
Discount effect of provisions and employee benefits	27,545	18,470
Total financial expenses	**761,275**	**509,562**

NOTE 35: YEAR INCOME FROM CONTINUING OPERATIONS

The profit for the year from continuing operations is attributed to:

	2023	2022
Company controllers	319,976	142,229

The profit for the year from continuing operations amounted to the previously expressed totals, after the following charges (credits):

35.1. Losses from Financial Assets Impairment

	2023	2022
Impairment loss on trade accounts receivable	915	2,379
Reversal of impairment losses on trade accounts receivable	153	1,511

35.2. Depreciation and Amortization Expenses

	2023	2022
Property, plant and equipment depreciation (1)	117,274	109,106
Intangible assets amortization	22,986	24,646
Right-of-use assets depreciation (2)	17,065	19,458
Total depreciation and amortization expense	**157,324**	**153,210**

(1) The total depreciation value of Property, plant and equipment (note 16) corresponds to $126,106 (2022 $117,311) of which $8,832 (2022 $8,205) are capitalized in inventory.

(2) The total depreciation value of assets for rights of use in leases (note 20) corresponds to $17,569 (2022 $20,007) of which $505 (2022 $549) are capitalized in inventory.

35.3. Employee benefit expenses

	2023	2022
Cost	170,880	150,618
Overhead expense	152,605	129,916
Selling expenses	38,154	34,094
Other expenses	**361,640**	**314,628**

NOTE 36: INFORMATION FROM RELATED PARTIES

The immediate parent company of Cementos Argos S.A. is Grupo Argos S.A., which is headquartered in Medellin, Colombia, and holds a stake in the Company of 60.66% (2022 58.51%).

36.1. Qualitative Information on Transactions between Related Parties

36.1.1. TRANSACTIONS BETWEEN CEMENTOS ARGOS S.A. WITH THE SUBSIDIARIES OR BETWEEN SUBSIDIARIES THEMSELVES

- Clinker purchase and sale between Cementos Argos S.A. and its subsidiaries, and our subsidiaries among themselves, regardless of the region where they are located. The transaction involves the companies that produce clinker and sell it to the companies that produce cement, and the latter using it as a raw material to produce cement.
- Cement purchase and sale between Cementos Argos S.A. and its subsidiaries, and our subsidiaries among themselves, regardless of the region where they are located. The transaction involves the companies that produce cement and sell it to the companies that produce concrete, and the latter using it as a raw material to produce concrete. In the case of purchases and sales among cement companies, cement is transferred with the purpose of being commercialized.
- Aggregates purchase and sale between Cementos Argos S.A. and its subsidiaries, and our subsidiaries among themselves, regardless of the region where they are located. The transaction involves the companies that produce aggregates and sell them to the companies that produce cement or concrete, and they use it as a raw material for their products.
- Provision of transportation services between Logitrans S.A. and Cementos Argos S.A., Concretos Argos S.A. and Zona Franca S.A.S. The transaction involves Logitrans S.A., as a cargo transport intermediary, outsourcing transportation of Cementos Argos S.A. products or raw materials.

- Back-office services purchase and sale between Argos North America Corp. and its subsidiaries. The transaction involves Argos North America Corp. providing back-office services to its subsidiaries in exchange for a consideration from them. The services provided are basically financial, administrative and technological support.
- Management support contracts between Cementos Argos S.A., Argos Honduras S.A., Argos Dominicana S.A., Cimenterie Nationale S.E.M, Vensur NV, Argos Puerto Rico LLC, Argos Panamá and Ciments Guyanais. The transaction involves Cementos Argos S.A. providing management support services to the subsidiaries listed in exchange for a consideration from them. The services provided are basically administrative management services.
- Leasing contracts between Cementos Argos S.A. and its subsidiaries and among our subsidiaries, the transaction consists in the lessor giving as lessee the right-to-use real estate and river transport fleet for the development of its activities.
- Provision of maritime transport services between Transatlantic Cement Carriers Inc. and Cementos Argos S.A. and/or its subsidiaries. The transaction consists in that Transatlantic Cement Carriers Inc., acts as a maritime transport interme-diary, outsourcing the products or raw materials transportation from Cementos Argos S.A. and/or its subsidiaries.

36.1.2. TRANSACTIONS BETWEEN GRUPO ARGOS S.A. WITH CEMENTOS ARGOS S.A. AND/OR ITS SUBSIDIARIES

- Real estate lease between Grupo Argos S.A. A. and/or its subsidiaries and Cementos Argos S.A. and/or its subsidiaries. The transaction involves Grupo Argos S.A. and/or its subsidiaries leasing space (offices, warehouses and/or lots) to Cementos Argos S.A. and/or its subsidiaries ,in order for the latter to develop their activities, whether productive or administrative.

36.1.3. TRANSACTIONS BETWEEN ENTITIES THAT HAVE A SIGNIFICANT INFLUENCE ON THE PARENT COMPANY AND THE GROUP.

- Cementos Argos S.A. and its subsidiaries contract real, property and personal damage insurance, mainly through the life and general insurers that are part of Grupo de Inversiones Suramericana. This operation is conducted to cover capital losses in all the regional offices, using the risk retention and distribution schemes negotiated jointly with said insurers, all in accordance with the regulations that apply in accordance with the corresponding jurisdiction.

36.1.4. TRANSACTIONS BETWEEN CEMENTOS ARGOS S.A. AND SUBSIDIARIES FROM GRUPO ARGOS.

- Energy purchase and sale between Celsia S.A. and Zona Franca Argos S.A.S., the transaction consists of Zona Franca Argos S.A.S. providing energy to Celsia S.A. for marketing purposes.

36.1.5. TRANSACTIONS BETWEEN THE GROUP AND INVESTMENTS IN ASSOCIATES

- Provision of business services. The transaction consists of SUMMA Servicios Corporativos Integrales S.A.S. providing specialized business services and administrative support services to Cementos Argos S.A. through the execution of an operating mandate agreement without representation, in exchange for a consideration by them. Among the services provided are basically financial, administrative, legal assistance, purchasing, human management, risks and insurance, communications and information technology services, among others. In the mandate agreement exercise, SUMMA Servicios Corporativos Integrales S.A.S. will pay all necessary expenses to conduct its operations and at the end of each period, will request the reimbursement of such expenses from Cementos Argos S.A.
- Air transport service between Internacional Ejecutiva de Aviación S.A.S. and Cementos Argos S.A. This deal consists of Internacional Ejecutiva de Aviación S.A.S. providing air transport service to Cementos Argos S.A. senior executives

36.1.6. TRANSACTIONS BETWEEN THE GROUP AND INVESTMENTS IN JOINT VENTURES

- Cement and concrete sale to Odinsa S.A. joint ventures, a Grupo Argos S.A. subsidiary. The transaction consists of cement and concrete sale to Odinsa S.A. consortiums for the elaboration of infrastructure works in different regions of the country.
- Provision of maritime transport services between Transatlantic Cement Carriers Inc. and Trans-Atlantic Shipmanagement Ltd. The transaction consists of Trans-Atlantic Shipmanagement Ltd. (among other providers) providing the ocean freight service and ship leasing to Transatlantic Cement Carriers Inc. for the transportation of raw materials and finished products for Cementos Argos S.A. and/or its subsidiaries.

36.2. Transactions between Related Parties

	Parent company	Entities with significant influence in the Group	Subsidiaries	Associated	Joint ventures	Key Management personnel	Total related parties
2023							
Sale of goods and other income	627	36,346	919,269	-	-	-	956,242
Purchase of goods and other expenses	2	19,655	71,809	2,024	-	48,874	142,364
Amounts receivable	1,372	9,094	196,503	180	-	-	207,149
Amounts payable	16	1,898	618,633	4,278	-	-	624,825
Lease assets	-	-	5,806	-	-	-	5,806
Lease liabilities	-	-	11,759	-	-	-	11,759
2022							
Sale of goods and other income	599	22,302	752,057	207	-	-	775,165
Purchase of goods and other expenses	32	25,460	132,913	1,301	-	37,601	197,307
Amounts receivable	1,415	5,626	571,752	-	-	-	578,793
Amounts payable	48,371	5,194	623,785	3,732	-	-	681,082
Lease assets	266	-	4,713	-	-	-	4,979
Lease liabilities	286	-	10,280	-	-	-	10,566

As of December 31, 2023 and 2022, Cementos Argos S.A. has not recognized value impairment and expense for value impairment for the values receivable with related parties. Cementos Argos S.A. has not received or offered guarantees of balances receivable or payable to related parties. Transactions between the reporting Company and its related parties are conducted under conditions equivalent to those that exist in transactions between independent parties.

