INVESTMENTS THAT TRANSFORM

2020 Integrated Report
This report is an exercise in transparency, in which we publish our progress in the management of the most relevant economic, social and environmental affairs to our stakeholders. Through this, we present the manner in which we generate value for the company, society and the planet.

**Materiality**

(102-47) The relevance of the topics developed in this report was determined based on a Materiality Analysis we carried out in 2018 and updated in 2019, to precisely reflect the six issues we consider our key value drivers. In the pages of reference, we describe each of the six value drivers, their relevance, the manner in which we manage them, our progress, and their most significant milestones in 2020. We present our vision for the future for each of them, using short, medium and long-term targets, as well as associated challenges and opportunities.

Out commitment to the United Nations 2030 Agenda is materialized through four of its seventeen Sustainable Development Goals (SDGs), which we prioritize according to our capacity to contribute directly to the different global challenges each one represents. For each value driver we indicate the corresponding SDG symbol(s) they contribute to. To view our alignment with global targets in detail, access our ESG Databook here or scan the code.

**Reporting methodology**

(102-54) This report has been drafted according to Global Reporting Initiative (GRI) Standards, core option, and follows, in turn the principles and guidelines of the Integrated Reporting Framework (IRC), and the standards of the Sustainability Accounting Standard Board (SASB). See the GRI and SASB content index on pages 116-127. We are currently implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which will be reflected in our 2021 Integrated Report to be published next year. The financial statements are presented under International Financial Reporting Standards (IFRS), and figures in dollars have been converted to Colombian pesos using the representative market rate (TRM, in Spanish) established for each item of the financial statements.

(102-66) The annexes section contains the GRI Content Index, which serves as a guide for the numerical codes included at the start of certain paragraphs, and a Self Declaration of Compliance with the principles of the Integrated Reporting Framework (see page 128).

**Coverage**

(102-48, 102-46) This report contains an account of our management, performance and main results as infrastructure investment managers.

In turn, it includes relevant information on our strategic businesses: cement (Cementos Argos S.A.), energy (Celsia S.A.) and highway and airport concessions (Odinsa S.A.). It also includes our investments in the real estate development and coal businesses.

(102-49) Throughout this document we specify whether the indicators reported correspond to a separate Grupo Argos indicator, to one of our businesses, or to the corporate group on a consolidated level.

**Frequency**

(102-50, 102-51, 102-52) This document was published in March 2021 and describes our performance and results for the period contained between January 1 and December 31, 2020. The previous version was published in March 2020.

**External Verification**

(102-32, 102-56) To verify the reliability of the reported information, we have submitted this publication to an independent third-party, accounting audit by KPMG (see pages 85 and 103), as Statutory Auditor for the company. Upper management reviewed and approved the Integrated Report and charged Deloitte & Touche the limited assurance of social, environmental and economic indicators. See pages 130-131.

(102-48) No relevant information in previous reports has been restated.

In the event the calculation method for any indicator has been updated, this is indicated in the corresponding section.

This document has been published at www.grupoargos.com and is complemented by a section called the ESG Databook, which can be found here, as well as with public information for the 2020 period, which can be found on our website.


**Inquiries**

If you have questions or comments regarding the content of this report, please contact Cristina Arias, Director of Sustainability (carias@grupoargos.com).
**Highlights**

(102-2, 102-4, 102-6, 102-7, 102-8)

- **Consolidated Assets**
  - COP 50.8 TRILLION

- **Consolidated Liabilities**
  - COP 24.5 TRILLION

- **Consolidated Equity**
  - COP 26.2 TRILLION

- **Market Capitalization**
  - COP 11.2 TRILLION

**Over 14,000 employees are part of the Business Group**

**Around 11,000 shareholders**

**Consolidated Annual EBITDA**

- **Revenue**
  - 8.2% Cement
  - 2.4% Others
  - 64.2% Energy
  - 37.7% EBITDA

- **EBITDA**
  - 25.2% Energy
  - 12.5% Cement
  - 2.1% Others
  - 48.2% Cement

- **Consolidated EBITDA**
  - COP 3.4 TRILLION

- **Consolidated Net Profit**
  - COP 1.6 TRILLION

**Average Year Over Year EBITDA Growth 2012-2020**

- 9.6%

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**Portfolio**

- **Real Estate**
  - Urban Development
    - 100%
  - PACTIA
    - 37.2%**

- **Financial services**
  - 35.9%***

- **Food**
  - 9.8%

**Our Strategic Investments**

- **Countries by Business**
  - Cementos Argos
  - Celsia
  - Odinsa

**Memberships**

- World Business Council for Sustainable Development and its Colombian chapter, Cecodes

**Awards**

- Dow Jones Sustainability Indices
- Sustainability Award
- S&P Global
The Board of Directors is our highest management body and maintains an overall vision of all the Corporate Group’s businesses. It has a diverse composition in terms of gender, abilities and experience, and has active participation from independent members.

Our Board of Directors defines corporate strategy, oversees management activities and monitors economic, environmental and social risks and opportunities that arise.

It also supports the engagement system between the companies in the corporate group, which serves as a foundation for defining strategy, policies and other guidelines that apply to all our companies and seek to ensure a unity of purpose and direction.

All of the above seeking the best interests of our shareholders and other stakeholder groups, making sure their rights are protected and their expectations met in a balanced manner, according to the highest standards of ethics, behavior and transparency.

### Board of Directors

**1. Rosario Córdoba**
- Consejo Privado de Competitividad - Chair
- Non-executive Independent: Yes
- Chair of the Board of Directors
- Member since: March 26, 2020

**2. Gonzalo Pérez**
- Grupo Sura S.A. - CEO
- Non-executive Independent: No
- Member since: March 26, 2020

**3. Carlos Ignacio Gallego**
- Grupo Nutresa S.A. - CEO
- Non-executive Independent: No
- Member since: March 26, 2014

**4. Claudia Betancourt**
- Amalt S.A. - General Manager
- Non-executive Independent: Yes
- Member since: April 16, 2018

**5. Ana Cristina Arango**
- Director
- Member since: March 25, 2009

**6. Jorge Uribel**
- Consultant
- Non-executive Independent: Yes
- Member since: March 25, 2015

**7. Armando Montenegro**
- BTG Pactual S.A. - Chairman
- Non-executive Independent: Yes
- Member since: March 25, 2019

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**Non-execs**
- Chairman BTG Pactual
- Previous Position: Management Director - Ágora Corporate Consultants
- Director of Departamento Nacional de Planeación

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### Corporate Group’s Businesses

- Cementos Rioclaro S.A.
- Management Assistant - General Manager
- Chairman BTG Pactual
- Previous Position: Managing Director - Ágora Corporate Consultants
- Director of Departamento Nacional de Planeación

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**Other Stakeholder Groups**

- Corporate Group’s Businesses
- Fine Corporate Services
- Fine Corporate Strategy
- Fine Corporate Organizational Culture
- Fine Corporate Communication
- Fine Corporate Sustainability
- Fine Corporate Governance
- Fine Corporate Management
- Fine Corporate Performance
- Fine Corporate Sustainability
- Fine Corporate Governance
- Fine Corporate Management
- Fine Corporate Performance
- Fine Corporate Sustainability
- Fine Corporate Governance
- Fine Corporate Management
- Fine Corporate Performance
- Fine Corporate Sustainability
The technical knowledge, experience and personal qualities of its members make our Steering Committee the competent governing body to ensure strategy achievement.

This committee advises the CEO on decisions inherent to or that have an impact on the Parent Company. Each of its members individually leads the functions under their purview, as well as associated issues that with Business Group-wide scope.

1. Camilo Abello
   Senior Director of Sustainability

2. Alejandro Piedrahita
   Chief Officer for Strategy and Corporate Finance

3. Rafael Olivella
   Chief Officer for Human Resources and Corporate Affairs

4. Jorge Mario Velásquez
   CEO

With a deep understanding of each of the strategic businesses, this Committee discusses decisions that encompass the entire Business Group, articulating efforts to direct shared mechanisms together.

The CEOs of the businesses are entirely accountable for the results of each of their companies, under the direction of their corresponding boards of directors and within the corporate framework and context of Grupo Empresarial Argos.

1. Juan Esteban Calle
   Cementos Argos CEO

2. Mauricio Ossa
   Odinsa CEO

3. Jorge Mario Velásquez
   Grupo Argos CEO

4. María Clara Aristizábal
   Manager of the Urban Development Business

5. Ricardo Sierra
   Celsia CEO
What were the main issues the Board of Directors focused on in 2020?
Definitely the most relevant topic was supporting and guiding the administration regarding the action plan for dealing with the pandemic, prioritizing life and employment, specifically looking out for the specific way in which this organization has historically dealt with important challenges: with a sense of transcendence that makes a difference and has relevance for all its stakeholder groups during a period of history like the one we lived through during the year. The situation also drove us to move forward with defining a strategy for the future, identifying opportunities to develop Grupo Argos as a recognized infrastructure asset manager in the region due to its capacity for growth and developing attractive and profitable platforms for long-term institutional investors and generating shared values.

¿What priorities did this body define for tackling the situation arising from the pandemic? Besides caring for the life and health of all our employees, we focused on Grupo Argos’ vision for the future because we understood that this was a time where the company required much more than simply guaranteeing short-term financial results and needed to focus on sustainability based on the pillars of its strategy: talent, culture and corporate governance. All of these were essential items on the Board of Directors’ agenda during 2020.

¿What is your perspective on the organization’s strategic roadmap?
Absolutely optimistic. Grupo Argos has managed to double its assets over the last 10 years, focusing its investments on different infrastructure sectors with extremely high growth potential and which will be play a leading role in the region’s economic reactivation. The organization has assets that are extremely desirable for global markets and we know that this will allow it to grow exponentially, hand-in-hand with expert and global partners.

