QUARTERLY EARNINGS CALL

2Q2024 GRUPO ARGOS

August 2024

JUAN ESTEBAN MEJIA (Introduction)

Good morning, everyone. I want to thank you for joining us today. This conference will be dedicated to presenting Grupo Argos' financial results for the close of the second quarter of 2024.

Joining us today 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.

Please note that all quarterly information, along with the presentation we'll follow during the teleconference, is available on our website. To download it, you can go to the "Financial Information" menu and then to the "Reports" section.

Additionally, we are broadcasting this earnings conference via an X Space.

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

Introduction

Introduction Slide

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

During the second quarter of 2024, our businesses continued to generate solid operational results, which is reflected in the positive figures for Grupo Argos that we will share shortly.

However, before presenting the summary of the company's financial statements, we want to discuss the outcome of the agreement to divest Grupo Argos' stake in Grupo Nutresa, which has resulted in increased economic rights for Grupo Argos in Grupo Sura.

Impacts Slide

Thanks to the successful conclusion of the public offering for Grupo Nutresa shares and the second share exchange, all operations outlined in the Framework Agreement signed on June 15, 2023, were completed this quarter. As a result, Grupo Argos and Grupo Sura no longer hold shares in Grupo Nutresa, and IHC, JGDB, and Nugil no longer hold shares in Grupo Sura or Sociedad Portafolio.

Additionally, the liquidation process of Sociedad Portafolio is expected to be completed in the coming months, where the remaining assets will be proportionally distributed among its shareholders after liabilities are paid. This asset mainly consists of 62 million shares in Grupo Sura and 82.3 million shares in Grupo Argos.

As a result of the liquidation of Sociedad Portafolio, Grupo Argos is anticipated to receive 13.7 million of its own shares. To facilitate this process, an extraordinary Shareholders' Meeting was held on July 31, where a change in the company's reserve allocation was approved to receive these shares, which will be treated as treasury shares.

Likewise, Grupo Argos is expected to receive the economic rights of an additional 10.3 million shares of Grupo Sura. As previously communicated to the market, Grupo Argos, as an infrastructure holding company, does not intend to control Grupo Sura. Thus, it will transfer shares to a trust with the irrevocable instruction not to exercise political rights, ensuring it does not exert political influence beyond 49% of shares represented at a Grupo Sura shareholders' meeting.

During the same Shareholders' Meeting, a statutory reform was approved to strengthen Grupo Argos' corporate governance practices. Two articles were added to the bylaws that promote equitable treatment for shareholders, providing them with exit options at fair prices in the event of a Tender Offer (OPA) for the company's ordinary shares.

The reform grants shareholders the right to receive an offer for 100% of voting shares, ensuring they are not pro-rated and receive a fair price if the same beneficial owner acquires 20% or more of the ordinary shares. Additionally, shareholders who sell their shares in a tender offer have the right to equalize the price if the same beneficial owner makes another tender offer at a higher price within the following 12 months.

Grupo Argos remains attentive to incorporating best practices into its bylaws and updating them according to market trends, reaffirming its commitment to continuously improving corporate governance practices.

With all steps in the Framework Agreement now completed, we can view the consolidated impacts of this transaction for Grupo Argos.

The investment in Grupo Nutresa was classified as a financial instrument measured at fair value with changes in other comprehensive income (OCI), so the profit generated from transferring Grupo Nutresa shares was recorded in accumulated earnings as a reclassification from OCI. The other effects associated with the transaction are recognized in the income statement, so both must be considered together to view the net economic benefit of the transaction.

The release of accumulated earnings amounted to COP 1.5 trillion, and the company recorded a profit in its consolidated income statement of COP 1.1 trillion, adding up to a net economic benefit after taxes of COP 2.6 trillion. This effect includes the profit recognized by Grupo Sura from this transaction, incorporated into Grupo Argos' income statement through the equity method.

