

Grupo Argos

Quarterly earnings Call

2Q2025

August 2025

CAROLINA ARANGO (Opening Remarks)

Good morning, everyone, and thank you for joining us today. This conference call will be devoted to presenting Grupo Argos' financial results for the second quarter of 2025.

Joining us today are Jorge Mario Velásquez, Alejandro Piedrahita, Rafael Olivella, and the management teams of Odinsa, the Real Estate Business, and Pactia.

I would like to remind you that all the information for the quarter, together with the presentation we will be following during this conference call, is available on our website. To download it, please go to the "Financial Information" menu and then the "Reports" section.

In addition, we are broadcasting this earnings call through an X Space.

I invite you to move to slide 3 of the presentation to begin the meeting. I now hand the floor over to Jorge Mario Velásquez, President of Grupo Argos.

Introduction

Introduction Slide

Thank you, Carolina, and good morning to everyone. My special thanks to all of you for joining us today.

Virtuous Circle Slide

We begin this call by referring to a milestone that is transcendental for Grupo Argos' future. After completing the implementation of the spin-off project on July 26, Grupo Argos begins a new chapter focused 100% on infrastructure and construction materials and has fulfilled all the premises we laid out when we presented this transaction: (i) the cross-shareholdings between Grupo Sura and Grupo Argos were ended in an orderly and efficient way; (ii) equitable and transparent treatment was guaranteed for all shareholders; and (iii) from this point forward, each company will be able to deepen its specialization and develop its strategy in its respective sector.

This transaction stands as one of the largest in the history of the Colombian capital markets, with direct deliveries of shares to shareholders for nearly COP 20 trillion on a consolidated basis.

With this milestone, Grupo Argos is projected as a simpler, more agile, and more specialized organization, with an ownership structure democratized across more than 40,000 shareholders and a promising future. We express our gratitude to Grupo Sura and its shareholders for the support, the learnings, and the joint work over five decades, which played a very important role in this organization's achievements. The entrepreneurial spirit led by these companies goes beyond the cross-shareholdings that ended with this transaction and will continue to guide us in our commitment to building company and country.

The completion of this transaction demonstrates a virtuous circle that benefits Grupo Argos, all of its shareholders, and the Colombian capital markets in general.

Since July 26, 2025, all Grupo Argos shareholders, in addition to maintaining their stake in the company - enhanced by more than 20% - now also hold a direct stake in Grupo Sura. When both holdings are combined, that is, what they continue to hold in Grupo Argos plus the 0.23 Grupo Sura shares they received, the value of

Grupo Argos shareholders' portfolio has increased by more than COP 1.5 trillion compared with the last trading day before the spin-off.

In addition, thanks to the speed and efficiency with which the process was carried out, Grupo Argos shareholders will have the right to receive directly two installments of Grupo Sura's dividend approved this year, which will increase by around 50% the dividends they will receive through January 2026 relative to the per-share dividend approved at Grupo Argos' March shareholders' meeting.

Grupo Argos, in turn, is left with a corporate structure that reinforces its ability to attract capital, access international markets, and execute its business plan with a project portfolio of nearly COP 40 trillion as it continues to position itself as a benchmark in the infrastructure sector across the Americas.

Likewise, the Colombian capital markets benefit from better free-float conditions, which are now close to 100%, and from improved share liquidity, factors that enhance the company's ability to attract new investors and additional capital. This effect is already materializing in the growing likelihood of Grupo Argos being included in market indices, as evidenced by its recent inclusion in the MSCI Small Cap Index.

In other words, the spin-off by absorption that was carried out was a virtuous transaction for the companies, their shareholders, and the country's capital markets, exactly as we informed the market at the time, and that leaves us very satisfied with what was accomplished and, above all, grateful to our shareholders for their support and trust.

Share Price Slide

All of this is also reflected in Grupo Argos' share price, which, viewed not only from a short-term perspective but also over the medium term, shows the results of all the measures adopted by the company over the last several quarters to unlock value for its shareholders, which has translated into the price the market recognizes for their investment.