What will the Board of Directors focus on in 2021?
We will continue supporting and guiding the Grupo Argos team so it can realize its purpose of positive transformation for people’s lives through its investments and operations. To achieve this, the company must continue making strong and decided progress with strategy execution, as well as in important challenges such as strengthening its diversity and inclusion, its corporate governance mechanisms, and in maximizing value for each business. Another priority is moving forward with the Business Group’s commitment to climate change, compensation and mitigation mechanisms, climate risk quantification, and its implications for our Financial Statements. We will prepare a plan for closing gaps in this area that will allow us to meet TCFD report recommendations in 2022, understanding how essential these are for business sustainability and the collective well-being.
DEAR SHAREHOLDERS

(102-10, 102-14) We want to begin by recognizing the dedication of our more than 14,000 employees who have dealt with the challenges and complexities arising from a world in pandemic, whose impact and size had not been experienced in this generation, with fortitude, commitment and dedication. Today, after an historic and unprecedented year, in which humanity was impacted by a multidimensional shock and great challenges, we are witnesses to the strength arising from the orderly work that sets apart the human talent that drives our organization, and the value of the capabilities developed for decades at Grupo Empresarial Argos.

What we experienced in 2020 encouraged us to give our best, to work in an agile and collaborative manner, to explore new processes and ways of doing things and to reaffirm the values that have been the foundation of our business activities.

Weeks before the viral outbreak began in Colombia, we established coordination mechanisms to move with the required speed, flexibility and assertiveness.

We defined care for and the health of our employees and their families as the highest priority and, thus, throughout the year, we structured and implemented a robust life, health and well-being plan with close, comprehensive, ongoing monitoring that allowed focusing the organization’s efforts on protecting the life and health of our employees.

As our second priority, aware of our employment-generating role in the regions where we operate, we protected jobs. This commitment helped mitigate the economic and social effects of the situation and demonstrated that human beings are at the center of the actions of these companies.

Our third priority was to implement a comprehensive business continuity plan, focusing our efforts on rapidly and safely restarting operations, reducing costs and expenses, deferring extendable investments and ensuring liquidity in an uncertain and volatile environment, and managing consolidated credits for over COP 1.4 trillion in March. We also confirmed the benefits of a diversified portfolio for mitigating and compensating for the effects of the pandemic on some of the businesses. Although we had to deal with airport closures, we highlight the continuity and strength of the energy business, the progressive recovery of the highway concessions and the improved cement volumes in the different regions where we operate. This allowed us to end the year with a consolidated EBITDA of COP 3.4 trillion, an EBITDA margin of 24% and COP 154 billion in consolidated net income, which, although decreased compared to a normal year, is proof of our organization’s structural strength.

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What we experienced in 2020 encouraged us to give our best, to work in an agile and collaborative manner, to explore new processes and ways of doing things, including more extensive remote and virtual work, and, most importantly, to reaffirm our superior purpose of positively transforming the lives of millions of people through investment in the infrastructure sector, based on the solid values that have been the foundation of our business activities throughout nearly 90 years of history. It is precisely this lodestar, and the ongoing support from you, our shareholders, that have allowed us to remain strong during the most complex times, in highly uncertain situations, and to find the right signs for moving forward.
As a fourth priority, we deployed important efforts in the area of corporate citizenship. We made contributions to deliver food aid to over 116,000 vulnerable families throughout the country through the Grupo Argos Foundation, thanks to the involvement of over 1,900 donors, including 1,200 employees from the corporate group. We also contributed over COP 1.6 billion to solidarity food drives in Barranquilla, Bogotá, Cali, Cartagena and Medellín.

On the public health front, our organization donated over COP 10 billion for the acquisition of intensive care units designed to rapidly strengthen the healthcare system in Medellín and Antioquia. We also contributed over COP 11 billion to strengthen healthcare capacity in Bolívar, Valle del Cauca and Tolima. In total, Grupo Empresarial Argos contributed over COP 24 billion to address the situation.

Finally, aware of our responsibility as relevant social actors, our fifth priority focused on accompanying the efforts made by the Colombian government and its institutions to address the situation, participating actively in industrial associations and think tanks and making a collective contribution to building public policy that would benefit society at large in the midst of the pandemic.
Long-term Value Generation

In recent decades, Grupo Argos has become established as a long-term infrastructure asset manager. We went from managing COP 3 trillion in assets in 2000, to COP 51 trillion in 2020, positioning us as one of the leading developers and operators of cement operations, energy, road and airport concessions, urban development and real estate returns in the Americas.

Although we have managed to become consolidated as a leading organization in the infrastructure sector, we are fully aware of the need to continue to drive value generation for our shareholders and stakeholders, even more so considering that during February and March of the previous year global equity market prices fell, and even more steeply in Latin America, with an over 45% drop in the COLCAP index and the MSCI Latam.

The situation led international investors to look for defensive assets such as gold and US Treasury bonds, liquidate their equity positions, and shelter their capital during the most uncertain stretch of the pandemic. Thus, in 2020, international investors sold off a total historical figure of COP 4.2 trillion in the Colombian equity market.

We have recently observed a gradual recovery in our companies’ stock price thanks to the plans we implemented internally and the agile way our businesses have adapted to a new reality, together with an improved dynamic of equity markets in the country. Grupo Argos’ common shares closed the year at COP 13,900, with preferential shares at COP 10,500, a 22% devaluation for both types. However, long-term profitability must be considered, which excludes specific impacts such as the pandemic, and where total shareholder profitability, including species and dividend valuation, reached 17% per annum over the last 20 years.

In any event, a gap continues to exist between Grupo Argos’ stock price and its fundamental value, and this is one of the company’s main challenges. We will continue insisting on the need to implement regulatory changes that will provide the Colombian public stock market with greater depth, liquidity and efficiency, as recommended by the special mission put together by the National Government for this purpose.
Celsia

The Energy Business's 2020 results confirm the realization of a strategy designed by the company over the last five years with relevant milestones achieved, including an increased share of the distribution business with the acquisition of the Tolima assets, allowing it to consolidate a customer base that today exceeds 1.2 million, for greater participation in the regulated market, and the configuration of two investment platforms with Cubico Sustainable Investments, a leading global investor that specializes in renewable energy projects. With this ally, we are now operating 38 MW in solar energy projects, increasing to 650 MW over the next three years, in addition to Caoba, a platform with high-voltage assets that include operations on the Caribbean Coast and some assets in Tolima and Valle del Cauca, and which accounted for COP 150 billion in revenues in 2020. These platforms are configured as relevant components of the business strategy to the extent that they allow us to scale up investments in non-conventional renewable energy and in transmission and distribution, making optimal use of invested capital.

All of the above resulted in COP 3.5 trillion in revenue, with a 37% contribution from generation and 63% from distribution and sales. Ebitda, in turn, closed at COP 1.2 trillion. If we eliminate the effects of the deconsolidation of Caoba, revenue is stable compared to 2019 and ebitda increases by 8%, to an adjusted margin of 37%. In turn, net profit to the majority partner was COP 249 billion.

Business Performance
Odinsa

2020 was a difficult year for our concessions business, where government-ordered lockdowns affected airport and highway traffic. In the former we went from moving an average of 3.3 million passengers a month in 2019, to an average of 1 million passengers a month in 2020, including several months with no activity. In the latter we went from 103,000 vehicles per day in 2019 to 84,000 per day in 2020. The magnitude of the impact for an infrastructure asset that deals with the loss of income but maintains availability and services its debt is extremely relevant.

It should be noted that the concessions business has slowly been recovering traffic, ending December 2020 with 1.6 million airport passengers, almost 50% of those recorded during the last month of 2019, while highways ended the year with 123,000 vehicles per day, only a 3% drop compared to the same month of the previous year.

The efforts made by the company and the emergency plan implemented at each concession were aimed at maintaining operations with all biosafety measures and fully honoring our concession contracts, while monitoring and protecting all the financial indicators.

It should be highlighted that, in financial aspects, we have made important progress in negotiations with the competent authorities to achieve the economic recovery of those contracts that were affected by closures ordered by concession-grantors.

To date, with assistance from Government agencies, the ANI has signed two agreements with highway concession-holders to partially mitigate the impact of the pandemic. These acknowledge revenue affectations due to the suspension of toll payments for vehicles that travelled around the country and affectations due to decreased traffic through toll booths as a consequence of the measures adopted by the government.

Regarding airport concessions, our subsidiary Opaín, together with the country’s other airport concession holders, signed a memorandum of understanding with the ANI, which acknowledges that the measures adopted by the National Government to prevent the spread of COVID-19 implied a total restriction on commercial flights between March and September 2020 and had an impact on the regulated and unregulated revenue of the concession holder. In light of the above, the El Dorado Airport concession will have an extension of the initially established terms that will compensate for regulated and unregulated revenue between March 23 and September 30, 2020.

These agreements were reached for highway and airport concessions, are not reflected in the financial statements for the period, and are estimated to provide over COP 400 billion in net revenue, partially mitigating the impacts on asset equity value by granting an extension to the terms originally provided.

During the year we continued making progress with the construction of Pacífico 2, essential infrastructure for connecting the center of Colombia to the Pacific, reaching 97% completion of the project. We also made positive progress with structuring the Vía Perimetral de la Sabana and the Mall a Vial del Meta.

On the financial front, Odinsa ended the year with COP 734 billion in consolidated revenue and ebitda of COP 398 billion, -4% and -27% respectively compared to 2019 results. These results incorporate a greater contribution to revenue and ebitda from the highway segment, with a growth of COP 151 billion and COP 85 billion respectively, and include consolidation of Túnel de Oriente as of 2020. In turn, the results for the airport segment contracted COP 183 billion in revenue and ebitda given traffic affectations related to the closures mentioned above.