The average term of accounts receivable from related parties with respect to the sale of goods is 30 days, accounts payable between related parties have an average term of 30 days. The average term of the loans made by the Company for the year 2023 is 10 months in pesos and 11 months in dollars, agreed at a rate in pesos of 19.39% and 6.80% respectively. The average term of the loans for the year 2023 is 14 months in pesos, agreed at a rate in pesos of 16.67%.

36.3. Compensation from the Board of Directors and Key Management Personnel

	2023	2022
Wages and other short-term employee benefits	45,483	35,388
Pension and other post-employment benefits	3,391	2,213
Total compensation of key management personnel for the period	**48,874**	**37,601**

Key management personnel include Board members, Nomination and Remuneration Committee, Audit and Finance Committee, Sustainability and Corporate Governance Committee, Directive Committee (made up by the President and Vice President), and of any other committee that directly depends on Cementos Argos and Grupo Argos Board of Directors, as well as Managers and their close relatives.

NOTE 37: EXCHANGE DIFFERENCE

	2023	2022
Exchange difference income	174,271	167,687
Exchange difference expense	209,644	151,263
(Loss) gains by difference in foreign exchange, net	**(35,373)**	**16,424**

NOTE 38: CONTINGENT ASSETS AND LIABILITIES

As of the date the financial statements are issued, there are certain contingent conditions that may result in a loss for Cementos Argos S.A. These contingencies are estimated by the Management and its legal advisors based on their professional judgment. Considering the processes variability, it is possible that the probability of occurrence will vary in the future.

In estimating contingencies, legal advisors evaluate, among other aspects, the merits of the claims, the related jurisprudence, and the status of each of the processes to date. These matters are considered to be resolved without any significant effect on our operations, financial position or operations results.

38.1. Contingent Assets

At the date of preparation of the notes to the financial statements, Cementos Argos S.A. is not a party to legal proceedings, acting as a plaintiff, where the income or recovery of contingent assets exceeding $5,000 (million pesos) is expected individually. In any case, there are executive processes initiated by Cementos Argos S.A. against third parties for the portfolio recovery through legal proceedings. We believe that the estimated time of resolution for these processes' ranges between three (3) and eight (8) years approximately.

38.2. Contingent Liabilities

At the preparation date of the notes to the financial statements, we state that Cementos Argos S.A. takes part in legal proceedings of a different nature, acting both as plaintiffs and defendants, which are being diligently attended by qualified lawyers hired by each company. The conflicts here revealed are civil, administrative, criminal and fiscal. This type of litigation is one that arises in the ordinary course of business conducted by the Company of the size of operations of Cementos Argos S.A. We consider that the estimated completion time of these processes' ranges between approximately three (3) and eight (8) years.

Puerto Nare Valorization
In December 2018, Cementos Argos S.A. filed an action for nullity and restoration of rights against a resolution of recovery contribution for the "Puerto Nare - Puerto Triunfo" road rectification and paving, in the Antioquia department, for COP 18,000 million. The lawsuit was admitted, and, in its reply, the Antioquia department called in guarantee the firm that conducted the appraisal study. The Company presented a brief ruling on the answer to the lawsuit and requested again the suspension of the administrative act that contains the recovery contribution. We have not recorded any accounting provision considering that we have enough arguments to distort the payment obligation attributed to the Company.

NOTE 39: EVENTS OCCURRED AFTER THE REPORTING PERIOD

On September 7, 2023, Cementos Argos S.A. and two of its subsidiaries signed an agreement with Summit Materials, Inc. ("Summit"), a construction materials company in the United States listed on the New York Stock Exchange since 2015, and which operates in more than 20 states in United States and Canada in the cement, concrete, aggregates and other complementary businesses. The agreement refers to the disposal of the group of assets associated with the United States regional in which the subsidiaries Argos North America Corp., Argos USA LLC and Argos Ports LLC are located.

At the Meeting held on January 11, 2024, the shareholders of Summit Materials approved this transaction and on January 12, after meeting certain conditions, the transaction was successfully completed where Cementos Argos received the following in consideration: 1. Cash: $482 million dollars in cash, and 2. Shares: 54,720,000 common shares and one (1) preferred share of Summit Materials, equivalent to a 31% participation, assigning three representatives to the Board of Directors, which may have up to eleven members. The consideration in shares will be recognized as an investment in Associates and will be subsequently updated using the equity method.

This transaction generates a gain of approximately COP 5.4 bn net of taxes, as discontinued operations in accordance with IFRS 5, which will be reflected in the financial statements during 2024 Q1. In accordance with IAS 10 paragraph 22, this subsequent event does not generate adjustments to the figures presented in these financial statements as of December 31, 2023.

INDEX OF CONTENTS

DECLARATION OF USE Cementos Argos has presented the information cited in this GRI content index for the period between January 1 and December 31, 2023, using the GRI Standards as a reference.

GRI 1 USED GRI 1: 2021 fundamentals - As of the date of publication of this Integrated Report, a sector standard that applies to us has not been published

General contents

CODE	STD	INDICATOR	LOCATION	VERIFIED	OMISSIONS
2-1	GRI	Legal name	Cementos Argos S.A.		
	GRI	Nature of the property and its legal form	Private - Corporation		
	GRI	Headquarters location	Carrera 43A #, Cl. 1a Sur #143 (Medellín - Colombia) Domicile: Vía 40, Las Flores (Barranquilla - Colombia)		
	GRI	Countries in which it operates	We have a presence in 16 countries and territories and export to 28 destinations. For more information, see Gatefold, where we operate, page 5		
2-2	GRI	Entities included in sustainability reporting	About this report, p. 12		
2-3	GRI	Period covered by the report, frequency	About this report, p. 12 This report is published in March 2024		
	GRI	Contact point	About this report, p. 12		
2-4	GRI	Update of information	The specific water consumption data in cement and concrete for 2022 was reviewed and adjusted and differs from the data on page 136 of the 2022 Integrated Report		
2-5	GRI	External verification	In Argos we have defined the external audit as one of the mechanisms for monitoring the operation of our Internal Control System. Our internal control system has a structure where management, the Risk area, the Compliance area, the Internal Audit, the Statutory Auditor and the Board of Directors with its support committees, participate in the supervision, management and evaluation of the internal control system according to their roles and responsibilities, following the Corporate Governance Code, the Company's Bylaws, policies and other company procedures. The information disclosed in this document was audited by BDO Audit SA, an independent third party that verifies the veracity, quality and relevance of the information. BDO Audit SA, domiciled in Bogotá at Carrera 16 # 97-46, has the ISO 9001 Quality Management System certification. Likewise, the financial information (tax audit) was audited by KPMG SAS. The BDO assurance report can be consulted in the annexes to this report.		
2-6	GRI	Sector of activity	Construction materials		
	GRI	Value chain	How we create value, p. 62		
2-7 2-8	GRI	Employees Workers who are not employees	https://bit.ly/3JMIcEW		**Omission requirements:** Non-guaranteed hourly employees **Reason:** Not applicable **Explanation:** The categories of employees proposed in the GRI standard do not correspond in their entirety to those defined by the organization
2-9	GRI	Governance structure and composition	Corporate governance, p. 16		
2-10	GRI	Appointment and selection of the highest governing body	Corporate governance, p. 23		
2-11	GRI	President of the highest governing body	Corporate governance, p. 26		

