QUARTERLY EARNINGS CALL

3Q2024 GRUPO ARGOS

November 2024

JUAN ESTEBAN MEJÍA (Introductory Remarks)

Good morning, everyone. I would like to thank you for joining us today. This conference is dedicated to presenting Grupo Argos' financial results for the second quarter of 2024.

Joining us in this session are Jorge Mario Velásquez, President of Grupo Argos; Alejandro Piedrahita, Vice President of Strategy and Corporate Finance at Grupo Argos; Rafael Olivella, Vice President of Legal Affairs at Grupo Argos; Mauricio Ossa, President of Odinsa; María Clara Aristizábal, Manager of the Urban Development Business; Pablo Arroyave, Vice President of Corporate Finance at Odinsa; and Andrés Bejarano, President of Pactia.

I'd like to remind you that all quarterly information, along with the presentation we will be following during this teleconference, is available on our website. To download it, you can go to the "Financial Information" menu and then the "Reports" section.

Additionally, this earnings call is being broadcast live through a Space on X.

I invite you to move to slide 3 of the presentation so we can begin the meeting. With that, I hand the floor over to Jorge Mario Velásquez, President of Grupo Argos.

Introduction

Thank you, Juan Esteban, and good morning, everyone. I would like to extend a special thanks to all of you for joining us today.

During the third quarter of 2024, our businesses have continued to deliver strong operational results, which is reflected in the positive figures for Grupo Argos that we will be sharing shortly.

However, before presenting the summary of the company's financial statements, we would like to address the recent announcements regarding the future of Grupo Argos' investment in Grupo Sura.

Slide Portfolio Evolution and Future Specialization

On October 25, following authorization from the Shareholders' Meeting regarding potential conflicts of interest, Grupo Argos, with prior approval from its Board of Directors, signed a Memorandum of Understanding with Grupo Sura. Under this agreement, both parties committed to exclusively exploring and, if possible, defining a transaction structure that results in Grupo Argos and Grupo Sura ceasing to be reciprocal investors, both directly and indirectly.

The transaction structure being explored under the framework agreed in the Memorandum of Understanding must ensure equitable treatment for all shareholders of the involved companies, be financially, legally, and operationally viable, and allow both parties to further specialize and develop their long-term business plans.

This Memorandum of Understanding aligns with the objective of gradually and orderly reducing cross-shareholdings with Grupo Sura, consolidating Grupo Argos' specialization as an infrastructure investment manager, and ensuring the continuity of its business plan. It marks the beginning of a new chapter in the company's history of value generation, which we believe is important to contextualize.

In 1978, a group of companies, including Grupo Argos, established a cross-shareholding structure with non-controlling stakes to drive growth for the companies, the region, and the country. This approach enabled a business model focused on generating positive impacts for shareholders, clients, employees, communities, and society at large.

Forty-six years later, we recognize that this structure has been fundamental to the growth, internationalization, and stability of companies that have significantly contributed to the development of strategic sectors in Colombia's economy and their related ecosystems.

At the time of its establishment, investors sought diversification. However, the context has changed with the opening of economies and the increasing sophistication of markets and investors. Today, capital flows freely, and investors prefer to manage their diversification directly according to their preferences. This shift has made cross-shareholding structures a less attractive investment alternative.

Back then, purchasing a share of Argos meant simultaneously acquiring exposure to a financial conglomerate (Sura) and the food sector (Nutresa). Today, investors prefer to diversify their portfolios according to their own preferences.

Grupo Argos and its strategic and portfolio investments are now leaders in their sectors, with a presence throughout the Americas, ready to take the next step in their growth and consolidation journey.

We believe that simplifying the shareholding structure could become a pivotal milestone in unlocking and transferring value to all Grupo Argos shareholders. This move would align with global investor appetite and market trends while preserving the company's business philosophy, positive impact on related groups, and enhanced value for shareholders. A simplified structure could pave the way for growth opportunities for two more streamlined companies, focused on their core businesses, with a more prominent role on the global stage.