To deal with these impacts, Odinsa implemented an efficiency plan, the scope of which will continue its expansion this year, as in 2020 it enabled COP 37 billion in savings on expenses, a 19% decrease in this area.
Cementos Argos
A currency and geographic diversification strategy, and strong progress made with operational efficiency in the cement business in recent years, ratified their advantages and benefits in 2020 given the lockdowns decreed in the regions where the company has operations.
Whereas in the United States we never stopped dispatching cement and concrete, economies throughout Central America, the Caribbean and Colombia were paralyzed for a considerable time due to the above restrictions.
In the midst of the pandemic, and intending to mitigate its effects on results, the company launched the RESET project to achieve operational savings, healthy cash flow and guarantee the health and wellbeing of our collaborators. This initiative is evidence of the company’s capacity for timely reaction with a variabilization of over USD 115 million in its cost and expense structure to ensure operational continuity.
Cementos Argos gradually recovered its sales volumes, reaching 1.3 million tons in December, 5% higher than the same month in 2019 and 64% above its volumes for April 2020. The company closed out the year with an ebitda of COP 1.6 trillion, growing by 4.5%, and an ebitda margin of 18.7%, 150 basic points higher compared to the previous exercise, excluding non-recurring effects.
Financial expenses dropped by 7% despite greater depreciation of the Colombian peso and the credits taken out to guarantee company liquidity at the start of the pandemic. The business’s cash position of COP 621 billion at the end of the year should be highlighted in this regard.
Cementos Argos’ performance is positive and consistent with the vote of confidence from its shareholders and financial institutions, and has been reflected by debt issues, covenant negotiations and maturity reprofiling. In November 2020 the Company placed COP 250 billion in bonds for substituting financial liabilities that saw an over-demand of 1.8 times. 2020 was a challenging year, however, looking at Cementos Argos’ results, we reaffirm the opportunities that can be found during difficult times and validate the company’s strategy.
With regard to the real estate returns business, Pactia developed several commercial strategies throughout the year, focusing on sustainability, on strengthening long-term relationships with customers, and on adapting to the conditions of a world in a pandemic. The company maintained stability in the value of its managed assets together with financial flexibility thanks to the implementation of a rigorous divestment plan and agile negotiations with its tenants. The fund closed the year with 850,000 m², 93% of which is in logistics centres, offices and commerce, with over 90% occupancy. Although the fund’s real gross revenue closed at COP 282 billion, declining 9% year-on-year, and EBITDA for the year was COP 123 billion, with an 8% year-over-year drop, profitability increased for an EBITDA margin of 44%.

Real Estate Business
The strategy of the real estate business during 2020 focused on offering innovative products to supply the demand of different real estate segments in a flexible manner and increasing the forecast value of certain assets through differentiated negotiating schemes that resulted in a very favorable balance for the exercise.

This is the case of the Ribera de Mallorquín partial plan in Puerto Colombia, one of the most innovative urban development projects in the country that aims to meet the demand for social interest housing in the region, with a sustainable and inclusive focus, and quality urban planning, planning and architecture standards that surpass national benchmarks for this type of housing, making it an iconic project within Colombia. A highlight of the negotiations carried out in 2020 were the five fiduciary rights transfer agreements signed within the Ribera de Mallorquín project, which allowed us to book COP 54 billion in revenue at the end of the year.

The first phase of the partial plan will have total revenues of approximately COP 124 billion, with an EBITDA of around COP 70 billion. The first phase of this project will generate 2,000 jobs and contemplates investments of over COP 800 billion by the five builders associated with it.

Additionally, in 2020 we closed approximately COP 136 billion in business deals, which allowed us to achieve COP 71 billion in cash revenue and a net cash flow of COP 14 billion. It should be noted that we have COP 250 billion in assured revenue over the next five years.
Financial Results

At the consolidated level, revenues amounted to COP 14 trillion and ebida closed at COP 3.4 trillion, falling 10% and TTP respectively compared to 2019 after eliminating non-recurring events. This is evidence of the organization’s effort to adapt to external shocks by variabilizing costs and expenses to protect YOY ebida margins.

It should be noted that consolidated expenses dropped by 9%, to COP 1.7 trillion, with operational cost savings of COP 165 billion. This will be the foundation for maintaining a more efficient organization.

Financial expenditures were COP 1.2 trillion and decreased by COP 38 billion, 3% lower than in 2019, explained by a decrease in interest rates and banking and equity market operations with close to COP 1 trillion issued under favorable terms and conditions. Loans taken out to ensure liquidity at the start of the pandemic were not necessary given the business’s operational strength and progressive recovery, allowing us to pay them back in advance before the end of the year.

In a year characterized by a significant devaluation of the Colombian peso, and considering that 37% of the organization’s debt is in dollars due to our international operations, we were able to end the year with a consolidated debt of COP 16.7 trillion, 3% higher compared to December 2019. If the effect of exchange rate variations are eliminated, debt would have increased by less than 1%.

Net income closed at COP 154 billion and the net income for the controlling partner was COP -100 billion, as the most affected businesses were those where the organization holds a larger share, such as the airport concessions business, where we implemented all the necessary arrangements with the concession grantors and managed to mitigate the effects of the pandemic.

We also highlight the organization’s ability to generate an operating cash flow of COP 2.8 trillion, which allowed us to continue our operations, meet all our obligations and keep our investment programs in line, closing out the year with a prominent consolidated cash position of COP 2.7 trillion.

Regarding separate results, 2020 revenue was COP 256 billion, with a positive contribution from our cement, energy and real estate businesses, which, together with divestments and dividends from portfolio investments, rose to COP 460 billion. This favorable behavior was impacted by COP 204 billion in losses in the concessions business, booked in Grupo Argos’ revenue using the participation method. Manageable expenses decreased 10% in nominal terms, ebida was COP 83 billion and net income was COP -59 billion, mainly due to the previously explained impact of the concessions business.

As for its equity structure, Grupo Argos closed with a separate debt of COP 1.6 trillion, stable compared to the end of 2019.

Grupo Argos’s capacity to diversify separate funding and liquidity sources, together with its timely and sound financial management, have enabled us to maintain market confidence. At the end of October this supported a novel ordinary bonds exchange operation for a total of COP 127 billion. This transaction was the first private debt exchange carried out in the country, representing a milestone for Colombian equity markets and contributing to its development and depth. The transaction allowed re-placing amortizations for 2024 through 2027, increasing the average debt half-life to 6.3 years, and maintain a AAA credit rating from Fitch and AA+ from S&P with a stable outlook.

2020 confirmed Grupo Empresarial Argos’ adaptability and financial position to navigate these extreme shocks, achieving results that, although impacted by economic shutdowns and all they represented, surpassed our expectations forecast at the start of this juncture.

Financial action plan per business

<table>
<thead>
<tr>
<th></th>
<th>Celia</th>
<th>Grupo</th>
<th>Omnisa</th>
<th>Grupo Argos</th>
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<td>$210</td>
</tr>
</tbody>
</table>

*Percentages correspond to execution compared to the initial action plan.
We Create Value for Society

The social and economic effects of the COVID-19 pandemic confirmed the role of companies as the main source of employment and investment, as vehicles that drive economic development, and as entities that create solutions to bring progress and well-being to the people. The situation showed that if companies do well, countries and their citizens do well, and that the dialectic that sets social progress against economic success is a fallacy that distracts us from what is really important: the private sector’s capacity to create social value.

Your company, dear shareholders, generates value that is transformed into wellbeing for more than 9,000 permanent suppliers, for the population of 16 countries where we operate, for the nearly 17 million Colombians who have invested their savings and retirement capital in our organization and for the collaborators who manage its resources as if they were their own. Thanks to your trust and commitment, this company contributes over COP 1 trillion in Colombian taxes per year, contracts over COP 9 trillion in services and supplies, invests around COP 30 billion during each exercise in projects to bring well-being to communities through education and culture, among others, all in line with a philosophy of conscious capitalism that simultaneously ensures financial, human, cultural, social and natural growth. We call this multidimensional impact "creation of social value".

Looking at our management in greater depth, and in environmental matters, during 2020 we worked on an ambitious climate change strategy (see pages 64-65) that will move us one step forward towards making a decisive contribution to ecosystem conservation through our businesses. In turn, this will allow us to deal with the different risks and opportunities deriving from climate change. On the mitigation component, we set the goal of reducing carbon dioxide equivalent emissions by 46% as a business group for every COP million pesos in consolidated revenue by 2030. This ambitious commitment requires us to continue making decisive progress in operational eco-efficiency, increase electricity generation from non-conventional renewable sources and progressively replace fossil fuels with alternative fuels, among other measures.

Additionally, we have been implementing a relief, assistance and rescue system aimed at suppliers of the organization who have required it to ensure the livelihood of our value chains and contribute to the country’s productive cycle, reducing payment times and helping strengthen our businesses with voluntary mentoring from our professionals. Finally, we are moving forward with a social impact project to bring value to vulnerable rural and urban communities.

This special way of understanding and developing our businesses was recognized in 2020 by the Dow Jones Sustainability Index, which ranked Grupo Argos and its companies among the most sustainable in the world for the eighth consecutive year. Our management was also highlighted by the Corporate Reputation Business Monitor, which in 2020 highlighted Grupo Empresarial Argos as the conglomerate with the best reputation in Colombia.
The strategic process we have developed as a corporate group over the past 10 years, with concentrated growth around essential assets within the region’s infrastructure matrix, has led to our current participation in the energy, road and airport concession, building material and real estate sectors in 16 countries. We will continue moving forward with strategy implementation, focusing on two areas: selective and profitable growth on the one hand and, on the other, strengthening our companies’ returns on investment with a long-term vision. Grupo Argos is present in sectors that will play a fundamental role in the economic and social recovery of our region, and public and private infrastructure investments will be the pillar of economic and employment stimulus and reactivation programs.