General contents

CODE	STD	INDICATOR	LOCATION	VERIFIED	OMISSIONS
2-12	GRI	Role of the highest governing body in supervising impact management	Corporate governance, p. 26, 34 and 35		
2-13	GRI	Delegation of responsibility for impact management	Corporate governance, p. 26, 29 and 30		
2-14	GRI	Role of the highest governance body in sustainability reporting	Corporate governance, p. 29 Materiality analysis, p. 74		
2-15	GRI	Conflicts of interest	Corporate governance, p. 31		
2-16	GRI	Communication of critical concerns	Corporate governance, p. 21 and 22		
2-17	GRI	Collective knowledge of the highest governing body	Corporate governance, p. 28		
2-18	GRI	Evaluation of the performance of the highest governing body	Corporate governance, p. 28		
2-19 / 2-20	GRI	Remuneration policy Process for determining remuneration	Corporate governance, p. 27 and 28		
2-21	GRI	Annual Total Compensation Ratio	Not reported due to confidentiality reasons		**Omission requirements:** Annual Total Compensation Ratio **Reason:** Confidentiality restrictions **Explanation:** The information requested by this indicator is of restricted access and is not disclosed to the public.
2-22	GRI	Declaration on sustainable development strategy	Letter from the President of the Board of Directors, page. 14 Management report, page. 38 Sustainability strategy: https://argos.co/en/strategies-and-risk-management/		
2-23 2-24	GRI	Commitments and policies Incorporation of commitments and policies	Throughout the Integrated Report, the main policies/guidelines and commitments that the organization has to guide the management of sustainability issues are highlighted. Policies and codes: https://argos.co/en/policies-and-codes/		
2-25	GRI	Processes to remedy negative impacts	How we create value, page. 62 Materiality analysis, pag. 74 VAS, pag. 84 Business Ethics, Compliance and Integrity, pag. 100 Human rights, pag. 170 Social value, pag. 164 Transparency Line: https://argos.co/en/transparency-hot-line/		
2-26	GRI	Mechanisms for seeking advice and addressing concerns	Business Ethics, Compliance and Integrity, pag. 100 Transparency Line: https://argos.co/en/transparency-hot-line/		
2-27	GRI	Compliance with laws and regulations	https://bit.ly/44ofofv		
2-28	GRI	Membership in associations	https://argos.co/en/iniciatives-and-commitments/		
2-29	GRI	Approach to stakeholder engagement	Stakeholders, pag. 81 https://argos.co/en/stakeholders/		
2-30	GRI	Collective bargaining agreements	https://bit.ly/3JMIcEW		
Material issues					
3-1	GRI	Process of determining material issues	About this report, p. 12 Materiality analysis, pag. 74 https://argos.co/en/materiality/		
3-2	GRI	Material issues	About this report, p. 12 Materiality analysis, pag. 74 https://argos.co/en/materiality/		
3-3	GRI	Material issue management	https://argos.co/en/materiality/		

Specific content

CODE	STD	INDICATOR	LOCATION ON THE IR	VERIFIED	OMISSIONS
Profitable growth and fundamental value of the company					
3-3	GRI	Material issue management	Profitable growth and fundamental value of the company, pag. 94 https://argos.co/en/materiality/	X	
201-1	GRI	Direct economic value generated and distributed	Value Added to Society, pag. 84		
EM-CM-000.a	SASB	Production by main product line	About us, page. 4		
Business ethics, compliance and integrity					
3-3	GRI	Material issue management	Ethics, Compliance and Integrity, pag. 100 https://argos.co/en/materiality/		
205-1	GRI	Number and percentage of centers evaluated against risks related to corruption and significant risks detected	https://bit.ly/44ofofv		
205-2	GRI	Communication and training in anti-corruption policies and procedures	https://bit.ly/44ofofv		
205-3	GRI	Confirmed incidents of corruption and measures undertaken	https://bit.ly/44ofofv	X	
206-1	GRI	Legal actions for anti-competitive behavior and anti-trust and monopolistic practices	https://bit.ly/44ofofv		
415-1	In-house GRI	Contribution to political parties and/or representatives	https://bit.ly/44ofofv		
A-ETH1	In-house	Environmental, social and human rights complaints received	https://bit.ly/44ofofv		
A-ETH3	In-house	Number of prosecutions or investigations for corruption - FCPA violations	https://bit.ly/44ofofv		
A-TAX1	In-house	Taxes paid by country	https://bit.ly/44ofofv		
EM-CM-520a.1.	SASB	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and antitrust activities.	https://bit.ly/44ofofv		
Resilient supply chain					
3-3	GRI	Material issue management	Resilient supply chain, pag. 107 https://argos.co/en/materiality/		
204-1	GRI	Proportion of expenditure on local suppliers	Local supplier: A local supplier is one located and registered in the country where each expense is reported. e.g., local suppliers in the Colombia region are all those who have residence and are registered in Colombia. Significant places of operations are those from where the main operations of the business are carried out, such as administrative offices, plants, distribution centres and terminals. https://bit.ly/4b18OOx	X	
308-1 414-1	GRI	Percentage of suppliers evaluated in sustainability in the last 3 corporate years	https://bit.ly/4b18OOx	X	
308-1 414-1	GRI	Percentage of suppliers evaluated in sustainability in the last 3 years USA	https://bit.ly/4b18OOx	X	
A-SR1	In-house	Total number of Tier 1 suppliers	https://bit.ly/4b18OOx	X	
A-SR1	In-house	Total number of significant Tier 1 suppliers	https://bit.ly/4b18OOx	X	
A-SR1	In-house	% of total spending on significant Tier 1 suppliers	https://bit.ly/4b18OOx	X	
A-SR1	In-house	Total number of significant non-Tier 1 suppliers	https://bit.ly/4b18OOx	X	
A-SR1	In-house	Total number of significant suppliers (Tier 1 and non-Tier 1)	https://bit.ly/4b18OOx	X	
A-SR2	In-house	Total number of significant suppliers assessed through desk assessments/on-site assessments	https://bit.ly/4b18OOx	X	
A-SR2	In-house	% of significant suppliers evaluated	https://bit.ly/4b18OOx	X	
A-SR2	GRI	Number of significant suppliers assessed with actual/potential substantial negative impacts	https://bit.ly/4b18OOx	X	
A-SR2	GRI	% of significant suppliers with actual/potential substantial negative impacts with an agreed improvement/corrective action plan	https://bit.ly/4b18OOx	X	
A-SR2	GRI	Number of significant suppliers with actual/potential material adverse impacts with which the contractual relationship was terminated.	https://bit.ly/4b18OOx	X	
A-SR3	GRI	Total number of significant suppliers supported in the implementation of the corrective action plan	https://bit.ly/4b18OOx	X	