Grupo Argos' portfolio has already undergone significant transformation through recent transactions, focusing on infrastructure. This shift will culminate in full specialization once the company ceases to be a shareholder in Grupo Sura.

On this slide, we can observe how Grupo Argos' investment portfolio has evolved over the past 12 months.

Using book values for non-listed investments such as Odinsa, the Urban Development Business, Pactia, and others, as well as the market prices on the Colombian Stock Exchange (BVC) for listed investments (Celsia, Cementos Argos, Grupo Sura, Sociedad Portafolio, and previously Nutresa), we note that, compared to Q3 2023, Grupo Argos' portfolio has increased in value by COP 3.0 trillion, reaching COP 19.3 trillion. This growth is supported by strategic transactions and the strong operational performance of our businesses.

Moreover, divestments such as Grupo Nutresa and operations like the merger with Summit Materials have enabled the infrastructure segment to grow, now representing two-thirds of the company's investment portfolio. This aligns with the strategic pathway to continue specializing in the infrastructure sector.

Slide: Expenses

Moving on to Slide 4, we will review the breakdown and evolution of Grupo Argos' separate expenses.

It is important to note that, as Grupo Argos shares the same tax ID (NIT) with its subsidiaries, administrative expenses in the separate financial statements include both the holding company's structural expenses and those associated with the Urban Development Business (UDB). As an operational unit, the UDB incurs expenses such as property taxes, security, maintenance, and payroll related to its activities. These are already reflected as a lower book value for Grupo Argos' investment in the UDB.

Thus, when analyzing Grupo Argos' recurring administrative expenses, it is essential to exclude these specific UDB-related expenses.

Additionally, over the past three years, some non-recurring projects that have enabled value creation and the company's specialization in infrastructure have incurred expenses above the historical average. However, these do not represent the company's recurring operational expenses.

Excluding UDB-related expenses and these non-recurring projects, we focus on expenses reflecting Grupo Argos' day-to-day operations as a holding company. These have shown significantly lower growth than inflation, with a real compound annual growth rate of -4.5% between 2015 and the end of 2023.

During this same decade of real expense reduction, the company more than doubled its consolidated EBITDA, from COP 2.6 trillion in 2015 to COP 5.5 trillion in 2023. It also doubled dividends distributed to shareholders, from COP 234 billion in 2015 to COP 548 billion in 2023, while reducing consolidated net debt to nearly half its peak during the pandemic.

The ratio between the holding company's expenses over the past 12 months — excluding UDB sales and property tax expenses, as well as non-recurring M&A expenses and depreciation and amortization — which amount to COP 78 billion, and the reference value of our portfolio of listed and non-listed investments is less than 0.5%.

Market Performance

Year-to-date, we have continued advancing our share buyback programs as a mechanism to deliver value to all our shareholders. Collectively, the companies within Grupo Empresarial Argos have executed over USD 100 million in share repurchases since the programs began. This strategy has provided greater market dynamism and liquidity during times when it was most needed.

Over the past 12 months, the price of Grupo Argos' common shares has increased by 112%, preferred shares by 108%, Cementos Argos' common shares by 82%, and Celsia shares by 56%. During the same period, the market capitalization of Grupo Empresarial Argos companies has grown by over COP 14.5 trillion.

In addition to the appreciation in share prices, the average trading volume on the stock exchange has also increased significantly. For common shares, the average monthly trading volume in the past month is three times that of the same month in 2023, while for preferred shares, it is four times higher over the same period.

Consolidated Results

Moving to the company's year-to-date results, on Slide 6, Grupo Argos closed the period with consolidated revenues of COP 11.5 trillion, stable compared to 2023, and an EBITDA of COP 4.5 trillion, a 39% increase over the same period last year.

This performance reflects the impact of the combination agreement between Cementos Argos and Summit Materials. As part of the transaction, the company divested 100% of its subsidiaries associated with the U.S. region, classifying the assets involved as discontinued operations. Consequently, the company restructured its consolidated financial statements as of September 30, 2023, reclassifying all items associated with the divested U.S. assets into a single line for net income from discontinued operations.