Through Celsia we serve the energy needs of nearly 1.2 million customers, making us one of the country’s main distributors; we are also leaders in the renewable energy sector in Colombia and Panama with over 4,500 GWh generated in 2020. Per capita energy consumption in the region is, on average, 25% of that of OECD countries, accounting for the size of the growth opportunities. Through Odinsa, the group’s concessions business, we manage the airports for Bogotá and Quito, two of Latin America’s most important air transportation terminals, which, despite the traffic impacts recorded this year, are important assets for capturing passenger growth in a region with 650 million inhabitants, with one of the most promising outlooks for air travel and low-cost airline penetration on the planet.
As for the building materials business, we have been consolidating a geographically and monetarily diversified portfolio which has proved its virtue cyclically by stabilizing the results of the cement business. This was confirmed by the rapid recovery and positive results observed during the year. For the future, we see encouraging signs in the United States, as the incoming government forecasts USD 1.9 trillion in investments over the next few years as a mechanism to create millions of jobs and renew infrastructure. In Colombia, in turn, the government is moving forward with structuring a package of 26 fifth generation projects with an estimated 50 trillion pesos in investments.

Much of the assets that make up our portfolio are regulated or under long-term contracts, providing us with stable and predictable cash flows. Although some experienced negative cashflow generation effects, most experienced no material impacts on their economic value given their contract mechanisms, operational performance and the determined management we promoted amongst some of the concession grantors to reestablish the impact of COVID-19.

The experience we have developed in the creation of platforms such as Pactia for our real estate business, those created recently by Celsia to boost the solar generation and distribution businesses, and those we are evaluating for the road and airport concessions business, confirm that the attraction of institutional investors will allow us to consolidate our profitable growth path, connecting global liquidity and infrastructure needs in Latin America with a sector that reactivates more quickly in contexts like the current one.

The organization’s performance and the capabilities of our human talent fill us with motivation for the future and encourage us towards a recovery that has been marking a change in economic trends. We reiterate our sincere appreciation towards our more than 14,000 employees, who showed, with their dedication, that are transcending to achieve sustainability in our companies and to create value for our stakeholders. Our people inspire by example and with empathy; they act with integrity and care as much about results as about the way in which they are achieved, and they have proven their commitment by caring for the company’s resources as though they were their own. These are the cultural values that identify us.

Ours is a solid, purposeful and aligned organization that will continue developing transformational projects and driving economic and social progress in the sectors where we participate and which, as of today, have solid foundations.

To our shareholders we extend our deepest gratitude for your continued support and trust, and which, as of today, have solid foundations. To our shareholders we extend our deepest gratitude for your continued support and trust, especially at this time, and invite you to share our vision of a future filled with hope, where we can continue to generate value while building dreams, illuminating homes and connecting people.

Thank you very much.

Rosario Córdoba Garcés
Ana Cristina Arango Uribe
Claudia Betancourt Ácurete
Gonzalo Alberto Pérez Rojas
Carlos Ignacio Gallego Palacio
Armando Montenegro Trujillo
Jorge Alberto Uribe López
Board of Directors

Jorge Mario Velásquez Jaramillo
CEO

Addendum: Legal and Corporate Governance Matters

Grupo Argos has observed applicable legislation on intellectual property and copyright, and the operations performed with administrators and shareholders were conducted in compliance with relevant regulations and according to market conditions. Details of these transactions can be found in notes 38 and 41 to the separate and consolidated financial statements, respectively. Moreover, the company allowed the free circulation of supplier invoices.

Aspects related to Article 446 of the Commercial Code, the Corporate Group Report referred to in Law 222/1995, Article 29, and the Corporate Governance Annual Report are contained in the documentation provided to shareholders.

Access here or scan the QR code.
How We Create Value

What Inspires Us
Positively transforming lives through the use of financial, human and natural capital in investments that generate better economic results, obtained while protecting our planet for future generations and generating well-being for society.

What Challenges Us
Our position as a leading infrastructure holding in the Americas.

As an active investment manager, that leads and transforms businesses, we have set out a strategy that pursues two essential purposes:

1. Selective and profitable growth, seeking long-term sustainability.
2. Maximize the value we create for all our stakeholders.

Value Drivers

We believe in the importance of playing an active role as an investment manager, leading to selective and profitable growth and maximization of value for our Business Group.

Thus, we empower our strategic businesses through the application of six key drivers, seeking to strengthen a series of skills that will result in more powerful strategies and improved capacities for implementation. These results are achieved through joint work between Grupo Argos, the Boards of Directors and the management of each business.

Under our working model, we participate in our businesses’ strategic decisions and support their disciplined implementation.

We also support capital allocation processes and facilitate access to capital, fostering increased financial strength.

Through the holding company, we guarantee that our businesses have an impeccable corporate governance system, operating according to the highest ethical, behavior and transparency standards and controls.

In turn, we transfer our convictions on conscious investments, responsible operations and the implementation of cutting-edge practices, seeking a positive and sustainable long-term impact.

Meanwhile, our extensive track record has allowed us to build a solid identity and a wide network of relations, allowing our companies to participate in important investments and attract low cost capital, new strategic partners and the best human talent.

It is precisely this talent, hand-in-hand with our Group Culture, which enables effective development of all our capacities, while configuring a capacity in and of itself. As such, we focus on attracting, developing and retaining talent for the entire Business Group.

Through these different yet interdependent value drivers, we enhance strategic options for our businesses and strengthen the foundations that define us as a Business Group, making this a solid and competitive corporate block.

How we put it into practice

To realize the application of our value drivers, we have build a management model that includes policies, processes and tools, which establishes governance on all cross-cutting topics for the Business Group and which regulates decision-making rights.
External Context

We understand the context and the speed at which the world moves in light of global trends, and we anticipate the risks and opportunities they represent, to ensure successful development of each of our businesses.

- Infectious diseases – COVID-19
- Climate change and scarce natural resources
- Social activism
- Responsible consumption
- Regulatory changes and state intervention
- Increased urbanization and mobility
- Hyperconnectivity and digital transformation

Strategic Risks

(1A-ES05) Through a comprehensive interpretation of our environment and an in-depth understanding of our business, we have built a comprehensive risk model that allows us to manage our risks proactively. We have identified six strategic risks within this model together with effective controls for each of them that maximize the probability they will occur.

We also have methods for quantifying three of the six strategic risks, intending to define an order of magnitude that will allow us to focus our actions and optimize our resources. We monitor the appearance of new risks in an ongoing fashion and work actively and decidedly to turn them into important skills that will make us more resilient and, therefore, more competitive. Thus, our risk management provides evidence for the way in which we take care of our most valuable assets.

Shareholders and Investors

- 61 meetings with international funds
- 4 quarterly results calls
- 7 conferences / events with investors

Employees

- 5 conversations with employees held by our CEO
- 6 Business Group focus groups

5 Grupo Empresarial Argos talks

Over 130,000 persons connected

- Raj Sisodia - Conscious Capitalism
- Aswath Damodaran - Financial lessons from COVID-19
- Federico Gutiérrez - Leadership in times of crisis
- Gabriel Mesa - Evidence-based optimism, EPS Sura
- Miguel Piedrahita - Business environment and social corporate roles, No Name
- Nestor Gómez - Volunteer Services, Fundacion Andi

Stakeholders

(102-21) We work under the conviction of creating value for each of our eight groups of stakeholders. Thus, and considering the challenges brought about by the pandemic, we strengthened our engagement through frequent meetings, bilateral talks and interviews over different communication channels. In 2020, this represented over 100 spaces and 200 hours of direct engagement where we collected opinions on our business activities and shared the progress of our operations. This allowed us to respond to stakeholder expectations. This ongoing, transparent and differentiated conversation is the foundation for building mutual trust that will allow us to endure over time.

Topics Discussed:

Throughout the year, we had different spaces for engagement depending on the topic, urgency, dependency and nature of the engagement. We maintained direct, timely and updated communications with our Shareholders and Investors regarding the company’s management in a year filled with challenges and uncertainty. We participated with our Strategic Partners through governance bodies, so our common projects could benefit from accelerated growth and recovery from the impact of the pandemic. Along these lines, and hand-in-hand with Affiliates and Businesses, we coordinated centralized mechanisms that would allow us to move with speed, flexibility and accessibility. This included strategy building, hand-in-hand with our Suppliers, to protect jobs at their companies. On the other hand, we engaged closely in conversations and focus groups with Employees to empower them to manage the changes required by our organization and to provide them with personal support during the juncture.

We exercised leadership within Associations to build proposals within trade associations and think-tanks, share best practices, discuss new regulations and foster alliances. As regards the Authorities, we supported the National Government in building cross-cutting policies for the collective benefit and socialized new projects and initiatives to care for the Environment and seek to fulfill the 2030 agenda and its SDGs.

Value Promises

- Shareholders and Investors: Make their investments profitable over the long term and include them as owners in our purpose, strategy and performance.
- Subsidiaries and Businesses: Potentialize their value as individuals and as Business Group Members by applying key value drivers.
- Strategic Partners: Contribute the capabilities required to make the most of joint investments, within a framework of ethics, good corporate governance and transparency.
- Employees: Strengthen their commitment, develop their leadership, empower their inspiration and allow their results to transcend together with the Organization.
- Environment: Contribute to the preservation of life on the planet towards the future, aiming to minimize our negative impacts and maximize our positive ones.
- Authorities: Maintain transparent, collaborative relationships with public institutions, to contribute to the development of the countries where we have operations.
- Suppliers: Establish fair and sustainable business relations over time, aiming to benefit all the parties involved.
- Associations: Contribute to capacity building within the industry, and to the strengthening of the private sector as a fundamental agent for development.