Specific content

CODE	STD	INDICATOR	LOCATION ON THE IR	VERIFIED	OMISSIONS
A-SR3	GRI	% of significant suppliers assessed with actual/potential substantial negative impacts supported in the implementation of the corrective action plan	https://bit.ly/4b18OOx	X	
A-SR4	GRI	Total number of significant suppliers in capacity development programs	https://bit.ly/4b18OOx	X	
A-SR4	GRI	% of significant suppliers in capacity building programs	https://bit.ly/4b18OOx	X	
Sustainable products and solutions					
3-3	GRI	Material issue management	Sustainable products and solutions, pag. 113 https://argos.co/en/materiality/		
A-CS1	In-house	Income earned from products with sustainability features	https://bit.ly/3UL9DW6	X	
EM-CM-410a.1	SASB	Percentage of products qualifying for sustainable building design credits and construction certifications	https://bit.ly/3UmYIG5	X	
EM-CM-410a.2	SASB	Total addressable market and market participation for products that reduce energy, water and/or material impacts during use and/ or production	https://bit.ly/3UmYIG5	X	
Mitigation and adaptation to climate change					
3-3	GRI	Material issue management	Mitigation and adaptation to climate change, pag. 120 https://argos.co/en/materiality/		
201-2	GRI	Financial implications and other risks and opportunities arising from climate change	https://argos.co/wp-content/uploads/2024/04/TCFD-2023-English.pdf	X	
305-1 EM-CM110a.1 CSA Externalities	GRI SASB CSA	Direct GHG emissions (Scope 1)	https://bit.ly/3UL9DW6	X	
305-2 CSA Externalities	GRI CSA Externalities	Indirect GHG emissions (Scope 2) - by “location” method and by “market” method	https://bit.ly/3UL9DW6	X	
305-3 CSA Externalities	GRI CSA Externalities	Other indirect GHG emissions (Scope 3)	Mitigation and adaptation to climate change, pag. 128	X	
A-EC6	In-house	Direct and indirect GHG emissions - by “location” method and by “market” method	https://bit.ly/3UL9DW6	X	
GCCA	GCCA	Total CO_2 emissions - gross and net	https://bit.ly/3UL9DW6	X	
305-4 GCCA	GRI GCCA	Direct specific CO_2 emissions - gross	https://bit.ly/3UL9DW6	X	
305-5	GRI	Percentage of GHG emissions reduction Scope 1 and Scope 2	Mitigation and adaptation to climate change, pag. 120		
A-EC1 GCCA	In-house GCCA	Direct specific CO_2 emissions - net	https://bit.ly/3UL9DW6	X	
A-EC1	In-house	Specific direct CO_2 emissions - net - USA	https://bit.ly/3UL9DW6	X	
A-EC5	In-house	Specific indirect GHG emissions (Scope 2 by “market” method)	https://bit.ly/3UL9DW6	X	
305-4	GRI	Intensity of direct CO_2 emissions in the production of concrete, aggregates and in the generation of electricity	https://bit.ly/3UL9DW6	X	
A-EC7	In-house	Reduction compared to the reference year 2006	https://bit.ly/3UL9DW6	X	
EM-CM110a.2	SASB	Percentage covered by emissions limitation regulations	https://bit.ly/3UL9DW6	X	
A-EC8	In-house	Total tCO_2 emissions (Scope 1 + Scope 2 based on location method) + Scope 3)	https://bit.ly/3UL9DW6	X	
A-EC8	In-house	Total tCO_2 emissions (Scope 1 + Scope 2 based on market method) + Scope 3)	https://bit.ly/3UL9DW6	X	
A-EC4	In-house	Reduction of specific CO_2 emissions Scope 1+ 2 - SBTi	https://bit.ly/3UL9DW6	X	
302-1 EM-CM-130a.1	GRI SASB CSA	Energy consumption within the organization	https://bit.ly/3UL9DW6	X	
302-4	GRI	Reduction of energy consumption (MJ)	https://bit.ly/3UL9DW6	X	
GCCA	GCCA	Specific caloric consumption of clinker production (MJ/t of clinker)	https://bit.ly/3UL9DW6	X	
A-ENE1	In-house GCCA	Substitution of caloric consumption of fossil fuels for alternatives (%)	https://bit.ly/3UL9DW6	X	

Specific content

CODE	STD	INDICATOR	LOCATION ON THE IR	VERIFIED	OMISSIONS
Environmental management					
3-3	GRI	Material issue management	Environmental management, p. 132 https://argos.co/en/materiality/		
301-1	GRI	Materials used by weight and volume	https://bit.ly/3UL9DW6	X	
GCCA	GCCA	Clinker/cement factor	https://bit.ly/3UL9DW6	X	
A-EC2 GCCA	In-house GCCA	Alternative Raw Materials in cement (%)	https://bit.ly/3UL9DW6	X	
A-EC3	In-house	Supplementary cementitious material in concrete (%)	https://bit.ly/3UL9DW6	X	
303-3 EM-CM-140a.1	GRI SASB	Water collection by source (m^3)	https://bit.ly/3UL9DW6	X	
303-4	GRI	Water discharge by destination	https://bit.ly/3UL9DW6	X	
303-5 EM-CM-140a.1	GRI SASB	Water consumption (m^3)	https://bit.ly/3UL9DW6	X	
A-A1	In-house	Specific water consumption	https://bit.ly/3UL9DW6	X	
A-A2 EM-CM-140a.1	In-house SASB	Recycled or reused water in cement	https://bit.ly/3UL9DW6	X	
A-A2 EM-CM-140a.1	In-house SASB	Percentage of water recycled or reused in cement	https://bit.ly/3UL9DW6	X	
304-1	GRI	Number of facilities with high biodiversity value (HBV)	https://bit.ly/3UL9DW6	X	**Omission requirements:** The percentage of active facilities located within, adjacent to or containing protected areas or areas of high value for biodiversity is reported by regional and consolidated for the company. Detailed information such as location, size, biodiversity value, among others, is not disclosed. **Reason:** Confidentiality restrictions **Explanation:** The information requested by this indicator is of restricted access and is not disclosed to the public.
304-4	GRI	Species on the IUCN red list and species on national conservation lists that inhabit areas affected by operations	https://bit.ly/3UL9DW6	X	
A-BI1	In-house	Percentage of active and inactive quarries located within, adjacent to, or containing protected areas or areas of HBV that have a biodiversity management plan (BMP)	https://bit.ly/3UL9DW6	X	
A-BI2 EM-CM-160a.2	In-house SASB	Percentage of released areas rehabilitated in active and inactive quarries	https://bit.ly/3UL9DW6	X	
CSA A-BI3	In-house CSA	Percentage of active facilities located within, adjacent to, or containing protected areas or areas of high biodiversity value.	https://bit.ly/3UL9DW6	X	
A-BI4	In-house	Active and inactive quarries that have an established closure plan	https://bit.ly/3UL9DW6	X	
CSA	CSA	Active installations (ha)	https://bit.ly/3UL9DW6	X	
CSA	CSA	Active installations (#)	https://bit.ly/3UL9DW6	X	
CSA	CSA	Number of active facilities located within, bordering or containing protected areas or HBV areas	https://bit.ly/3UL9DW6	X	
CSA	CSA	Area – Active facilities located within, bordering to, or containing protected areas or HBV areas	https://bit.ly/3UL9DW6	X	
CSA	CSA	Number of active facilities located within, bordering to, or containing protected areas or HBV areas with BMP	https://bit.ly/3UL9DW6	X	
CSA	CSA	Percentage of active facilities located within, adjacent to, or containing protected areas or HBV areas with BMP	https://bit.ly/3UL9DW6	X	
CSA	CSA	Active facilities located within, adjacent to, or containing protected areas or HBV areas with BMP	https://bit.ly/3UL9DW6	X	