In the separate OCI, the company recorded a net negative result of COP 196 billion, which includes both costs and taxes associated with the transaction. However, considering the COP 1.5 trillion of accumulated earnings released in OCI, the net benefit of this transaction would be COP 1.3 trillion. The transaction also impacts consolidated equity due to the increase in economic participation in Grupo Sura, from the difference between the average and intrinsic values of shares repurchased by this company.

In summary: with the completion of all operations under the Framework Agreement and the liquidation of Sociedad Portafolio, Grupo Argos' economic rights in Grupo Sura, one of Latin America's leading financial conglomerates, will increase from 22% to 46%, additionally recording a net gain of COP 2.6 trillion. This, combined with the solid operational dynamics of all our assets, which we will review later, positions the company strongly to continue its strategic path as an infrastructure asset manager.

New SOTP Grupo Argos

With the completion of the share exchange of its stake in Grupo Nutresa, Grupo Argos' portfolio has undergone a significant transformation, becoming more focused on infrastructure.

On slide 4, we can see how Grupo Argos' investment portfolio has evolved. Based on the book values of our unlisted investments, such as Odinsa, the Urban Development Business, Pactia, and others, and the stock prices on the Colombian Stock Exchange (BVC) of our listed investments (Celsia, Cementos Argos, Grupo Sura, Sociedad Portafolio, and formerly Nutresa), we observe that, compared to the second quarter of 2023, Grupo Argos' portfolio has increased in value by COP 2.8 trillion, reaching COP 19.0 trillion. This growth is driven by the completion of strategic transactions and the strong operational performance of our businesses.

The ratio of the holding company's expenses over the past twelve months—excluding sales expenses and property taxes related to the Urban Development Business, as well as costs associated with non-recurring M&A transactions and depreciation and amortization—was COP 86 billion, resulting in a ratio of 0.5% against the value of our listed and unlisted investment portfolio.

Additionally, the divestment from Grupo Nutresa and operations such as that with Summit Materials have increased the weight of the infrastructure segment from 56% to 70% of the company's investment portfolio, aligning with the strategic direction of continuing to specialize in the infrastructure sector.

Market Performance

In the first half of 2024, we continued to progress with our share buyback programs, offering another mechanism to transfer value to all our shareholders. Consolidated, Grupo Empresarial Argos companies have executed over USD 100 million since initiating these buyback programs.

Over the last 12 months, the price of Grupo Argos' ordinary shares increased by 85%, preferred shares by 74%, Cementos Argos' ordinary shares by 148%, and Celsia's shares by 60%. During the same period, the market capitalization of Grupo Empresarial Argos companies grew by over COP 13 trillion.

As we buy back our own shares at current market values, where we continue to see a significant gap between the fundamental value and the market price of our shares, each shareholder's ownership stake increases as they maintain their investment. This strategy has also provided greater dynamism and liquidity to the market at times when it has been needed.

Consolidated Results

Moving to the company's results for the first half of 2024 on slide 6, Grupo Argos closed the period with consolidated revenues of COP 8.2 trillion, stable compared to 2023, and EBITDA of COP 3.4 trillion, a 41% increase over the same period last year.

This result takes into account the agreement between Cementos Argos and Summit Materials, through which the company disposed of 100% of its associated subsidiaries in the United States, reclassifying these assets as a discontinued operation. Consequently, the company modified the presentation of its consolidated financial statements as of June 30, 2023, consolidating all items associated with the disposed group of assets in the United States into a single line item of net income from discontinued operations.

As a result, net income closed at COP 6.8 trillion, and net income attributable to the parent company at COP 4.0 trillion, reflecting the profits generated by the Summit and Nutresa share exchange transactions.

Individual Results

Driven by the strong operational results of our infrastructure investments and the same non-recurring events affecting the consolidated results, the standalone financial statements showed that year-to-date revenue reached COP 3.2 trillion, EBITDA COP 3.1 trillion, and net income COP 2.7 trillion.

Financial Statements and Consolidation

Now let's move to slide 8, where we can observe a summary structure of the assets managed by the company as of the end of the first half of 2024 and how their financial results will continue to be recorded.