We identify and prioritize our stakeholder groups according to their level of dependence on and influence upon our business, and ours on and upon them. This process was carried out according to the Stakeholder Engagement Standard, SES, published by AccountAbility (AA1000).
**Value Creation Process**

### Inputs

**Financial capital**
- Dividends
- Shares
- Bonds
- Loans
- Divestments

**Human capital**
- Human talent

**Natural capital**
- Natural resources

**Social and relational capital**
- Stakeholder engagement

**Intellectual capital**
- Skills
- Systems
- Processes

**Operating capital**
- Buildings
- Equipment
- Vehicles
- Infrastructure

### Outputs

**Added value**
- for society at large and for our stakeholders

**Stakeholders**
- Shareholders and Investors
- Subsidiaries and Businesses
- Strategic Partners
- Employees
- Environment
- Authorities
- Suppliers
- Associations

**External Context**

- Infections diseases – COVID-19
- Climate change and scarce natural resources
- Social activism
- Responsible consumption
- Regulatory changes and state intervention
- Increased urbanization and mobility
- Hyperconnectivity and digital transformation

### Strategic Risks

- Lower than expected profitability due to market dynamics or socio environmental phenomena that prevent the achievement of our companies’ business plans.
- Loss of financial flexibility or relative portfolio performance impacts due to the lack of an adequate debt structure and capital allocation.
- Loss in portfolio value due to a lack of certainty and stability in the economic, political and regulatory environment.
- Share price affected by media impacts affecting the solid reputation that upholds market confidence.
- Absence of required key skills due to a lack or improper management of good talent attraction, loyalty and development practices.
- Impacts on installations or losses due to costs arising from a lack of anticipation to the risks and opportunities of climate change.

### Purpose

We positively transform peoples’ lives through infrastructure investments preserving our planet for future generations and generating well-being for society.
Introduction

2020 was a historical and unprecedented year, in which humanity was impacted by a multidimensional shock, filled with challenges. We witnessed the strength arising from organized work that distinguishes the human talent driving our organization today, and the value of the capacities developed at Grupo Empresarial Argos over decades. This impact valuation exercise reaffirms our superior purpose of transforming positively the lives of millions of people, and generating value for our shareholders and all our stakeholders, even in times of crisis.

Through our business activities, we transform into value the different types of capital we use in our operations, namely financial, human, natural, social, intellectual and operating capital.

To define the net value we deliver to our environment, we measure our positive and negative value using a tool called the Value Added Statement (VAS).

This provides us with a comprehensive overview of how we retain, add or reduce value, and provides us with useful information that allows us to:

- Make decisions that are more responsible and better informed
- Manage risks more precisely
- Enhance transparency towards our stakeholders

Model

Our VAS model estimates net value during the fiscal year. Results are expressed in monetary terms using a bridge graph.

The graph starts with a blue bar, representing the benefit we retained during the period. This benefit is calculated by subtracting income taxes, financial expenses and dividends paid from Ebitda.

The following bars represent economic, social and environmental externalities, that translate into benefits or costs for society. These are expressed in dollars and are added up to obtain a net value, which is reflected by the final blue bar.

Economic externalities

- Salaries and benefits: Dynamization of the economy through the employee payroll.
- Interest and dividends: Dynamization of the economy through interest payments to banks and investors and dividends paid to our shareholders.
- Taxes: Dynamization of the economy through tax payments.

Social externalities

- Talent development: Improved income and benefits for employees receiving higher compensation within the job market after receiving training.
- Social investment: Social benefits returned to the community in the form of housing projects, community and educational infrastructure, scholarships, among others.
- Health and safety: costs to collaborators and their families due to workplace injuries, fatalities and illness.

Environmental externalities

- Greenhouse gas (GHG) emissions: Impact on the environment and on people from GHG emissions (Scope 1 and 2 CO2e emissions).
- Atmospheric emissions: Impact on people from atmospheric pollution associated with sulfur oxide (SOx), nitrogen oxide (NOx), particulate material (PM), and mercury emissions.
- Water consumption: Impact on communities related to water scarcity caused by consumption.
- Biodiversity: Positive or negative biodiversity impacts due to extraction activities and installations, together with compensation and rehabilitation programs.
- Avoided GHG emissions: Impacts avoided by substituting traditional materials and fuels for other alternatives. Includes prevented emissions from spillage, and emissions prevented by not extracting, producing or consuming natural resources.
2020 was a year filled with challenges for human- ity and our company was no exception. Separate revenue for the year was COP 256 billion, which, despite positive contributions from our cement, energy, real estate businesses, portfolio dividends and some divestments that rose to COP 460 bil- lion, was impacted by COP 204 billion in losses from the concessions business, booked under Grupo Argos revenue using the equity method. This is reflected in an EBITDA of COP 83 billion. This figure is the main input for calculating retained benefit, the starting point for our VAS. This year, retained benefit was -USD64.3 million dollars. Its negative value is due to an im- portant drop in EBITDA due to the impact of the concessions business, and a 12% increase in the moving average exchange rate used to convert dollars into financial figures. Notwithstanding this, even during a time of crisis, this year we gen- erated USD 43.3 million in value for society.

Our conviction of training our collaborators is ongoing. Our education programs, including higher education scholarship recipients, rose to an average of 83 hours per employee. Even so, this externality depends on employee turnover, and, during the year, no employees left for oth- er companies. The cases registered are related to two retirees and another who entered into agreement very close to retirement age. We contributed to community infras- tructure through urban development project built by the Real Estate Business, which, together with citizen culture and athletics units programs, is equivalent to USD 4.1 thousand in estimated community benefits. This impact does not yet reflect our social investment for dealing with the pandemic in hospitals. We are currently re- searching this multiplier and will include it once the study has ended. This positive externality, minus USD 973 in social costs represented by a minor incident involving a contractor, is equiva- lent to an estimated USD 4.1 million in net con- tributions to the social dimension.

In the environmental dimension, the main impact is related to water consumption and greenhouse gas emissions which, together, represent an estimated USD 41 thousand in social cost. Biodiversity results were positive, with an estimated benefit of USD 70 thousand, mainly related to the reforestation initiatives implemented by our Real Estate Business, and lower earth movements. This represents an es- timated net positive value of USD 28 thousand.

Although our environmental results were positive, we work continuously to contribute to ecosystem preservation through our busi- nesses and Fundación Grupo Argos. In this re- gard, and to date, we have planted over eight million trees over the past four years. This is the third impact valuation exercise car- ried out by Grupo Argos as parent company and, during the year, no employees left for other companies. The cases registered are related to two retirees and another who entered into agreement very close to retirement age. We contributed to community infras- tructure through urban development project built by the Real Estate Business, which, together with citizen culture and athletics units programs, is equivalent to USD 4.1 thousand in estimated community benefits. This impact does not yet reflect our social investment for dealing with the pandemic in hospitals. We are currently re- searching this multiplier and will include it once the study has ended. This positive externality, minus USD 973 in social costs represented by a minor incident involving a contractor, is equiva- lent to an estimated USD 4.1 million in net con- tributions to the social dimension.

The revitalization of the economy in 2020 meant USD 631.2 million in estimated bene- fits for Cementos Argos, 3.3 times its retained value. It generated USD 751.3 million in eco- nomic value, marked mainly by the payment of salaries and benefits, taxes, and interest and dividends. It also generated an estimated USD 849.5 thousand in net benefits related to social externalities. Greenhouse gas emissions represent 83.7% of the costs generated for so- ciety during the period, estimated at USD 283 million. This is proof that the cement industry faces huge challenges in the area of climate change. Thus, within the framework of its en- vironmental strategy, Cementos Argos has de- veloped a set of initiatives that help reduce this impact. For details of its specific targets and actions, see pages 64-65. A monetized exam- ple of these efforts is the positive impact made by the substitution of raw materials and fossil fuels for alternatives, estimated at USD 25.3 million. For more details on its climate change management, please see the integrated report at www.argos.co.
Our energy business delivered USD 376 million to society, 3.23 times the retained benefit which was USD 116 million. Economic dynamization was USD 307 million. The dynamization of the economy even during a crisis is a highlight, with a 9.78% increase in the company’s labor force, representing a 6.5% increase in the payment of salaries and benefits compared to 2019. Dividend payments had the highest positive impact, equivalent to USD 162.7 million and 13% shareholder profitability. Taxes were reduced this year, due to the sale of free trade zone and PlanCaribe assets in 2019.

Social impacts were led by USD 2.6 million in social investments, although these investments were reduced by 12% as the budget for Education Promotion decreased due to a change from a classroom to a virtual model and to a reassignment of resources to deal with the emergency and provide healthcare support. In the area of occupational health and safety, the company continued its “Yo elijo cuidarme” (“I choose self-care”) program, reflected in zero employee and contractor fatalities over the last two years, together with a 68% reduction in the employee accident rate since 2019 and an 82% reduction since 2017.

The highest negative impact is USD 35 million related to biodiversity affectations. This is mainly due to the fact that one of our hydroelectric plants is located within a Colombian National Nature Park, declared a high impact biodiversity area after plant construction. This externality does not reflect positive tree-planting actions by the ReverdeC program, which planted 1.4 million trees and intervened 3,884 hectares in 2020 since the program began.