However, as an investment holding, Grupo Argos continues to recognize the results of Summit Materials within the initial lines of its consolidated income statement, using the Equity Method (EM).

As a result, net income closed at COP 7.3 trillion, while net income attributable to the controlling entity reached COP 4.3 trillion, figures driven by the profits from the Summit transaction and the Nutresa share exchange.

Individual Results

Leveraging the strong operational results of our infrastructure investments and supported by the same non-recurring events that impacted consolidated results, the individual financial statements revealed the following: year-to-date revenues of COP 3.4 trillion, EBITDA of COP 3.3 trillion, and net income of COP 2.8 trillion.

Financial Statements and Consolidation

Let's now turn to Slide 8, which presents a summarized structure of the assets managed by the company as of the close of the first half of 2024, along with how their financial results will continue to be recorded.

It is evident that, while Grupo Argos maintains control and consolidates Cementos Argos, Celsia, and Odinsa, investments made by our subsidiaries in recent years have resulted in many of their results, assets, and liabilities no longer being consolidated line by line in their financial statements—and, consequently, not in those of Grupo Argos either. Instead, these are reflected using the equity method in each subsidiary's results and subsequently in Grupo Argos' consolidated financial statements.

Going forward, the 31% stake that Cementos Argos holds in Summit Materials will be reflected in our consolidated financial statements through the equity method. Similarly, Celsia's asset management business, including platforms like C2Energía, Tesorito, Laurel, and Caoba, where much of the subsidiary's growth is anticipated through third-party capital partnerships, will not be recorded line by line in the company's financial statements. Likewise, the creation of Odinsa's road and airport platforms in partnership with Macquarie means that the results of these concessions are not consolidated.

It is important to highlight that the consolidated financial statements only incorporate a minority portion of the assets managed by the company. In other words, the consolidated revenues and EBITDA do not fully reflect the operational performance of our businesses.

<u>Cementos Argos</u>

Slide CemArgos – Qualitative

Cementos Argos has continued focusing on the profitability of its operations, achieving a 4% EBITDA growth compared to 2023, despite a slight decrease in revenues. This has allowed the company to reach an EBITDA margin of 22% year-to-date, representing an increase of 130 basis points compared to the first nine months of the previous year.

The company accounts for 46% of the total EBITDA generated by the cement industry in Colombia, with an average market share of 35%, demonstrating the effectiveness of its strategy focused on optimizing its client portfolio and operational cost efficiency. This achievement is supported by a differentiated value proposition and a strong brand position.

Regarding its 31% investment in Summit Materials, the integration of Argos USA assets is progressing as planned. In its earnings call on October 31, Summit Materials' CEO reaffirmed the commitment to realize USD 40 million in synergies this year, maintaining an EBITDA guidance for 2024 in the range of USD 970 to 1,000 million, reflecting the potential of this integrated platform to capture value in the U.S. construction materials industry.

Before delving into the operational performance of our cement business, it is worth mentioning the market announcement made by Summit Materials on October 24, stating that the company received a non-binding acquisition proposal. Summit has initiated preliminary discussions with the interested party and, in consultation with its advisors, the Board will evaluate the proposal to act in the best interest of the company and its shareholders. It is important to note that there is no guarantee a definitive agreement will be reached, and Summit has indicated it will not provide further comments until the Board makes a decision. At this time, we cannot offer additional details.

Slide CemArgos – Results

During the quarter, Cementos Argos dispatched 2.2 million tons of cement and 654 thousand cubic meters of concrete in its operations across Colombia, Central America, and the Caribbean, representing a 9% and 8% decline, respectively, compared to the same period last year in these regions.

While total cement dispatches in Colombia have slowed, primarily due to reduced activity in the residential segment, it is important to note that new housing sales have begun to recover, showing a 23% increase year-to-date compared to the same period last year. This recovery, along with moderating inflation and lower mortgage rates, is expected to stabilize cement demand in the short term and resume its upward trend in the near future, supported by Colombia's macroeconomic fundamentals. Once the market begins its recovery, Argos will be a more efficient and agile company, fully prepared to capitalize on increased demand.