We can see that, while Grupo Argos continues to exercise control and consolidate Cementos Argos, Celsia, and Odinsa, investments made by our subsidiaries over recent years have led to many of the results, assets, and liabilities no longer being consolidated line by line in their financial statements, nor in those of Grupo Argos. These results are now reflected through the equity method in the results of each subsidiary and then in Grupo Argos' consolidated financial statements.

From now on, the 31% stake that Cementos Argos holds in Summit Materials will be reflected in our Consolidated Financial Statements using the equity method. Likewise, Celsia's asset management business, including the C2Energía, Tesorito, Laurel, and Caoba platforms—where much of this subsidiary's growth is expected through partnerships with third-party capital—will not be recorded line by line in the company's financial statements. Similarly, the creation of Odinsa's roads and airports platforms, in partnership with Macquarie, means that the results from these concessions are not consolidated.

Therefore, it is essential to consider that the consolidated financial statements only incorporate a minority group of assets managed by the company. In other words, the consolidated revenues and EBITDA do not fully reflect the operational performance of our businesses.

Pro Forma Adjustments

In the next slide, we review the details of the accounting changes for the company in 2024.

In addition to the deconsolidation of Cementos Argos' assets in the United States, in 2024, the company records a lower revenue level in its energy business due to the divestment of most of its assets in Central America in 2023. Grupo Argos also deconsolidated its stake in OPAIN and recorded a lower equity method in Quiport due to the creation of the airport vertical with Macquarie. The equity method in Grupo Sura has increased due to the higher economic rights in this investment, and dividends from Grupo Nutresa are no longer recorded.

Slides 10, 11, and 12 present a summary of contributions to income, EBITDA, and consolidated net income, along with the main considerations and non-recurring impacts affecting this quarter and the previous one in each segment.

The second quarter results of 2024 were mainly influenced by the deconsolidation of Argos USA, the deconsolidation following the sale of certain assets in Central America, and the deconsolidation of OPAIN following the creation of the airport platform in the concessions business.

The financial results for the second quarter of last year were impacted, both on a consolidated and standalone basis, by the profits associated with the closure of the airport platform. This represented revenues and profits for Grupo Argos, both from the direct sale of its stake in OPAIN and from the profit recorded by Odinsa in this transaction. Therefore, while there is a notable decline in some financial metrics of the company when comparing this quarter in isolation to the same period last year, it is important to consider the respective adjustments in each segment in both 2024 and 2023, which make them not fully comparable.

We also present a summary of the variation in revenue, EBITDA, and net income of the energy, road, and airport platforms, as well as the total results of Summit Materials converted into pesos. Although these investments are not consolidated in the financial statements and are therefore not evident in the contributions by segment to the consolidated total, they continue to show positive and relevant operational performance that should be considered in Grupo Argos' value generation as an infrastructure asset manager.

<u>Cementos Argos</u>

Slide CemArgos – Qualitative

Let’s now look at the results of our business on slide 14.

Cementos Argos has maintained its focus on profitability, achieving a 3% EBITDA growth compared to 2023 and reaching an EBITDA margin of 21% so far this year, an increase of 150 basis points over the first half of last year.

Regarding the 31% investment the company holds in Summit Materials, it’s noteworthy that the integration is progressing smoothly and is expected to generate USD 40 million in synergies this year. Summit Materials' team has reiterated their 2024 EBITDA forecast, and despite weather-related disruptions, particularly in the Houston market, and moderate demand conditions in the cement business, Summit has delivered solid quarterly results. This reflects the strong position and leadership of the combined company, well-prepared to capitalize on market opportunities.

Despite a volatile market, Summit Materials' share price has averaged USD 39 this year. Considering the average exchange rate and the 54.7 million shares Cementos Argos holds in this company, this translates to approximately COP 6,500 per Cementos Argos share.