The GHG emissions externality had a value of USD 12.5 million, a 61.91% reduction compared to 2019, due to the sale of the Free Trade Zone assets in 2019, and reduced energy generation at the Colon, Panama, thermoelectric compound. This also contributed to low NOx, SOx, mercury and particulate material emissions. Regarding water consumption, the company has an ongoing efficiency plan for the turbines in the Colombia Río Cali I, Prado and Alto y Bajo Anchicayá hydroelectric plants. Costs to society from this externality were USD 77.8 thousand.

Applications

Conscious Investment Model

As an investment holding company, we perform a key role in the positive transformation of society. Our investment or divestment decisions have the potential to impact, both positively and negatively, our economy, our planet, and the persons that inhabit it.

Therefore, we developed a methodology for investment acquisition due diligence processes, that allow comparing financial criteria to ESG impact monetization, using the VAS (Value Added Statement) approach.

This model was tested during the due diligence process for acquiring energy assets carried out by our energy business. This allowed us to validate this tool and make investment decisions by incorporating ESG criteria.

We firmly believe that we need to make informed, objective decisions, to guarantee long-term value creation while contributing to the solution of current global challenges. This also helps us avoid errors or omissions that could affect the performance of our portfolio.
VALUE DRIVERS
Materiality Analysis

Identification of Topics
We began by gathering topics from a variety of external, including the Sustainable Development Goals, global trends, and different sustainability frameworks and standards, and internal sources, including our strategy, risks, and policies, among others.

Identification of Stakeholder Groups for Consultation
We carried out an analysis to identify appropriate mechanisms and stakeholders for consultation, representing our priority stakeholder groups.

Internal and External Consultations
We held open conversations and interviews with each of our stakeholder groups, who asked questions and identified topics they could be impacted by.

Validation
The inputs obtained in previous stages allowed rating and assigning a priority score to each identified topic, which we understand need to be actively managed.

Prioritization
The degree of relevance of the topics developed in this chapter precisely reflect the six topics we consider our key value drivers.

The prioritization process for defining our material topics includes five steps:

1. Identification of Topics
2. Identification of Stakeholder Groups for Consultation
3. Internal and External Consultations
4. Validation
5. Prioritization

Value Drivers
1. Strategic Oversight: empowerment of Business Group strategies through our expertise, cross-cutting understanding, and long-term vision, as well as our ability to promote new perspectives and synergies between the businesses.
2. Financial Management: Management of our investment portfolio through adequate resource allocation and an efficient capital structure throughout the companies of our Corporate Group.
3. Ethics and Corporate Governance: Compliance and Corporate Governance systems define and set the ethics, behavior and transparency standards that govern our executives, directors and employees.
4. Sustainability Vision: a set of strategies aimed at ensuring conscious investment, the adoption of cutting edge practices, and responsible operations towards the planet and the people that live there in all the Business Group’s businesses.
5. Identity and Engagement: strengthening the reputation and effectively positioning the organization so our stakeholder groups perceive, understand, trust in and support Grupo Empresarial Argos.
6. Talent and Culture: a set of initiatives to attract, develop and retain the best talent, according to the pillars of transcendence, integrity, inspiration and commitment that make up the culture of our Business Group.

Commitment to the 2030 Agenda
At Grupo Argos we are aware that private sector commitment is a crucial part of meeting the 2030 Agenda and its Sustainable Development Goals (SDG). Thus, as a relevant actor that promotes development and competitiveness, we have performed a prioritization exercise that considered company strategy, strategic risks, materiality and business opportunities. As a result, we selected four of the 17 Sustainable Development Goals.

To learn about our Stakeholder Engagement system, access our ESG Databook here or by scanning the QR code.

To find details of the SDGs and their specific objectives, access our ESG databook here or by scanning the QR code.

Viaducto Gran Manglar
Bolivar, Colombia

Relevance to stakeholder groups

Relevance to the business
Strategy Overview

Value Creation

- Adequate strategic oversight allows our businesses to make high impact investments with a long-term perspective and within the framework of the Business Group’s strategy.
- Decision-making guidelines and support for our businesses, together with oversight of their disciplined execution, allows them to respond to competitive realities, guaranteeing their continuity and focus.
- Additionally, the possibility of encouraging our businesses to set challenging targets and continuously evolve, anticipating and generating new opportunities.

In turn, alignment between the strategies of the different Business Group subsidiaries helps ensure adequate capital allocation.

Management Approach

- The boards of directors of our businesses discuss their strategies and their execution.
- In turn, the executive teams from Grupo Argos and each company meet periodically in a Strategy Committee, that aims to ensure alignment between the strategies of each company in the holding.
- Additionally, the CEO Committee discusses aspects with the highest relevance that impact all the companies in the Business Group.

Strategic oversight includes active management of the comprehensive risk models. As a holding company, we measure and manage six strategic risks: i) business plan fulfillment, ii) political environment, iii) economic and regulatory environment, iv) financial flexibility and capital allocation, v) talent retention, and vi) climate change, under the strategic direction of our Board of Directors. Each company manages, in turn, their business-specific risks, which are discussed in their committees and by their boards of directors.

Milestones

- Over the last 15 years Grupo Argos has become consolidated as an infrastructure asset management with a vision for profitable and sustainable growth, and for capturing value for all its stakeholders.

This driver helps mitigate our strategic risks, which allows us to:

- Make viable the fulfillment of our companies’ business plans.
- Ensure an adequate debt and capital allocation structure.
- Create platforms and partnerships with institutional investors to strengthen our capacity for growth.
- Attract and retain human talent with key required skills.
- Protect our solid reputation that drives investor confidence.
- Anticipate the risks and opportunities of climate change.
- Restart cement exports from Cartagena to the Houston port, aiming to improve the performance of concrete operations in that city.
Financial Management

Value Creation (103-1) Adequate financial management contributes to the continuity of our businesses over time, to our investments reflecting their potential value, and to obtaining adequate returns that will benefit our shareholders, while contributing to the economic and social development of the countries where we operate. This allows us to simplify our corporate structure, focus and strengthen the competitive positioning of our strategic businesses, and support each other in mergers, acquisitions and divestments to promote profitable, sustainable growth.

Management Approach (103-2) We continuously evaluate the performance of our businesses and their risk management to implement measures that will enable compliance with business and investment plans. We do this through the boards of directors of Grupo Argos and its businesses, together with the steering committees. We review our capital allocation model every year to identify challenges and opportunities and formulate plans and initiatives that are signed off on by the businesses’ boards of directors. Their execution aims to improve our strategic industry positioning and increase value creation from invested capital.

We also aim to optimize our capital structure to provide the businesses with financial flexibility, allowing them to cover their need for capital at an efficient cost and adequately execute their medium and long-term strategies.

We also promote and develop new alternatives on the Colombian economy markets that will provide financial flexibility and can be implemented within the Business Group and by other issuers of securities locally. In this same manner, we coordinate integration of our back office services through Summa, our shared services center.

In extraordinary cases, we coordinate recurring information generation for decision-making, protecting the cashflow of our operational businesses and ensuring the financial sustainability of their operations.

Strategic Drivers (103-3)

This driver helps mitigate our strategic risks, which allows us to:

1. Deal with potential uncertainties or instabilities in the economic, political and regulatory environment.
2. Make viable the fulfillment of our companies’ business plans.
3. Ensure an adequate debt and capital allocation structure.
4. Mitigate our exposure to exchange rate fluctuations, protecting the businesses from adverse changes in the value of the peso.
5. Develop and maintain a reputation for creditworthiness.

Progress (103-3, GA-EF 01)

- Holding and Real Estate Business’ controllable expenses reduced by 9% and 10% (2015-2020) respectively, in real terms.
- Strengthened Summa through the provision of new services to Group companies, optimizing service costs and third-party contracts.
- Debt/Dividends at 3.3 TIMES below the Fitch flexible limit for 2020 of 4 times, with a stable debt of COP 16 trillion.
- Spread of dividends received and paid higher than COP 150 BILLION in a challenging year for our airport business.

Milestones (103-2, 103-3)

- We designed and executed an action plan in light of the COVID-19 contingency, achieving over COP 500 billion in Opex savings, COP 900 billion in Capex & D&d savings, COP 1.4 trillion in liquidity advances and COP 90 billion in repaid taxes.
- We carried out the first private debt exchange operation on the Colombian market with the issue of COP 136.5 billion in bonds that mature in 2027, the means of payment for which were bonds that mature in 2024. This enabled a 46% reduction in 2024 concentrations, increased average life from 5.5 to 5.7 years, and optimized cost of debt by COP 1.65 billion.
- We achieved consolidated re-financing of COP 2.4 billion during the contingency. On a separate level, we refinanced COP 480 billion in local bank loans, seeking to reduce cashflow pressure over the next three years. Thus, we reduced debt concentration from 44% to 8% between 2022-2023, with no maturities in 2021, and ended 2020 with an average duration of 6.3 years.
- Fitch and S&P ratified our AAA and AA+ rating respectively, reaffirming trust in our long-term strategy.

Targets (103-2)

We will achieve consolidated NOPLAT improvements. We will achieve consolidated net debt/EBITDA below four times.

In the next two years we will achieve COP 45 billion in savings through Summa and no increase in service costs for migrated processes.

We will maintain our AAA investment grade rating according to Fitch Ratings.

Challenges and opportunities (103-3) As a holding company that has historically served as support to leverage certain growth initiatives amongst the businesses, the need to continue the de-leveraging process is one of the main challenges towards the future. This will take place in an environment of uncertainty surrounding dividend flows given the rate of recovery of our businesses from the COVID-19 situation.