Specific content

CODE	STD	INDICATOR	LOCATION ON THE IR	VERIFIED	OMISSIONS
GCCA	GCCA	Active quarries that have an established closure plan	https://bit.ly/3UL9DW6	X	
EM-CM-160a.2	SASB	Total affected area (ha)	https://bit.ly/3UL9DW6	X	
EM-CM-160a.1	SASB	Description of environmental management policies and practices for active sites	https://bit.ly/3UL9DW6	X	
306-3 EM-CM-150a.1	GRI SASB	Waste generated	https://bit.ly/3UL9DW6	X	
CSA	CSA	Total waste disposed through landfill	https://bit.ly/3UL9DW6	X	
CSA	CSA	Incinerated waste with energy recovery	https://bit.ly/3UL9DW6	X	
CSA	CSA	Waste incinerated without energy recovery	https://bit.ly/3UL9DW6	X	
305-7 EM-CM-120a.1 KPI 3	GRI SASB GCCA	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	https://bit.ly/3UL9DW6	X	
KPI3	GCCA	Absolute and specific emissions VOC/THC, PCDD/F; Hg; HM1 (Cd + Tl); HM2 (Sum of Sb, As, Pb, Cr, Co, Cu, Mn, Ni, V)	https://bit.ly/3UL9DW6	X	
A-OE1	In-house	Specific emissions MP, NOx, Sox	https://bit.ly/3UL9DW6	X	
EM-CM-120a.1	SASB	Absolute Emissions MP, NOx, Sox, VOC/THC, PCDD/F, Hg, HM1 (Cd + Tl); HM2 (Sum of Sb, As, Pb, Cr, Co, Cu, Mn, Ni, V)	https://bit.ly/3UL9DW6	X	
KPI4	GCCA	Coverage with monitoring MP, NOx, Sox, Hg, HM1 (Cd + Tl); HM2 (Sum of Sb, As, Pb, Cr, Co, Cu, Mn, Ni, V)	https://bit.ly/3UL9DW6	X	
KPI 2	GCCA	Coverage with continuous monitoring of emissions (percentage of clinker produced in covered kilns with continuous monitoring systems for particulate matter, NOx, SW_2)	https://bit.ly/3UL9DW6	X	
KPI 1	GCCA	Total coverage (percentage of pro clinker produced in covered kilns with continuous or discontinuous monitoring systems, for particulate matter, NOx, SO_2, VOC/THC, heavy metals)	https://bit.ly/3UL9DW6	X	
A-AI1	In-house	Environmental investments and environmental investments related to climate change	https://bit.ly/3UL9DW6	X	
Customer experience					
3-3	GRI CSA	Material issue management	Customer Experience, p. 142 https://argos.co/en/materiality/		
A-IM1	In-house	Customer satisfaction index	Customer Experience, pag. 142	X	
A-EX1	In-house	Percentage of digital cement - concrete orders	Customer Experience, pag. 142		
A-EX2	In-house	Percentage of cement and concrete deliveries confirmed digitally	Customer Experience, pag. 142		
A-EX3	In-house	Percentage of digital payments	Customer Experience, pag. 142		
Talent management and inclusion					
3-3	GRI	Material issue management	Talent management and inclusion, p. 150 https://argos.co/en/materiality/		
202-2	GRI	Managers hired from the local community	https://bit.ly/3JMIcEW		
401-1	GRI	Total number and rate of new hires and average employee turnover by age group, gender and region	https://bit.ly/3JMIcEW	X	
404-1	GRI	Average hours of training per year per employee by gender and by employee category	https://bit.ly/3JMIcEW	X	
404-3	GRI	Percentage of employees whose performance and professional development is regularly evaluated, distributed by organizational level	https://bit.ly/3JMIcEW	X	
405-1	GRI	Board of directors according to age and gender	https://bit.ly/3JMIcEW		
405-2	GRI	Ratio between the base salary of women compared to that of men, according to significant locations of activity	https://bit.ly/3JMIcEW	X	
A-TM1	In-house	Mobility rate	https://bit.ly/3JMIcEW	X	
A-TM4	In-house	Percentage of organizational leadership positions held by women	https://bit.ly/3JMIcEW	X	
Safety, health and personal well-being					
3-3	GRI	Material issue management	Occupational health and safety management system, pag. 156 https://argos.co/en/materiality/		
403-1	GRI	Occupational health and safety management system	Occupational health and safety management system, pag. 156 https://argos.co/en/materiality/		

Specific content

CODE	STD	INDICATOR	LOCATION ON THE IR	VERIFIED	OMISSIONS
403-2	GRI	Hazard identification, risk assessment and incident investigation	Through our -I Promise- management system with its programs and committees, we focus on comprehensive risk management. We strengthen the corporate culture so that it makes it easier for us to achieve and sustain goal zero so that we all know the risks and apply control measures that prevent occupational injuries and illnesses.		
403-4	GRI	Worker participation, consultation and communication on health and safety at work	https://bit.ly/4dqTtbG		
403-5	GRI	Training workers on health and safety at work	https://bit.ly/4dqTtbG		
403-6	GRI	Promoting the health of collaborators	https://bit.ly/4dqTtbG		
403-9 GCCA-S2 GCCA-R GCCA-S3 GCCA-T GCCA-S	GRI GCCA	Work accident injuries	https://bit.ly/4dqTtbG	X	
403-10	GRI	Occupational diseases and illnesses	https://bit.ly/4dqTtbG	X	
A-SI3	In-house	Number of serious injuries in our collaborators and contractors (#)	https://bit.ly/4dqTtbG	X	
A-SI4	In-house	Number of injuries per million man hours worked (#)	https://bit.ly/4dqTtbG	X	
A-SI5	In-house	Number of successful impact projects	https://bit.ly/4dqTtbG	X	
A-SI6	In-house	Absenteeism of direct collaborators due to illness	https://bit.ly/4dqTtbG	X	
A-SI7	In-house	High risk situations intervened in a timely manner	https://bit.ly/4dqTtbG	X	
EM-CM-320a.2	SASB	Number of silicosis cases	https://bit.ly/4dqTtbG	X	
Social value					
3-3	GRI	Material issue management	Social Value, pag. 164 https://argos.co/en/materiality/		
A-COM1	In-house	Social investment	https://bit.ly/3UKS9Jt	X	
103-2	GRI	Complaints about impacts on society	https://bit.ly/3UKS9Jt	X	
A-COM2	In-house	Income from commercial initiatives with social impact	https://bit.ly/3UKS9Jt		
A-COM3	In-house	Type of philanthropic activities	https://bit.ly/3UKS9Jt		
A-COM7	In-house	Corporative volunteering	https://bit.ly/3UKS9Jt	X	
A-AR1	In-house	Risk materializations towards the community	https://bit.ly/3UKS9Jt	X	
A-AR2	In-house	Operations with high and critical risks of affecting communities	https://bit.ly/3UKS9Jt	X	
A-CC1	In-house	Level of relationship with communities	https://bit.ly/3UKS9Jt	X	
A-CC2	In-house	Repetitive complaints	https://bit.ly/3UKS9Jt	X	
A-GO1	In-house	Leveraged resources	https://bit.ly/3UKS9Jt	X	
A-GO2	In-house	Impacted beneficiaries	https://bit.ly/3UKS9Jt	X	
Human rights					
3-3	GRI	Material issue management	Human Rights, pag. 170	X	

GLOSSARY OF TERMS

A

Anti-competitive behavior
Action by the organization or employees that may give rise to collusion with potential competitors, to limit the effects of competition in the market.

Area of great value for biodiversity
Area not subject to legal protection, but recognized by different governmental and non-governmental organizations for its important biodiversity.

B

Baseline
Starting point used to make comparisons.

Base year
Historical data (pag. e.g., year) against which a measurement is tracked over time.

Business partner
The entity with which the organization has some form of direct and formal commitment to achieve its business objectives.

Business relationships
The relationships the organization has with business partners, entities in its value chain (including entities beyond the first level), and any other entity directly related to its operations, products or services.

C

Circularity measurements
Measures taken to preserve the value of products, materials and resources and reuse them for as long as possible and with the smallest carbon and resource footprint, so that fewer raw materials and resources are extracted and waste generation is avoided.

Climate change
Long-term change in temperature and other weather patterns. Changes may be natural or due to persistent human activities that alter the composition of the atmosphere or land use.

Collaborator
A person who has an employment relationship with the organization, following national practice or legislation.

Collective negotiation
All negotiations taking place between one or more employers or employers' organizations on the one hand and one or more workers' organizations on the other.

Complaints and grievance mechanism
Systematized process by which claims can be raised and remediation requested.

Confirmed corruption case
Corruption case that has been proven to be founded.
Note: Confirmed corruption cases do not include corruption cases under investigation during the reporting period.

Conflict of Interest
A situation in which a person is forced to choose between the requirements of his or her organization and other personal interests or responsibilities.

Contribution to political parties and/or representatives
Financial or in-kind support provided directly or indirectly to political parties, their elected representatives, or persons seeking political office.

Co-processing
Process for taking advantage of the heat generation capacity and the mineral elements of different wastes in the clinker production process, replacing the use of conventional fuels, such as coal and petcoke, which have a higher CO_2 emission factor than most alternative fuels.

Corruption
Abuse of entrusted power for personal gain, which may be instigated by individuals or organizations.

CO_2 emissions scope 1
Emissions generated from productive operations

CO_2 emissions scope 2
Emissions generated from the purchase and consumption of electrical energy in operations.

CO_2 emissions scope 3
Other indirect emissions generated in the Argos value chain.

Customer Privacy
Right to privacy and personal protection of the client.