In the infrastructure segment, major cities in Colombia have ambitious plans to develop public infrastructure projects in the coming years, which should also drive demand for cement and concrete in the upcoming quarters.

In Central America and the Caribbean, a key attribute of our regional presence is the diversification of economies and cycles. This allows us to navigate challenging market conditions and achieve profitable and sustainable results, leveraging opportunities arising from the complementarity between markets. Year-to-date EBITDA in this region grew 10% compared to the first nine months of 2023, reaching USD 106 million, with an EBITDA margin of 24%.

Celsia

Slide Celsia – Qualitative

Celsia's net income attributable to the controlling entity grew by 8% year-to-date, despite significant climate volatility that resulted in lower-than-average rainfall during the quarter, particularly in August and September. This situation impacted river flows and reduced reservoir levels, directly affecting the company's energy generation during the period. Nevertheless, despite this challenging climate, Celsia is expected to close the year with consolidated net income similar to 2023, even though 2024 results do not include contributions from divested assets in Central America, which did contribute in 2023. This performance reflects the strength of the company's energy assets, demonstrating their ability to provide reliability to the electrical system during critical periods.

Additionally, during the quarter, Celsia achieved a milestone in Colombia's energy transition by inaugurating the country's first solar energy storage system with batteries. Integrated with the Celsia Solar Palmira 2 farm, this innovation will increase the plant's self-generation capacity by allowing solar energy generated during the day to be stored and delivered at night to a local company. This battery storage system overcomes the traditional limitation of solar energy by extending its availability beyond daylight hours, contributing to Colombia's energy matrix diversification.

Moreover, the Carreto wind project, located in the Atlántico department, made significant progress. The necessary equipment for its operation has arrived, bringing the project closer to generating 9.6 MW of clean and renewable energy for Colombia. This project highlights the wind energy potential of the Atlántico region, a resource in which Celsia will continue to invest as part of its commitment to expanding clean and efficient energy generation.

Slide Celsia – Results

In the second quarter, Celsia's consolidated revenues totaled COP 1.4 trillion, representing a 5% decrease compared to the same period in 2023. Year-to-date revenues reached COP 4.7 trillion, reflecting a 3% increase.

Consolidated EBITDA was COP 345 billion, a 17% decrease, primarily due to reduced energy generation caused by the climate context and the deconsolidation of divested assets in Central America. Considering the EBITDA from Celsia's investment platforms, managed EBITDA for the quarter was COP 465 billion. Adjusted for divested Central American assets, this represents a 3% year-over-year decrease in managed EBITDA.

Energy generation during the quarter was 1,030 MWh, an 18% decrease. However, solar energy generation grew 17% during the quarter and 45% year-to-date, reflecting progress in C2Energía, our solar farm platform, which closed the quarter with 339 MW in operation, 39 MW more than the previous quarter. Additionally, C2Energía has 270 MW under construction across 12 projects and another 632 MW in various development stages, bringing the company's total installed solar capacity to over 1,200 MW.

Odinsa

Slide Odinsa – Qualitative

On August 21, Odinsa, the Government of Antioquia, the Aburrá Oriente Tunnel Concession, and Grupo Argos announced the start of construction on the second phase of the Túnel de Oriente. This project will involve a CAPEX of COP 1.2 trillion and an OPEX of another COP 1.2 trillion, generating over 2,000 direct jobs.

Since the start of its operations, the tunnel has facilitated the transit of over 42 million vehicles, underscoring its importance for connectivity in Antioquia.

The capital for this second phase will come from shareholders of the Aburrá Oriente Tunnel Concession and private bank financing. The project includes work on the Santa Elena 2 tunnel (8.2 km), construction of the Seminario 2 tunnel (780 m), 4.5 km of viaducts and open roads connecting both tunnels, a parallel viaduct in Sajonia, and the expansion of the Loreto road access to improve mobility from the Seminario tunnel towards Las Palmas.