However, this challenge can provide new opportunities to reconsider the holding company’s structure and dependence on the flow of dividends and/or portfolio divestments as its main source of revenue. The above given the purging of our non-strategic portfolio that has been taking place in recent years and which could restrict opportunities for obtaining future revenues in this manner.

We have the opportunity to capitalize on efforts made in the area of sustainability to take advantage of new sources of financing in growth markets that incorporate ESG criteria.

Cost of debt at 4.82% a historic minimum since 2013.
value drivers

3

Integrated Report Grupo Argos 2020

Compliance and Corporate Governance systems define and set the ethics, behavior and transparency standards that govern our executives, directors and employees.

Value Creation

[103-4] Solid Corporate Governance and Compliance systems foster an environment of trust and transparency in our stakeholder relations and ensure business integrity.

To ensure sustainability, we stay on the cutting edge by implementing best practices, providing us with suitable behavior and management parameters.

Management Approach

Ethics

Our Compliance System is structured around unequivocal statements contained in the Corporate Conduct Code related to our commitment to transparency and good business behavior.

[100-17] We also have System backup systems, summarized as commitment from the organization’s directors to the effective management of the Transparency Hotline and appropriate monitoring of corrective measures deriving from reports made thereto.

[100-16] Integrity, ethics and transparency are everyone’s responsibility. We encourage our stakeholders to live out these values throughout Grupo Empresarial Argos.

To achieve this, we have a governance structure for the Compliance System, with participation from the upper management of Grupo Argos and its companies. We also periodically hold a compliance roundtable, responsible for reviewing the progress of work plans and foster a unity of purpose. All this allows us to jointly and permanently analyze best practices to promote a culture of risk prevention and ensure the appropriate resources are allocated for proper System operation.

Corporate Governance

Our Good Governance Code and our Corporate Policies define transparent shareholder and investor, market and society facing management mechanisms.

Our boards of directors can count on the vision of corporate and independent members, and have sustainability and corporate governance committees that support their functions, providing appropriate guidance to each company, generating positive results and ensuring an appropriate Corporate Governance system. Periodically, we also hold a corporate legal roundtable, responsible for reviewing best corporate governance practices and ensuring their implementation within the Corporate Group’s businesses.

This driver helps mitigate our strategic risks, allowing us to:

1. Make viable the fulfillment of our companies’ business plans.
2. Protect our solid reputation that drives investor confidence.
3. Attract and retain human talent with the required skills and capabilities.

Progress

For the eighth consecutive year we received the Colombian Stock Exchange Investor Relations award with a score of 99.5%, the highest achieved by the company for this award.

- 100% ATTENDANCE by Board members.

Milestones

[103-2, 103-3]

Ethics

- We made progress with automating processes including annual potential sources of conflicts of interest and properties and income statements, to facilitate follow-up and management by employees.
- We unified criteria and procedures for third-party engagement, facilitating the operations of our internal areas and our suppliers.
- We offered our annual conduct course with Ernesto Dal Bo, a professor from University of California, Berkeley, through which we delivered tools to our collaborators for decision-making based on our corporate pillars.

Goverance

- We made the Good Governance Code to: (i) update corporate governance practices related to director independence, (ii) update guidelines for share negotiations by directors and managers, and (iii) standardize certain provisions according to the terms used in other corporate documents.
- We updated the Policy on Relationships between Affiliated Companies the Policy for the Management of Transactions between Affiliated Companies to simplify them, eliminate redundancies and reflect the best governance practices that add value to the company, its investors and shareholders.
- We updated the Contracting Handbook to simplify and make contracting processes more efficient for both collaborators and suppliers.
- We performed a self-evaluation of the Board of Directors’ and evaluation of the company’s CEO.

100% COMPLIANCE with the Board of Director’s action plan updated according to the COVID-19 situation.

43% Women on the board of directors

6.19 YEARS of average tenure of board members
Value Creation

We are convinced that, by having a positive impact on our economy, our planet, and the people that live there, we are creating value for society at large, which also translates into greater long-term value for our company.

Our conviction for doing business sustainably allows us to take advantage of the new forces that transform our environment, including a move towards a circular, low carbon economy, as well as conscious consumption and responsible investment. These are important opportunities that play a fundamental role on our path of transformation and growth.

In turn, efforts to minimize the negative and maximize the positive impact of our activities benefit all our stakeholders and, in turn, make the businesses in our Business Group more resilient in the face of risks, allowing them to endure over time.

This driver helps mitigate our strategic risks, allowing us to:

- Make viable the fulfillment of our companies’ business plans.
- Deal with potential uncertainties or instabilities in the economic, political and regulatory environment.
- Attract and retain human talent with the required skills and capabilities.
- Protect our solid reputation and drive investor confidence.
- Anticipate the risks and opportunities of climate change.

Management Approach

Each of our business has a differentiated sustainability strategy that responds to their operation and market realities. However, they are all framed within the Grupo Argos sustainability vision, made up of three pillars that allow us to maintain a unity of purpose and direction as a Business Group:

1. Conscious investment: We invest in businesses that contribute to solving global challenges and ensure long-term value generation for the company and society at large.
2. Cutting-edge practice: We develop innovative solutions to strengthen our current business models, while capitalizing on new investment opportunities.
3. Responsible operations: We transform capital in a balanced manner, seeking to minimize our negative and maximize our positive economic, environmental and social impact.

Aiming to substantiate our responsible operations pillar, we have prioritized seven topics we believe are material for and cross-cutting to all our businesses:

1. Climate Change
2. Water
3. Ecosystems
4. Talent
5. Workplace Health & Safety
6. Ethics, Conduct & Transparency
7. Corporate Governance

The Board of Directors and its Sustainability and Corporate Governance Committee define strategy and approve strategy execution plans. These are then discussed in the boards of directors of the different strategic businesses, the Cross-cutting Sustainability Committee made up of the corresponding Vice-Presidents and the Sustainability Synergy Table made up by the teams from Grupo Argos and all its businesses.

Each company measures its performance, establishes targets and designs action plans individually. The next page presents the progress made on these seven topics, at both an individual and a consolidated level.

Conscious Investment

- We implemented the WBCSD and COSO ESG risk management approach for comprehensive risk management as to how possible events and trends could impact the organization's strategy and objectives.
- We socialized our conscious investment approach for performing due diligence for new acquisitions with our businesses. This approach compares financial criteria against ESG impact monetization using the VAS (Value Added Statement) methodology.

Cutting-edge Practices

- We increased coverage of our EAS externalities measurement to the energy business.
- In Venture Corporativo we continue exploration and development in the areas of energy storage, creation of new financial electrical infrastructure assets, technological platforms for innovative products and services for clients of the cement business, shared micro-mobility models that provide an improved understanding of their impact on the future infrastructure of cities, and development of intelligent infrastructure concession models for cities.
- Innovation in our business has enabled emissions and energy consumption reductions, providing evidence for our commitment to responsible operations.

Responsible Operations

- We defined a cutting edge climate change strategy, considering the specificities of each business, to align our strategic agenda with global and investor agendas.
- We updated our responsible operations, CO2 emission reduction and gender equality, to make them more challenging and cutting edge (see pages 64-65).
- We increased coverage of our EAS externalities measurement to the energy business.
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Value Drivers (103-1)

1.ante the risks and opportunities of climate change.
2. Deal with potential uncertainties or instabilities in the economic, political and regulatory environment.
3. Attract and retain human talent with the required skills and capabilities.
4. Protect our solid reputation and drive investor confidence.
5. Anticipate the risks and opportunities of climate change.
Climate Change at the Business Group

We want to contribute actively to the transition towards a low carbon economy, understanding that climate change represents an enormous challenge for our planet.

Thus, Grupo Argos, exercising its role as active strategic architect, has led the structuring process for the Business Group’s general strategy, together with our cement, energy, concessions and coal businesses, to define our climate change commitments out to 2030. (a) Defining a 46% reduction in the intensity of its CO2e emissions, using 2018 as a baseline, and a 37% reduction in its overall CO2e emissions, with 2015 as a baseline; (b) Defining general Climate Change adaptation guidelines for all its business facilities; and (c) Discerning the viability of emission compensation mechanisms. All of the foregoing within the general framework of a strategic conversation on the viability and financing required to achieve Grupo Empresarial Argos carbon neutrality by 2050.

These challenges are aligned with the 2030 Agenda, the targets of the Paris Agreement, and a growing interest from our investors in this topic. They will allow us to continue moving forward decidedly on the following fronts:

Governance
Our Board of Directors is the highest management body. The Board assumes overall responsibility for managing and monitoring all the economic, environmental and social risks and opportunities that arise, including climate change. In 2020, we presented the Business Group’s climate change strategy, prepared together with the businesses, to the Board of Directors. This strategy includes our CO2e emissions reduction targets and commitments assumed in response to global and domestic trends.

The Board of Directors has included climate change in its CEO, other Chief Executives and the financial, strategy, corporate governance and sustainability teams. In 2021, we will continue analyzing different compensation alternatives, and climate change action.

Risk Management
We identified climate risks by understanding the implications and challenges of climate change for the operation of our businesses. First, we performed risk analysis considering operating and strategic impacts and the risk categories defined within our Comprehensive Risk Management System.

The analysis methodology used estimates climate risk through threat identification, impact estimation, sensitive elements and capacity for adaptation of each of our assets. As a result of this analysis, we have identified three holding company level climate change risks, two transition and one physical.

Strategy
Climate change has been raised to the level of strategic risk for Grupo Argos so as to comprehensively manage each of the risks and opportunities deriving from this topic. As a starting point, we monitor and reduce our CO2e emissions. Our objective is to minimize the negative impact of our operations in the regions where we operate. To do this, we committed to two emissions reduction targets. To achieve these targets, we have defined five drivers for reducing CO2e emissions.