D

Dangerous residues
Waste that has any of the characteristics listed in Annex III of the Basel Convention or that is considered dangerous following national legislation.

Discrimination
Action and result of treating people unequally by imposing unequal burdens or denying benefits.

Due diligence
Process of identifying, preventing, mitigating, remediating and communicating how an organization addresses its potential and actual negative impacts.

E

Effluent
Treated or untreated wastewater that is discharged.

Energy reduction
Amount of energy that is no longer used or necessary to carry out the same processes or tasks.

Environmental legislation and regulations
Legislation and regulations related to all types of environmental issues applicable to the organization.

Evaluation and selection of suppliers
A formal or documented process by which a set of performance criteria is applied to determine whether to establish a relationship with a supplier.

F

Freedom of association
Right of employers and workers to join, create and direct their organizations without prior authorization or interference from the state or any other entity.

G

Greenhouse effect
A phenomenon in which the accumulation of gases forms a thick layer in the atmosphere that traps the heat of the sun, thus increasing the temperature of the planet.

Greenhouse gas (GHG)
Gases that contribute to the greenhouse effect.

Greenhouse Gas (GHG) Trading
Purchase, sale or transfer of emission rights or offsets for greenhouse gas (GHG) emissions.

Groundwater
Water that is stored in an underground formation from which it can be extracted.

H

Highest governing body
Governing body with the highest authority of an organization.

Human rights
Rights inherent to all human beings and that cover, at a minimum, all the rights established in the United Nations International Bill of Human Rights and the principles relating to fundamental rights included in the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO).

Hydric Stress
Capacity, or lack of capacity, to meet human and ecological demand for water.

I

Impact
The effect that the organization has or could have on the economy, the environment or people, including effects on human rights which, in turn, may be indicative of its contribution (negative or positive) to sustainable development.

Incineration
Controlled burning of waste at high temperatures.

I-REC
The Renewable Energy Certificate, also known as I-REC, is a global certificate that accredits the generation of energy through renewable sources. Each I-REC certificate guarantees that 1 MWh of energy was generated from renewable sources.

L

Local community
People or groups of people who live or work in areas that are affected or could be affected by the organization's activities.

Local minimum wage
Minimum compensation for employment per hour or other unit of time permitted by law.

Local provider
Organization or person that provides a product or service to the reporting organization and is based in the same geographic market as the reporting organization (i.e., no international payments are made to a local supplier).

M

Marine waters
Water from a sea or ocean.

Material issues
Topics that represent the organization's most significant impacts on the economy, environment and people, including impacts on human rights.

Minor
A person under 15 years of age or the age of completion of compulsory schooling, whichever is older.

Mitigation
Measures taken to reduce the severity of a negative impact.

Monopolistic and anti-competitive practices
Action by the organization that may give rise to collusion, to erect barriers to entry into the sector, or any other collusive action that prevents competition.

N

Net Promoter Score (NPS)
It is a methodology used to calculate both customers' perception of a brand and their intention to continue purchasing products and services. It is measured by a customer experience rating on a scale of 1 to 10, with 1 being the lowest and 10 being the highest. Then we take the percentage of "Promoters", which are those who rated between 9 and 10, and subtract the percentage of "Detractors", which are those who rated between 1 and 6, to arrive at the NPS percentage.

Non-renewable energy source
Source of energy that cannot be replaced, reproduced, developed or generated in a short period through ecological cycles.

Non-renewable material
A resource that is not renewed in short periods.

O

Operation with significant actual or potential negative impacts on local communities
Operation, considered autonomously or together with the characteristics of local communities, that has a higher than average potential to cause negative impacts, or that has actual negative impacts on the social, economic or environmental well-being of local communities.

P

Product or service category
Group of related products or services that share certain characteristics and satisfy the specific needs of a given market.

Protected area
The area protected from any damage derived from operational activities and where the environment remains in its original state, with a healthy and functional ecosystem.

R

Recovery
Any operation in which products, product components, or materials that have become waste are prepared to fulfil a function rather than using new products, components, or materials that would otherwise be used for that function.

Recycling
Reprocessing products or product components that have become waste to create new materials.

Remediation
Measures to counteract or repair a negative impact or provide a remedy.

Remuneration
The base salary plus any additional amounts paid to a worker.

Renewable energy source
An energy source that is capable of being replaced in a short time through ecological cycles or agricultural processes.

Renewable material
Material from abundant resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for future generations.

Reporting period
Period covered by the information presented.

Responsible water management
Use of water that is socially equitable, environmentally sustainable and economically beneficial. This is achieved through the process of inclusion of interest groups, which involves the adoption of measures related to the facilities and the receiving basin.

Restored area
An area affected by operational activities and where remedial measures have restored the environment to its original state or to a state in which it has a healthy and functional ecosystem

S

Severity (of an impact)
The severity of an actual or potential negative impact is determined by its scale (i.e. how significant it is), its scope (i.e. how widespread it is) and its irremediable nature (how difficult it is to counteract or repair the resulting damage).

Significant impact on biodiversity
Impact that can negatively affect the integrity of a region or geographic area, either directly or indirectly, by substantially changing its ecological characteristics, structures and functions throughout its entire extension and in the long term, such that the habitat, population levels and certain species that make the habitat important are no longer able to sustain themselves.

Staff turnover
Employees who leave the organization voluntarily or due to dismissal, retirement or decease.

Stakeholders
People or groups with interests that are affected or could be affected by the activities of the organization.

Supplier
An entity upstream of the organization (i.e., in the organization's supply chain), which provides a product or service used for the development of the organization's products or services.

Supply chain
Different activities carried out by entities upstream of the organization that provide products or services used for the development of the organization's products or services.

Surface water
Water naturally present on the earth's surface in the form of ice sheets, ice caps, glaciers, icebergs, swamps, ponds, lakes, rivers and streams.

Sustainable development
Development that meets the needs of the present without compromising the abilities of future generations to meet their own needs.

T

Third party water
Municipal water suppliers, municipal wastewater treatment plants, public or private utilities, and other organizations involved in the supply, transportation, treatment, disposal, or use of water and effluent.

V

Value chain
Different activities carried out by the organization, and by entities upstream and downstream of it, to take the organization's products and services from their conception to their final use.

Violation of customer privacy
Non-compliance with current legal provisions and (voluntary) standards relating to the protection of customer privacy.

Vulnerable group
Group of people with specific conditions or characteristics (pag. e.g. Economic, physical, political, social) who may suffer the negative impacts resulting from the organization's activities more severely than the general population.

W

Waste
Anything that a person deletes, wants to delete or is forced to delete.

Water consumption
Sum of all the water that has been extracted and incorporated into the production process.

Water Discharge
The sum of effluents used waters and unused waters released into surface waters, groundwater, marine waters or third parties, and that the organization will no longer use throughout the period covered by the report.

Water extraction
The sum of all water extracted from surface waters, groundwater, seawater or third parties for any use throughout the period covered by the report.

Water storage
Water retained in water storage facilities or reservoirs.

Sirs.
Shareholders and other interested parties of
Cementos Argos S.A. (hereinafter "The Company")
Medellín, Antioquia

INDEPENDENT LIMITED ASSURANCE REPORT

Scope of our Work

We have been engaged by **Cementos Argos S.A. ("The Company")** to perform a limited assurance engagement on the information detailed in Annex A (hereinafter, the information subject to assurance), included in the Integrated Report for the year ended december 31, 2023.

Our limited assurance engagement was performed solely in relation to the selected sustainability information included in Annex A. Our assurance report does not extend to prior periods' information nor other information included in the Integrated Report 2023, nor other information related to that report that may incorporate images, audios or videos.

Criteria applied by Cementos Argos S.A.

The criteria used by The Company's management to prepare the assurance information detailed in annex A, and included in the Integrated Report 2023 were established considering the concepts, requirements and principles contained in the Global Reporting Initiative (GRI) and SASB standards, as well as the criteria defined by the company for both its own indicators and the methodology of its dual materiality analysis process, which are detailed in annex A enclosed.