Let us remember that, in order to make Grupo Argos' share value comparable after the spin-off, two components must be considered: on the one hand, the price of the company's ordinary and preferred shares and, on the other hand, the 0.23 Grupo Sura shares that shareholders received for each share they owned before the transaction.

When both values are combined, as of August 13 the value of the ordinary and preferred shares stood at COP 28,439 and COP 19,820, respectively, representing an increase of 15% per ordinary share compared with the last trading day before the spin-off and 6% per preferred share.

This simplification of Grupo Argos' portfolio structure, together with corporate milestones since 2023 - such as the combination of Argos USA's assets with Summit Materials and their subsequent monetization - initiatives aimed at revealing value such as our share repurchase program, which has already exceeded USD 150 million executed, and the strong operating performance of all our businesses, has allowed the value received by shareholders through both the preferred and ordinary shares to triple over the last two years.

Evolution of the Investment Portfolio Slide

The transactions described above, executed over recent years, have also enabled the transformation and growth of the portfolio managed by this company.

Two years ago, at the end of the second quarter of 2023, the company closed the period with a portfolio valued by the market and at book value at COP 18,800 per share. This is the arbitrage value resulting from the sum of the value of listed investments in the stock exchange and the book value of non-listed assets. At that time, 43% of this company's portfolio was invested in Grupo Sura and Grupo Nutresa.

Turning now to the current snapshot, Grupo Argos shareholders saw the value of infrastructure and construction materials assets double to reach COP 21,963 per share, now with a sharper focus that will

enable greater future growth. In addition, the company's shareholders received 0.23 Grupo Sura shares through the spin-off, which, at book value, represents a total value for their portfolio of approximately COP 33,348 per share.

Illustrative Future Portfolio Slide

These transformations were not only the catalyst for value unlocking in recent years, but are also the enabler of future growth for Grupo Argos.

- Re-entering the U.S. market by exporting aggregates from the Caribbean basin, leveraging Cementos Argos' logistics network and proven capabilities.
- Doubling Celsia's solar generation matrix in Colombia.
- Celsia's expansion in Peru with renewable energy projects.
- The expansion of El Dorado Airport, Latin America's main hub, and the construction of a new airport in Cartagena.
- The construction of three Odinsa road projects, including the expansion of Túnel de Oriente, already under construction.
- Beginning investment in the desalination and water treatment business in Latin America.
- Urban development in northern Barranquilla and tourism expansion on Barú Island.

This deepening in what Grupo Argos and its businesses do best is aimed at continuing to generate attractive and incremental returns for the company's shareholders, while also supporting and enabling regional development and progress in sectors where we expect demand to continue growing over the coming decades.

Consolidated Results Slide

Before addressing the company's consolidated and separate results for the quarter, it is important to pause and consider the non-recurring effects that impacted the organization's performance during this period, as well as the adjustments required for the first half of 2024, so that the results are comparable and allow us to analyze changes in the operating performance of our businesses.

It is important to bear in mind the following adjustments in the consolidated financial statements year-to-date:

- First, the company recorded a COP 2.0 trillion gain from the sale of the shares that Cementos Argos held in Summit Materials, a transaction completed in February.
- Second, expenses associated with the spin-off project were recorded, which did not yet have a corresponding gain because completion had not taken place by the end of the second quarter. The gains associated with this transaction will be reflected in the results for the third quarter.
- In addition, during the second quarter of 2025 Cementos Argos recorded a COP 53 billion accounting impairment for obsolescence of machinery, equipment, major spare parts, and inventories in Puerto Rico.
- Finally, during these first months of 2025, Grupo Sura's equity method contribution is not included in Grupo Argos' results.

It is also important to recall the non-recurring events that affected the results in the same period of 2024:

- In the first half of last year, the company recorded a COP 5.3 trillion gain from the combination of assets between Argos USA and Summit Materials.
- In addition, the gain derived from the exchange of Grupo Nutresa shares was recorded, amounting to COP 1.4 trillion.

- And finally, the reclassification of Grupo Sura's equity method contribution as a discontinued operation as a result of the spin-off project, which caused that result to appear below the line in that period's financial statements.