Although Cementos Argos' share price has grown by more than 150% since the asset combination announcement with Summit, we continue to observe a significant discount in the market valuation of the company's assets in Colombia, Central America, and the Caribbean. These operations, strengthened by the complementary agreements derived from the Summit transaction, are in a position of great financial flexibility: the company closed the quarter with a Net Debt/EBITDA ratio of 2.1x, the lowest in the past decade.

Slide CemArgos – Results

During the quarter, Cementos Argos dispatched 2.5 million tons of cement and 686 thousand cubic meters of concrete in its operations in Colombia, Central America, and the Caribbean, with increases of 2% and nearly 1%, respectively, compared to the same period last year in these regions.

In Colombia, positive dynamics were observed, with a 14% EBITDA increase and a 250 basis points margin expansion year-over-year, despite a 5% decline in total cement volumes. Domestic cement volumes decreased by 10%, while exports grew by 13%, partially offsetting the drop in local deliveries.

Although total cement deliveries in the country have slowed, mainly due to lower activity in the residential segment, it's noteworthy that new home sales have begun to stabilize, increasing by 10% in the first half of the year compared to the same period last year. This suggests improvements in local cement deliveries within the next 12 to 18 months.

Additionally, in the infrastructure segment, it is worth noting that the country's major cities have ambitious plans to develop public infrastructure projects over the next four years, which should also drive demand for cement and concrete in the coming quarters.

In Central America and the Caribbean, EBITDA grew 13% compared to the first half of last year, reaching USD 72 million, with an EBITDA margin above 24%. This positive trend and the current results are expected to continue for the remaining six months of the year, taking into account the impact of seasonality in some countries in the region.

<u>Celsia</u>

Celsia – Qualitative

Thanks to the normalization of the country's weather conditions, our energy business has shown a recovery in results compared to the first quarter of the year, which was affected by lower generation due to the El Niño phenomenon.

Hydroelectric power generation by Celsia's Energy Services business grew 19% compared to the second quarter of 2023, while power generation by the Asset Management business, which includes the Tesorito, C2 Energía, and Laurel platforms, increased by 47%.

Additionally, the net income attributable to the parent accumulated in the year has grown by 19% compared to 2023 figures.

Celsia – Results

In the second quarter, consolidated revenues reached COP 1.9 trillion, representing a 22% increase over the same period in 2023. Year-to-date revenues stand at COP 3.3 trillion, a 7% increase.

Consolidated EBITDA was COP 464 billion, a 4% decline. However, when including the EBITDA from Celsia's investment platforms, which are not consolidated in the financial statements but instead enter through the equity method in the company's non-operating income, total quarterly EBITDA reaches COP 573 billion, remaining stable compared to the same metric for the second quarter of 2023.

Energy generation during the quarter was 1,433 MWh, representing a 9% growth. This is a notable increase, considering that in the same period last year, Celsia still had generation from some assets that were sold in Central America and thus did not contribute to this quarter's generation.

<u>Odinsa</u>

Odinsa - Qualitative

Now, let's move to Odinsa's results on slide 18.

Airport traffic continues to show notable growth, with ten consecutive quarters of double-digit increases in our earnings calls.

The airport platform has transported 50 million passengers over the past 12 months, a 16% increase over the same period last year, of which 44 million correspond to El Dorado International Airport—a record figure for this fully operational asset.

The outstanding performance of traffic at El Dorado, which grew 21% compared to the first half of 2023, reflects Colombia's consolidation as a world-class tourist destination and highlights Bogotá's competitive position as a regional hub connecting the entire Americas. The future of the airport and tourism sectors in Colombia is very promising, and Odinsa is ideally positioned to capture the value that will be generated.

We expect our Private Initiatives (PIs), such as the El Dorado Max PI, which aims to expand El Dorado Airport's capacity to 60 million passengers annually, and the New Cartagena Airport PI, which proposes the construction of an international airport between Cartagena and Barranquilla—both currently in the feasibility stage—to continue progressing with the strong momentum observed so far.

Additionally, the private equity fund results continue to show very positive progress, with a valuation exceeding 27% since inception. Projections indicate that the resources to be received from its assets over the fund's life will be 1.37 times the contributed value, demonstrating the robustness and profitability of Odinsa's infrastructure assets.