Responsibilities of Cementos Argos S.A's management on the information subject to assurance included in the Integrated Report 2023

The Company's management is responsible for the preparation and presentation of the information subject to assurance included in the Integrated Report 2023, in accordance with the criteria of the Global Reporting Initiative (GRI) standards, the ones defined by the Global Cement and Concrete Association (GCCA), the indicators of the Sustainability Accounting Standards Board (SASB), the variables that are part of the calculation of the value-added model (VAS), as well as the criteria defined by the company for both its own indicators as well as for the methodology of its dual materiality analysis process, which are detailed in annex A enclosed. This responsibility includes designing, implementing and preserving internal control necessary to allow for the preparation of information subject to assurance that is free from material errors, whether due to fraud or error.

Responsibilities of BDO

Our responsibility is to express a limited assurance conclusion on the information subject to assurance based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) International Standard on Assurance Engagements other than the audit or review of historical financial information issued by the "International Auditing and Assurance Standards Board" (IAASB). This standard requires us to conclude if any facts have come to our attention that cause us to believe that management's representations are not fairly stated in all material respects. In a limited assurance engagement, the practitioner performs procedures (primarily by making inquiries of management and others within the entity, as appropriate, and applying analytical procedures), and evaluates the evidence obtained.

The procedures we performed were supported by our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluation of the adequacy of quantification methods and reporting policies, and concordance or reconciliation with the underlying records.

Given the circumstances of commitment, we have performed the following procedures:

a) Through inquiries, it obtained an understanding of the control environment and significant company information systems but did not evaluate the design of the particular control activities or collect evidence on their implementation, nor test their operating effectiveness.

b) Understanding of the instruments used to generate, compile and report the information subject to assurance by inquiries with the personnel responsible for the related processes.

c) Inquiry with management to understand the process carried out by Cementos Argos, regarding the material issues as well as the participation of stakeholders in this process.

d) Review and understanding of the process to determine the dual materiality of Cementos Argos.

e) Interviews with Company personnel to have a better understanding of the business and the Report preparation process.

f) Interviews with the corporate staff of Cementos Argos responsible for the information to be reported in order to understand the process of collection, consolidation and presentation of the information subject to assurance.

g) Interviews with the factories selected for the review of the information that supplies the consolidated information at corporate level on environmental issues.

h) Interviews with the regional offices to review the social investment data.

i) Verification of the calculation criteria and their proper application according to the methodologies described in the criteria of the indicators under assurance.

j) Performing analytical review procedures to support the fairness of the data.

k) Comparison of the information reported in the Integrated Report with the information corresponding to the relevant underlying sources to ensure that the information has been included in the Integrated Report.

l) Analysis of the collection and internal control processes of the quantitative data reflected in the Report, regarding the reliability of the information, using analytical procedures and review tests based on sampling.

m) Review of the data in the MERO platform up to date 23-02-2024

n) Reading of the information included in the Integrated Report to compare it with the criteria self-declared by the company in accordance with the compliance requirements of GRI 1 - Fundamentals.

o) Reading of the information included in the Integrated Report to compare it with the criteria defined by the GRI 2 - General Disclosures and GRI 3 - Material topics.

p) Applied substantive tests on a random selective basis of the information subject to assurance, prepared by management, to determine the standards, indicators and verify that the data were accurately measured, recorded, compiled and reported through:

    i. Inspection of company policies and procedures set by the company.
    ii. Inspection of supporting documents of internal and external sources.
    iii. Recalculations.
    iv. Information reported by Management compared to that set forth in the criteria section of this report.

Annex A details the information subject to assurance included in the scope of our work.

Our limited assurance engagement was conducted only with respect to the information subject to assurance included in Annex A, for the year ended december 31, 2023; and we have not performed any procedures with respect to prior years, future projections and goals, or any other elements of other information included in the Integrated Report for the year ended december 31, 2023 and, therefore, we do not express a conclusion in this regard.

The procedures applied in a limited assurance engagement vary in nature and timing of application, and are of reduced scope than in the case of a reasonable assurance engagement and, consequently, the level of reliability obtained in a limited assurance engagement is substantially lower than that which would have been achieved in the case of a reasonable assurance engagement.

We consider that the evidence collected is adequate and appropriate to provide a basis for our limited assurance conclusion.

Independence and Quality Control

We have complied with the ethical and independence requirements of the professional code of ethics for public accountants issued by the International Ethics Standard Board for Accountants (IESBA), which is based on the principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm BDO Audit S.A.S BIC applies the International Standard on Quality Management (“ISQM”) 1 and, therefore, preserves a comprehensive quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards and requirements of applicable laws and regulations.

Inherent limitations of the assurance engagement

The selected sustainability disclosures are subject to inherent uncertainty due to the use of non-financial information which is subject to greater inherent limitations than financial information due to the nature of the methods used to determine, calculate, sample or estimate such information. In the preparation of the information, the entity performs qualitative interpretations about the relevance, materiality and accuracy of the information that are subject to assumptions and judgments.

Conclusion of limited assurance

Based on the procedures we have performed and on the evidence we have gathered, no situation has been brought to call our attention that leads us to believe that the information subject to assurance included in Annex A of the Integrated Report for the year ended December 31, 2023 of Cementos Argos S.A, has not complied with the provisions of the criteria section of this report.

Restriction on use of the Report

Our report is exclusively issued for the purpose set forth in the first paragraph and should not be used for any other purpose nor be distributed to other parties separately. This report covers only the issues mentioned in the preceding sections and the information subject to assurance included in Annex A and does not extend to any other financial and non-financial information included in the Integrated Report of Cementos Argos S.A for the year ended december 31, 2023, nor to its financial statements, taken as a whole.

Action plan

BDO Audit S.A.S. BIC delivers to **Cementos Argos S.A.**, through an additional report, recommendations of action for future preparation of the Integrated Report, which do not modify the conclusion expressed in this report, seeking to strengthen the process of construction, management, measurement, review, reporting and communication of the Company's sustainability indicators.

Luis Fernando Gómez González
Audit and Assurance Partner
Certified Public Accountant PL 144.355

Member of
BDO Audit S.A.S BIC
Medellín, March 13, 2024.

ANNEX A

Scope of limited assurance

The following are the GRI and SASB Standards, environmental indicators defined by the Global Cement and Concrete Association (GCCA), the variables that are part of the calculation of the value added model (VAS) and the indicators defined by Management as its own, and the information of the dual materiality analysis process of Cementos Argos S.A. covered by this assurance.

These criteria are an integral part of our independent limited assurance report on the Integrated Report of Cementos Argos S.A. for the period from January 1 to December 31, 2023.

GRI Standard	Description
201-2	Climate change: financial implications, risks and opportunities
302-1	Energy consumption within the organization.
302-4	Reduction of energy consumption (MJ)
301-1	Material consumption by weight or volume
303-3	Water recycled and reused (m3)
303-4	Water spillage
303-5	Water consumption (m3)
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions (Location method) and (Market Method)
305-3	Other indirect (Scope 3) GHG emissions
305-4	Direct specific emissions of CO2 - gross
305-5	Reduction of GHG emissions Scope 1 and Scope 2
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions
306- 3	Waste generated
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations
304-1	Number of sites with high biodiversity value
308-1	Suppliers that were screened using criteria Environmental Suppliers screened for sustainability in the last 3 years. Suppliers screened for sustainability in the last 3 years regional USA
414-1	New suppliers that were screened using social criteria
401-1	Total number, new employee hires, employee turnover, by age group, gender and region
404-1	Average hours of training that the organization's employees have had during the reporting period, by employee category
404-3	Percentage of employees receiving regular performance and career development reviews, by organizational level
403-10	Work-related ill health

GRI Standard	Description
405-2	Ratio of basic salary and remuneration of women to men
205-3	Confirmed incidents of corruption and actions taken
403-9	Work-related injuries