Although all the transactions described above are non-recurring and should be taken into account when analyzing operating results, they are nevertheless part of the core of this holding company, which continually seeks to maximize the value of its portfolio for the benefit of its shareholders through this type of transaction. The last two years have been particularly relevant on this front and have allowed us to reap the results of a disciplined, value-generation-oriented strategy.

Taking this into account, in the consolidated results year-to-date, Grupo Argos recorded revenues of COP 5.6 trillion, down 9% versus the same period of 2024; EBITDA of COP 1.5 trillion, up 11% year over year; net income of COP 2.4 trillion; and controlling interest net income of COP 1.2 trillion, both of which declined versus the prior year due to the effects previously mentioned.

However, when looking at the pro forma financial statements, EBITDA grows 6%; consolidated net income was COP 514 billion, up 161%; and controlling interest net income amounted to COP 183 billion, four times the adjusted result for the same period of the prior year.

These positive results are explained mainly by better operating dynamics in the energy business, in contrast with the second quarter of 2024, which was affected by low hydrology as a result of El Niño. In addition, growth in the concessions segment stands out, driven by the equity method contribution of the private equity fund managed by Odinsa, in which Odinsa is an investor alongside Macquarie Asset Management. We will address both effects in greater detail later on.

Separate Results Slide

As for the separate financial statements, the company recorded revenues of COP 1.5 trillion, EBITDA of COP 1.4 trillion, and net income of COP 1.5 trillion, figures below those observed in 2024 before adjusting for non-recurring events, particularly the gain generated by the combination of assets with Summit Materials.

Nevertheless, as in the consolidated financial statements, after adjusting and looking only at the results derived from our recurring operations, separate pro forma revenues accumulated through the second quarter were COP 453 billion, up 55% year over year; EBITDA was COP 310 billion, up 134%; and net income was COP 212 billion, 218% above the pro forma result observed in the same quarter of the prior year.

Cementos Argos

Cementos Argos - Qualitative

I now invite you to turn to slide 11 to review the results of our businesses.

Over the last few weeks, Cementos Argos also completed the spin-off by absorption of its stake in Grupo Sura, spinning off COP 1.4 trillion for the benefit of its shareholders and positioning itself even more clearly as a pure player in the construction materials industry.

Moreover, during the quarter a decisive step was taken in the first phase of the strategy to re-enter the U.S. market through the consolidation of an aggregates platform. Cementos Argos acquired a 60% stake and assumed operational control of a strategic asset in the Caribbean, with access to a deepwater port, significant reserves, a fifteen-year environmental permit, and a concession of more than fifty years that enables the production of eight million short tons of aggregates by 2030.

In addition, the company signed a lease on a port position on the southeastern coast of the United States. With the assets already incorporated and those to be added under the plan, the platform is expected to generate between USD 100 million and USD 150 million of additional EBITDA for the company by 2030.

Cementos Argos - Results

Turning to second-quarter financial results, Cementos Argos recorded revenues of COP 1.28 trillion and EBITDA of COP 235 billion, a decline attributable mainly to an accounting impairment for obsolescence of machinery, equipment, major spare parts, and inventories in Puerto Rico amounting to COP 53 billion. It is worth highlighting that this was an accounting adjustment that did not imply cash outflows for the company.

Excluding this effect and the expenses associated with the spin-off project, quarterly EBITDA was COP 295 billion, equivalent to a 23% margin. This result reflects the effectiveness of the pricing strategy and the disciplined execution of efficiency initiatives, which offset a challenging market environment.

At the regional level, the balance is positive, although mixed. June volume recovery in Colombia stands out, as does continued growth in Puerto Rico and the Dominican Republic, while unmet demand persists in Guatemala due to lower exports from Honduras following the scheduled kiln shutdown and Panama's slow market recovery.

The company maintains a disciplined, efficient operation and a strong financial position, which allows it to remain focused on capturing growth opportunities in its key markets and generating sustainable value for its shareholders, as evidenced by the successful development of its SPRINT program.