Odinsa – Results

Moving to the company's operational results on slide 19, the road platform closed the quarter with an average daily traffic of 104,000 vehicles, stable compared to the same period last year. Concession revenues in the platform grew by 19% over the same period last year, while quarterly EBITDA reached COP 157 billion, an 8% increase.

The expected IRR for Autopistas del Café closed the quarter at 22%, Túnel de Oriente at 21%, Concesión La Pintada at 15%, and Malla Vial del Meta at 11%.

In airports, detailed on slide 20, quarterly traffic reached 13 million, growing by 18%. Additionally, platform revenues and EBITDA in USD increased by 9% and 13%, respectively, compared to the second quarter of 2023. Consequently, the expected IRR for El Dorado is 18%, while that for Quiport is 11%.

Pactia – Results

In the real estate rental business, gross effective income was COP 119 billion, growing 10% year-over-year, and quarterly EBITDA was COP 65 billion, also increasing by 10%. In terms of same-assets for the cumulative year, net operating income and EBITDA grew by 10% and 11% compared to 2023.

In total, contracts for 116,000 m² were renewed, and new contracts for 29,000 m² were signed in 2024. At the close of the period, the fund's non-hotel portfolio occupancy was 96.6%, an increase of 78 basis points compared to the same period in 2023 and 63 basis points compared to the previous quarter. Compared to the second quarter of 2023, the logistics and storage sectors achieved the highest income growth, increasing by 19% thanks to better contract renewal conditions and new placements at higher prices.

NDU Slide

This quarter, the Urban Development Business (NDU) achieved a net cash flow of COP 7 billion, reaching a cumulative cash flow of COP 31 billion for the semester, representing a 13% decrease from the previous semester due to a slowdown in the real estate market. However, an upturn is expected in the second half of the year.

The transfer of three lots was completed: two in Puerto Colombia and one in Barranquilla. This resulted in total revenue of COP 48 billion, a 19% increase over last year, and EBITDA of COP 8 billion.

It's important to remember that the cumulative results for the year still show negative total revenue and EBITDA due to a fair value adjustment for the Pavas and Barú properties, for which the assumption of urbanization costs was modified, resulting in an impairment for the semester. This impairment is purely accounting-related and will allow for more flexible use of the business, facilitating faster sales in the future.

Additionally, this semester, the Barranquilla City Council, the Urban Development Business, and Tecnoglass agreed to complete a major road circuit comprising Carrera 75A, Calle 98, and Vía 40 in the northern part of the city as part of the 2024-2027 development plan. This agreement reaffirms our commitment to forging partnerships to develop spaces that drive the city's growth and improve the quality of life for hundreds of thousands of residents in the Barranquilla metropolitan area.

Slide Consolidated Debt

Let's now move to slide 25 to analyze the evolution of consolidated debt.

At this level, net debt closed the year at COP 8.7 trillion, a 29% decrease compared to the same period last year, largely due to the cash received from the Summit transaction. Similarly, net financial expenses for the quarter decreased by 12% year-over-year.

Separate Debt

The separate net debt for Grupo Argos, detailed on slide 28, closed the quarter at COP 1.3 trillion, representing a 42% increase compared to the same quarter last year. This increase is due to cash outflows for the joint tender offer for Grupo Nutresa shares, which was planned as part of this transaction. For this operation, the company used COP 432 billion from its cash reserves, without needing to incur additional debt. As a result, when examining the company's gross debt, we see that it increased by only 5% compared to the same period in 2023, rising from COP 1.6 trillion to COP 1.7 trillion.

Despite the increase in net debt due to lower cash reserves, Grupo Argos maintains a healthy net debt-to-EBITDA ratio, providing financial flexibility, and closed the semester with this indicator at a level of 1.5x. Despite the disbursement for the tender offer, the company retains a strong cash position, with fixed-income investments of approximately COP 355 million that generate a positive carry, as their returns are above the cost of debt.