SASB Standard	Description
EM-CM-110a.1	Greenhouse gas emissions
EM-CM-110.a.2	Greenhouse gas emissions
EM-CM-120a.1	Air quality
EM-CM-130a.1	Energy management
EM-CM -140a.1	Water management
EM-CM-150a.1	Waste management
EM-CM-160a.1	Biodiversity impacts
EM-CM-160a.2	Biodiversity impacts
EM-CM-410a.1	Product Innovation
EM-CM-410a.2	Product Innovation
EM-CM-320a.1	Workforce health & safety
EM-CM-320a.2	Workforce health & safety

Company Indicators	Description
OWN A-EC1	Specific direct CO2 emissions - net and Specific direct CO2 emissions - net - USA
OWN A-OE1	Specific Emissions MP, NOx, Sox
OWN A-EC2	Alternative raw materials in cement (%)
OWN A-EC3	Concrete Supplementary Cement Material (%)
OWN A-EC4	Reduction of specific CO2 emissions Scope 1+2 - SBTI
OWN A-EC6	Direct and indirect GHG emissions - by “site” and by “market” methods
OWN A-EC7	Reduction compared to the reference year 2006
OWN A-EC8	Total Emissions tCO2 (Scope 1 + Scope 2 based on site-based method) + Scope 3) and Total Emissions tCO2 (Scope 1 + Scope 2 based on market-based method) + Scope 3)
OWN A-BI1	Active and inactive quarries with high biodiversity value with a biodiversity management plan
OWN A-BI3	Percentage of active facilities located within, adjacent to, or incorporating protected areas or areas of high biodiversity value.
OWN A-BI4	Active and inactive quarries with an established closure plan
OWN A-BI5	Number and area of active facilities
OWN A-BI6	Number and area of active facilities located within, adjacent to, or including protected areas or GVB areas
OWN A-BI7	Number, area and percentage of active facilities located within, adjacent to or containing protected areas or GVB areas with BMPs

Company Indicators	Description
OWN A-ENE1	Conversion of caloric consumption from fossil fuels to alternative fuels (%)
OWN A-EC5	Indirect specific CO2 emissions - Scope 2 (Kg of CO2/t cement material)
OWN A-IA1	Environmental investments related to climate change (COP)
OWN A-ENE1	Substitution of caloric consumption of fossil fuels by alternatives (%)
OWN A-BI2	Rehabilitated impacted area / % of rehabilitated released areas in active and inactive quarries
OWN A-A1	Specific water consumption
OWN A-A2	Recycled and reused water
OWN A-COM1	Social investment
OWN A-SR1	Supplier information
OWN A-SR2	Supplier evaluation
OWN A-SR3	Supplier corrective action plan support
OWN A-SR4	Supplier capacity development program
OWN A-TM4	Percentage of leadership positions in the organization held by women.
OWN A-SI2	Frequency rate of occupational illness - Employees
OWN A-SI3	Number of serious injuries to our collaborators and contractors (#)
OWN A-SI4	Number of injuries per million man-hours worked (#)
OWN A-SI5	Number of projects of successful impact
OWN A-SI6	Personnel absenteeism due to illness
OWN A-SI7	High-risk events with timely intervention
OWN A-AR1	Materialization of risks to the community
OWN A-AR2	Operations with high and critical risks of impact on communities
OWN A-CC1	Level of relationship with communities
OWN A-CC2	Recurrent complaints
OWN A-GO1	Leveraged resources
OWN A-GO2	Impacted beneficiaries
OWN A-COM7	Corporate volunteering
OWN A-CS1	Revenues from products with sustainability characteristics Mobility rate Customer satisfaction index
OWN A-TM1	Mobility rate
OWN A-IM1	Customer satisfaction index

GCCA Standard	Water collection by source Total water discharge by destination Total water consumption Specific water consumption

Company Indicators	Description
	Water recycled and reused.
	Number and percentage of active and inactive quarries with high biodiversity value that have a biodiversity management plan.
	Number and percentage of released areas rehabilitated in active and inactive quarries.
	Percentage of active and inactive quarries with closure plans in place.
	IUCN Red List species and national conservation list species occurring in areas impacted by operations.
	Total CO2 emissions - gross
	Total CO2 emissions - net
	Specific CO2 emissions - gross
	Specific CO2 emissions - net
	Specific caloric consumption of clinker production.
	Alternative fuels rate.
	Rate of biomass as fuel.
	Clinker/cement factor.
	Percentage of alternative raw materials in (cement).
	Total coverage (percentage of Clinker produced in covered kilns with continuous or discontinuous monitoring systems for particulate matter, NOx, SOx, VOC/THC, heavy metals).
	Coverage with continuous emissions monitoring (percentage of Clinker produced in kilns covered with continuous monitoring systems for particulate matter, NOx, SO2).
	Absolute Emissions of Particulate Matter from clinker kilns only.
	Coverage rate monitoring of particulate matter.
	Specific NOx emissions.
	Coverage rate NOx monitoring.
	Specific SOx emissions.
	Coverage rate of SOx monitoring.
	Absolute VOC/THC emissions.
	Specific VOC/THC emissions.
	Coverage rate of VOC/THC monitoring.
	Absolute emissions PCDD/F.
	Specific PCDD/F emissions.
	Coverage rate of PCDD/F monitoring.
	Absolute Hg* emissions.
	Specific Hg emissions.
	Coverage rate of Hg monitoring.
	Absolute emissions HM1 (Cd + Tl).
	Specific emissions HM1 (Cd + Tl).
	Coverage rate HM1 monitoring (Cd + Tl).

Company Indicators	Description
	Absolute HM2 emissions (sum of Sb, As, Pb, Cr, Co, Cu, Mn, Ni, V). Specific HM2 emissions (sum of Sb, As, Pb, Cr, Co, Cu, Mn, Ni, V). Coverage rate of HM2 monitoring (Sum of Sb, As, Pb, Cr, Co, Cu, Mn, Ni, V)
	Injuries due to occupational accidents. Index of frequency and severity - employees. Index of frequency and severity - contractors. Number of injuries per lost time: short absence and long absence. Fatalities in direct employees. Fatalities in contractors. Fatalities in third party employees.

	Description
Indicators of Value Added to Society VAS	Direct GHG emissions Scope 1
	Indirect GHG emissions from energy generation Scope 2
	Average salaries for men and women
	Direct GHG emissions Scope 1
	Water consumption in extreme areas of water scarcity
	Water consumption in areas of water scarcity
	Water consumption in areas of water stress
	Water consumption in extreme areas of water scarcity
	Net impacts on biodiversity by ecosystem type (affected areas, restored areas, offset areas)
	Significant air emissions of particulate matter, NOx, and SOx

Analysis of materiality	Description
Dual materiality analysis year 2022	Methodological process designed and implemented by Grupo Argos S.A for the analysis of double materiality year 2022, valid for two (2) years and whose description is included in the Integrated Report 2023.

GREEN
LIGHT

CERTIFICATION OF THE COMPANY'S LEGAL REPRESENTATIVE

In my capacity as Legal Representative, I certify that the Integrated Report contains the information required by External Circular 012 of 2022 of the Financial Superintendency of Colombia regarding the periodic year-end report and includes all material aspects of the business as of December 2023.

The foregoing was done in compliance with the process of identification and evaluation of the controls and procedures used by Cementos Argos S.A. for the recording, processing and analysis of the information required for the purpose of reporting the year-end report through the National Securities and Issuers Registry.

Felipe Aristizabal

Felipe Aristizabal Restrepo
Legal Representative

The Martinsburg plant, located in the state of West Virginia and purchased in 2016 from Heidelberg Cement, has been a crucial part of our success story in the United States.

In the U.S. market, we executed a disciplined growth strategy for eighteen years, focused on increasing business profitability and committed to long-term value creation.

After making net investments of close to US$2.1 billion, we took a transformational step in 2023 by contributing our assets to create one of the largest companies in the sector in the United States, valued at US$3.2 billion, significantly more than we invested.

The closing of the combination with Summit Materials marks a new era in our presence in the United States and opens another chapter for Cementos Argos, in which we will take advantage of opportunities to supply a larger platform in North America with cement, aggregates and other materials, as well as greater possibilities for growth within the Latam region.