I now invite you to turn to the energy business results on slide 11.

Celsia

Celsia - Qualitative

During the quarter, Celsia moved forward in materializing value from its new businesses through the creation of a new platform grouping the company's energy-efficiency solutions. The transferred assets, which correspond to the efficient lighting, district cooling, distributed generation, monitoring, and compressed-air systems lines, among others, recorded COP 150 billion in revenues and COP 36 billion in EBITDA in 2024, with AUM of COP 628 billion and a pipeline that could reach USD 1.0 billion.

In parallel, the ReimaginarC program is being consolidated as a priority for our energy business. The net debt-to-EBITDA ratio at quarter-end stood at 3.56x and will continue to decline thanks to sales-cost optimization and efficiency initiatives that lifted the EBITDA margin from 32.5% to 33.6% versus the previous quarter. The company expects to close 2025 with net debt of approximately COP 3.9 trillion.

Finally, Celsia advanced in structuring a Renewable Energy Fund in Peru of between USD 250 million and USD 300 million, in which it will participate with USD 60 million of equity. The vehicle will capture growth opportunities through greenfield developments and acquisitions, starting with Caravelí Wind Farm, currently under construction, and Hidromanta, a small hydro plant already in operation. This structure reinforces the company's diversification and its ability to bring its capabilities to other geographies.

Celsia - Results

On the financial front, consolidated revenues for the quarter were COP 1.32 trillion, representing a 31% decline, explained by the fact that in the same period of 2024 revenues were boosted by higher thermal sales derived from El Niño and by non-recurring income associated with the sale of assets to the Caoba platform under the BOT (Build-Operate-Transfer) contract.

Nevertheless, with hydro generation returning to normal climatic levels, EBITDA reached COP 442 billion and the EBITDA margin stood at 33.6%, nearly 1,000 basis points above what was recorded a year earlier.

Odinsa

Odinsa - Qualitative

Let us now move to Odinsa's results on slide 15.

During the quarter, the airports managed by Odinsa's airport concessions platform reaffirmed their leadership in the region. At the Skytrax World Airport Awards, El Dorado International Airport was recognized, for the seventh time and the fourth consecutive year, as the Best Airport in South America, while Quito's Mariscal Sucre Airport was recognized as the Best Regional Airport in South America and the cleanest airport in the region. These awards, granted by passengers among more than 565 terminals, confirm the operational excellence and service experience that characterize our concessions.

On the other hand, on July 8, the Government of Antioquia, Concesión Túnel Aburrá Oriente, and Odinsa Vías brought into service ahead of schedule all the ramps of the José María Córdova Interchange. This project optimizes connectivity between the Túnel de Oriente, the airport, and the municipalities of Rionegro and Guarne, easing congestion on access routes to the air terminal and improving mobility in eastern Antioquia.

In this same context, the financial closing for COP 1.8 trillion of the second phase of Túnel de Oriente was recently completed. Strong demand, close to twice the required amount, reflects the market's confidence in the initiative's soundness and will allow all construction fronts to be activated, currently with progress of 12%.

On the financial front, Odinsa posted solid results, driven largely by the higher valuation recorded - through the equity method - of the private equity fund, associated with the higher value of its assets due to the second phase of Túnel de Oriente. Consolidated revenues stood at COP 159 billion, representing year-over-year growth of 65%; EBITDA reached COP 101 billion, up 69% versus the same period of the prior year; and consolidated net income amounted to COP 87 billion, up 92% year over year.

Odinsa - Results

Turning to operating results on slide 16, the road concessions platform recorded average daily traffic of 109,000 vehicles, equivalent to a year-over-year increase of 6%. All concessions showed traffic improvements compared with the second quarter of 2024.

Total passenger traffic across the airport platform, detailed on slide 17, reached 12.2 million during the quarter, of which 10.9 million corresponded to El Dorado Airport. Meanwhile, the platform's revenues and EBITDA, measured in dollars, grew 10% versus the same period of the prior year.