The second phase also includes the José María Córdova Airport Interchange, which is currently 49% complete and represents a significant step in consolidating a modern and efficient transportation network between the two valleys, reducing travel times in strategic subregions of the department.

This expansion, which has already surpassed traffic forecasts for 2032, reaffirms Grupo Argos' commitment to transforming lives through infrastructure investments, improving regional and national connectivity, creating jobs, and boosting key sectors such as construction, trade, and tourism.

Additionally, our operational assets continue to deliver strong performances, particularly in airport traffic.

The airport platform has handled 51 million passengers over the past 12 months, a 16% increase over the same period last year, with 46 million passengers traveling through El Dorado International Airport, a record for this asset operating at full capacity.

El Dorado's performance, with a traffic growth of 18% compared to the first nine months of 2023, reflects Colombia's consolidation as a world-class tourist destination and Bogotá's competitive position as a regional hub connecting the Americas. The future of the aviation and tourism sectors in Colombia is very promising, and Odinsa is well-positioned to capitalize on the value generated.

We expect that our Private Initiatives (PIs), such as El Dorado Max, which aims to expand El Dorado's capacity to 60 million annual passengers, and the New Cartagena Airport PI, proposing the construction of an airport between Cartagena and Barranquilla, both currently in feasibility stage, will continue advancing positively.

Additionally, with a total investment of USD 74 million, Quiport announced on July 31 the resumption of expansion work at the Mariscal Sucre International Airport in Quito. This integral investment, made with internal resources, will enhance passenger experience and increase the airport's operational capacity. The project will generate 400 direct jobs and approximately 800 indirect jobs, further strengthening this asset's position as one of the most relevant airports in Latin America.

Slide Odinsa – Results

Moving to the company's operational results on Slide 16, the road platform closed the quarter with an average daily traffic of 105,000 vehicles, a 4% increase compared to the same period last year. Concession revenues grew 15% year-over-year, while EBITDA for the quarter stood at COP 154 billion, a 2% increase.

The expected IRR for Autopistas del Café closed the quarter at 22%, the Túnel de Oriente at 18% (including the expansion), La Pintada Concession at 15%, and the Meta Road Network at 11%.

In airports, detailed on Slide 17, traffic during the quarter reached 13 million passengers, growing 12%. Meanwhile, platform revenues and EBITDA, measured in USD, increased by 7% and 2%, respectively, compared to Q3 2023. As a result, the expected IRR for El Dorado stands at 18%, while Quiport's IRR is at 11%.

<u>Pactia</u>

Slide Pactia – Results

In the real estate rental business, detailed on Slide 18, effective gross income reached COP 125 billion, growing 10% year-over-year, and EBITDA for the quarter was COP 67 billion, an increase of 12% year-over-year. On a like-for-like basis for the year-to-date, net operating income and EBITDA grew by 10% and 12%, respectively, compared to 2023.

A total of 174,000 square meters of contracts were renewed, and new contracts for 62,000 square meters were signed in 2024. At the end of the period, the fund closed with a non-hotel portfolio occupancy rate of 97.2%, an increase of 47 basis points compared to the same period in 2023 and an increase of 58 basis points compared to the previous quarter.

Compared to Q3 2023, the hotels sector achieved the highest growth in effective gross income with a 14% increase, followed by retail and offices with increases of 12% and 11%, respectively. In the case of hotels, results were driven by a 13.6% year-over-year increase in rates.

For the office segment, nine out of ten assets in the portfolio achieved a 100% commercial occupancy rate at the end of the period. Finally, for retail assets, brand sales and traffic increased by 0.8% and 1.1%, respectively, compared to the same period last year.

Slide NDU – Results

Moving on to the NDU figures on Slide 19, during the third quarter, the NDU continued exploring new products and strategies to invigorate the real estate market in the Barranquilla Metropolitan Area and Barú. Year-to-date, four lots were notarized in Barranquilla and one in Puerto Colombia, in addition to the sale of rural properties in Ciénaga, totaling 1,286 hectares. This resulted in significant perpetual savings in maintenance, security, and property tax costs for the NDU.

However, the business shows a decline compared to the previous year, which should be understood in two dimensions.

First, in terms of P&G, the decline in figures is mainly due to an adjustment in the fair value of the Pavas and Barú properties in February. This adjustment revised the assumption of urban development costs, resulting in an accounting impairment year-to-date. It is important to note that this adjustment is purely accounting and will allow for exploring additional uses for the properties, potentially accelerating sales in the future.

Second, in terms of cash flow year-to-date, a decrease is observed compared to the previous year, attributable to higher property tax expenses and the state of the housing market in Colombia, which has been affected by high interest rates and changes in housing subsidy dynamics. This effect has a lag in its figures, so the slowdown in new home sales in 2023 has impacted initiations in 2024.

However, given the changing trend in the new housing market nationwide, we anticipate this situation will soon reverse. The NDU is strategically positioned to capitalize on the recovery of the real estate market, representing the largest share of the VIS (social housing) and No-VIS market in Barranquilla in recent months.

Slide Consolidated Debt – Evolution

Moving to Slide 22, consolidated debt evolution is analyzed. Net debt closed the year at COP 9.1 trillion, a 24% decrease compared to the same period last year.

This achievement is worth highlighting. Since the peak of COP 17.0 trillion in consolidated net debt at the end of Q1 2020, during the pandemic, the group has reduced its consolidated debt by nearly half, deleveraging by around COP 8.0 trillion. During this same period, the company has continued to strengthen its equity and deliver solid results, as reflected in the performance shared today.

Slide GA Separate – Debt

Grupo Argos' separate net debt, detailed on Slide 25, closed the quarter at COP 1.2 trillion, an increase compared to the same quarter last year. This increase is mainly due to cash disbursed for the joint tender offer for Grupo Nutresa shares, which was planned within this transaction. For this operation, the company used COP 432 billion from its cash reserves, without needing to incur additional debt.

Analyzing the company's gross debt, it has increased by only 12% compared to the same period in 2023, rising from COP 1.6 trillion to COP 1.8 trillion.

Despite the increase in net debt due to reduced cash, Grupo Argos maintains a healthy net debt-to-EBITDA ratio, which provides financial flexibility. This ratio closed the semester at 1.7x. Despite the disbursement for the tender offer, the company retains a strong cash position, with fixed-income investments of around COP 345 billion, generating a positive carry as their yields exceed the cost of debt.

Sustainability and Reputation

To conclude, we would like to share a piece of news that fills us with pride as a business group. The companies of Grupo Empresarial Argos strengthened their performance in the S&P Global Sustainability Index, achieving 12 consecutive years of recognition for their management of environmental, social, and corporate governance issues among more than 3,500 companies worldwide.

The latest assessment by S&P Global reaffirmed the leadership of Grupo Argos, Cementos Argos, and Celsia in sustainability, awarding them outstanding scores exceeding 82 out of 100.

Additionally, in the latest edition of the Corporate Reputation Business Monitor (MERCO), Grupo Argos, Cementos Argos, and Celsia were consolidated among the companies with the best reputation in Colombia.

In this edition of the ranking, Grupo Argos ranked in the top 10 companies with the highest reputation in the country, while Cementos Argos ranked 16th, and Celsia ranked 49th. Furthermore, Odinsa entered the ranking at position 152, placing 5th in the construction and infrastructure sector.

This recognition marks the third consecutive year in which Grupo Argos appears among the ten most reputable companies in Colombia and the fifth consecutive year as the highest-rated business conglomerate in the country.

These achievements motivate Grupo Argos to continue working not only to deliver the best results and generate value for all its shareholders but also to do so in harmony with all its stakeholders. The company firmly believes that this balance is key to building a solid reputation—a valuable asset that gives Grupo Argos a competitive advantage and has enabled it to celebrate 90 years as an industry leader.