Pactia - Results

In the real estate rental business, effective gross income was COP 114 billion, down 9% year over year, and quarterly EBITDA was COP 57 billion, down 15% year over year. However, on a same-asset basis year-to-date, effective gross income, net operating income, and EBITDA grew 7% versus 2024.

At the end of the period, the fund had occupancy in its non-hotel portfolio of 91%, representing an increase of 10 basis points versus the previous quarter and a decline of 559 basis points versus the same period of 2024. With respect to the latter, it is worth noting that the year-over-year occupancy decline resulted from the fourth-quarter divestment of two large build-to-suit logistics assets in the Unilever and Colgate distribution centers, both located in Palmira.

Through June 2025, the fund renewed contracts for 69,000 square meters and signed new contracts for 26,000 square meters.

By year-end 2025, we estimate that Pactia will reach EBITDA of close to COP 232 billion and net income before valuations of more than COP 100 billion, which would exceed COP 240 billion after valuations. Under this operating estimates scenario, the unit value at year-end is projected at COP 15,561, representing an estimated return of 10.1%.

Urban Development Business (UDB)

During the quarter, the Urban Development Business executed the deed for a property in Barranquilla and recorded income from dividends from Hotel Calablanca, as well as additional income from clauses tied to transactions from prior periods. Although revenues declined versus the same period of the prior year, we highlight the signing in July of two sale promises for COP 110 billion, most of which will be received in cash before year-end.

The year-over-year change in net cash flow reflects the fulfillment of urban development commitments, the payment of property taxes, and the disbursement schedule agreed with clients. Looking ahead to the second half, the Urban Development Business expects relevant inflows from transactions already closed and others close to formalization, which will allow it to close 2025 with net cash flow similar to that of 2024.

It is essential to analyze our business's performance in the context of broader industry trends, both short and long term. In the case of the Urban Development Business, our exposure to the residential sector through land zoning has exposed us to headwinds stemming from a slowdown in residential unit sales in Barranquilla, compared with the peak observed in 2022.

As of June 2025, cumulative sales over the last 12 months were slightly above 7,300 units (7,342), a figure 13% above the 2018 total (6,486) but still 60% below the peak recorded in 2022 (18,325). As expected, our net cash flow has reflected this trend, although with some lag, given that land sales are usually financed with terms ranging from 12 to 36 months.

However, compared with 2018 - the last year in which residential sales were at levels similar to current ones - projected net cash flow for 2025 will be 161% above that period. In addition, between 2018 and 2023, during the sector's boom, the business's net cash flow grew at a real compound annual growth rate (CAGR) of 27%, rising from COP 23 billion to COP 105 billion.

Consolidated Debt Slide

Let us now move to slide 21 to review the evolution of consolidated indebtedness.

In this regard, following the inflow of cash from the divestment in the United States, the company's consolidated net indebtedness has been negative since February 2025; in other words, the company now has more cash than debt, which clearly demonstrates the strength and financial flexibility with which Grupo Empresarial Argos is positioned to execute its strategy in the future.

Grupo Argos Separate - Separate Debt Slide

Grupo Argos' separate net debt closed the quarter at COP 1.5 trillion, as you can see on slide 23, maintaining a leverage level that preserves ample financial flexibility to execute its corporate strategy.

This strength is confirmed by the reaffirmation of the highest credit rating by both Fitch Ratings and S&P; Global, an endorsement that evidences the company's ability to develop its new infrastructure-focused chapter.

Sustainability and Closing

Before concluding, we would like to highlight that, in Standard & Poor's most recent Sustainability Assessment, Grupo Argos obtained a consolidated score of 85 out of 100, reaffirming 13 consecutive years of outstanding performance in a measurement that applies the highest environmental, social, and corporate governance standards and in which more than 3,500 companies worldwide participate.

This milestone confirms Grupo Argos' commitment to sustainable development in all the countries where it operates. The reputation and sustainability of our operations are not just a recognition, but a competitive advantage that underpins the financial results we have just reviewed.

CAROLINA ARANGO (Q&A;)

I would like to remind everyone that you may submit your questions through the Q&A; section enabled on the Zoom platform.