Relevant climate change action targets include:

- 10% reduction in heat consumption in ovens
- 10% reduction in the clinker/cement ratio
- 10% improvement in energy efficiency at our installations
- 10% reduction in indirect CO2e emissions intensity by 46% per million CDP in revenue
- 10% reduction in tCO2e emissions by 37%
- 10% of tCO2e emissions

We are also analyzing different alternatives and compensation mechanisms to mitigate 100% of our emissions that cannot be reduced by the actions implemented. To do this, we have set up an interdisciplinary working group to estimate the cost of different existing compensation mechanisms, including, among others, mass tree planting projects. This will contribute to our ongoing work to achieve carbon neutrality.

For more information, access: https://argos.co/90% of the Business Group’s CO2e emissions come from the cement business.

For emissions and revenue, we use the following financial consolidation approach according to GHG Protocol guidelines.

Progress

- 16% reduction in overall Business Group emissions compared to 2019
- 120 electric buses delivered to the Bogota mass transport system (6,060 tCO2e prevented per year and 80% energy savings)
- 38% CO2e reductions, and 30% heat energy consumption using Green Cement.
- 3.8 million native species planted over the last five years. In 2021, we voluntarily planted over 4 million native species

Additional Information on Climate Change

We will continue making progress with quantifying Grupo Argos’ climate risks and their implications for our Financial Statements, and we will draft a gap closing plan that will enable us to comply with TCFD report recommendations by 2023.
**Business Group Responsible Operations**

**Integrated Report Grupo Argos 2020 value drivers**

**Key Drivers**

- **2018**
  - **46%** reduction in the intensity of direct and indirect CO₂ emissions per million COP in revenue.
  - **13%** reduction of the intensity of direct and indirect CO₂ emissions.
  - **30%** reduction in the intensity of direct and indirect CO₂ emissions.

**Certification**

- **2018 baseline**
  - **37%** reduction of the intensity of direct and indirect CO₂ emissions.
  - **80%** reduction of the intensity of direct and indirect CO₂ emissions.

**Cemento Verde Launch**

- **2019**
  - **138%** CO₂ emissions per ton of cementitious material by 2030, 2015 baseline.

**Reduction**

- **2018 baseline**
  - **177%** CO₂ emissions.
  - **129%** reduction of the intensity of direct and indirect CO₂ emissions.

**Goal**

- **2018 baseline**
  - **50%** water consumption for concrete compared to 2015.

**Recognition**

- **2018 baseline**
  - **100%** of employees completed all three mechanisms.

**Frequency**

- **2018 baseline**
  - **40.5%** amongst employees and contractors.

**Frequency Index for employees and contractors**

- **2018 baseline**
  - **2.2%** severity index amongst employees.

**Severity & Frequency Index for both indices**

- **2018 baseline**
  - **101%** abnormality due to general illness amongst employees and contractors.

**Gender Equality Achieve 2018-4**

- **2018 baseline**
  - **31%** participation by women in upper management.

**Gender Equality**

- **2018 baseline**
  - **29%** participation by women in upper management.

**Gender Equality**

- **2018 baseline**
  - **38%** participation by women in leadership positions by 2025.

**Geographic Diversity**

- **2018 baseline**
  - **30%** proportion of women in leadership positions by 2025.

**Gender Equality**

- **2018 baseline**
  - **89%** of employees and contractors certified in the Conflict of Interest Declaration.

**Gender Equality**

- **2018 baseline**
  - **100%** of employees and contractors certified in the Conflict of Interest Declaration.

**Frequency**

- **2018 baseline**
  - **10%** absentees from duty by 2025, 2019 baseline.

**Frequency**

- **2018 baseline**
  - **50%** by 2025, 2019 baseline.

**Gender Equality**

- **2018 baseline**
  - **20%** absentees from duty by 2025, 2019 baseline.

**Gender Equality**

- **2018 baseline**
  - **30%** absentees from duty by 2025, 2019 baseline.

**Frequency**

- **2018 baseline**
  - **1.51** Severity Index for employees and contractors.

**Gender Equality**

- **2018 baseline**
  - **50%** proportion of women in leadership positions by 2025.

**Geographic Diversity**

- **2018 baseline**
  - **30%** proportion of women in leadership positions by 2025.

**Gender Equality**

- **2018 baseline**
  - **89%** of employees and contractors certified in the Conflict of Interest Declaration.

**Gender Equality**

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  - **100%** of employees and contractors certified in the Conflict of Interest Declaration.

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  - **10%** absentees from duty by 2025, 2019 baseline.

**Frequency**

- **2018 baseline**
  - **50%** by 2025, 2019 baseline.

**Gender Equality**

- **2018 baseline**
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- **2018 baseline**
  - **30%** absentees from duty by 2025, 2019 baseline.

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05 Identity and Engagement

Strengthening the reputation and effectively positioning the organization so our stakeholder groups perceive, understand, trust in and support Grupo Empresarial Argos.

Value Creation

[103-1] The development of strategic reputation and institutional engagement management fosters channels, spaces and messages so stakeholder groups can understand, trust and support the operations of Grupo Argos and our businesses. Building trust relationships and strengthening our reputation facilitates access to business opportunities to promote strategic execution, as well as attracting better talent, generating a sense of corporate pride and maintaining adequate relationships with all our stakeholders.

Management Approach

[103-2] We develop the company’s identity and engagement strategy on five fronts:

- Institutional relations: Strengthen transparent, trust-based, long-term relationships with industries, authorities and opinion leaders.
- Internal communications: Enhance mechanisms, channels and strategies to drive the Business Group’s cultural transformation, contribute to strategy fulfillment, and consolidate a sense of corporate pride.
- External communications: Keep stakeholders informed through the dissemination of the organization’s most relevant events over broadcast media and its own channels.
- Brand: position Grupo Argos as a relevant company in the infrastructure sector, a leader in the corporate sector, and a supporting brand that empowers the positioning of its businesses.
- Articulation: Align, coordinate and execute reputation building for the Business Group.

This driver helps mitigate our strategic risks, allowing us to:

1. Protect our solid reputation and drive investor confidence.
2. Deal with potential uncertainties or instabilities in the economic, political and regulatory environment.
3. Attract and retain the best human talent for the organization’s needs.

Progress [103-3]

We offered five open virtual talks with participation from over 130,000 people. We had important guests, including Gabriel Mesa, Raj Sisodia and Aswath Damodaran.

54% of the information published by the company is on topics related to Business Group sustainability management and the work done by Fundación Grupo Argos published by the media.

Positive visibility generated by proactively managing information on Grupo Argos published by the media.

Milestones [103-2, 103-3]

- Recognized by Merco (Corporate Reputation Business Monitor) as the business conglomerate with the best reputation in Colombia.
- Highlighted as the second Colombian organization with the most goodwill by the 2020 2WAY Goodwill Award.
- We were ranked 23 out of 100 companies with the best reputation by Merco in our first participation in the monitor. Cementos Argos was ranked ninth, and Colsia, 43rd.
- We launched the Conversaciones que Transforman podcast and published over 40 episodes with top level guests, enabling audience engagement even during this juncture.
- We contributed to strengthening the journalistic profession, offering a free digital journalism course with participation from over 100 information professionals in Colombia in partnership with Universidad del Rosario.
- We implemented a brand positioning strategy strengthening the concept of our corporate purpose and making visible the Business Group’s active role in social investment programs that helped mitigate the effects of the pandemic.

Challenges and Opportunities [103-3]

- The health crisis and remote work challenge us to continue strengthening the companies’ internal and digital communications to keep our employees informed and connected to the Group Culture as a general framework for behavior.
- Getting our stakeholders to know and support the company’s environmental conservation and social development contributions within the context of the pandemic, which challenges us to enhance communication mechanisms, brand and external channels.
- Drive differentiation between Grupo Argos and the businesses’ brands by consolidating communications as a Business Group.
- Continue moving forward with positioning Grupo Argos in the public consciousness as a relevant actor in the infrastructure sector.

Targets [103-2]

- Short Term (0-2 years)
  - We will continue execution of Grupo Argos’ positioning strategy.
- Medium Term (2-5 years)
  - We will continue driving Grupo Argos’ cultural transformation alongside the Human Talent team.
- Long Term (>5 years+)
  - We will move forward with strengthening Grupo Argos’ reputation as a relevant company in the infrastructure sector that contributes economic, social and environmental value to all its stakeholders.
Value Creation

[103-1] Adequate talent and culture management enables and promotes among company employees the behaviors and leadership required to achieve Grupo Argos’ strategy. It also provides solutions to support business challenges with innovative practices and promotes a close and empathic experience for employees in healthy work environments. This allows developing integral employees, and creating teams that are diverse, efficient and committed to the company’s higher purpose.

This driver helps mitigate our strategic risks, allowing us to:

- Attract and retain human talent with the key skills required by the businesses.
- Protect our solid reputation and drive investor confidence.

Talent and culture management are initiatives enshrined in our Group Culture under the pillars of transcendence, integrity, inspiration and commitment, and aim to attract, develop and retain the best talent to respond to business challenges, and fulfill our strategy and higher purpose.

Management Approach

[103-2] We are a strategic partner for our employees, providing solutions and ensuring the best talent through practices that include:

- Key talent development for successful success to critical positions in Grupo Empresarial Argos.
- Positioning as an attractive employer, with cultural appropriation initiatives, ample well-being and standard of living offerings, and a competitive comprehensive compensation program, allowing us to attract and retain our talent.
- Deploying a diversity and inclusion strategy throughout our Business Group, prioritizing the attraction of diverse talent and the generation of inclusive behaviors, recognizing that difference enriches decision making and drives innovative solutions.

We promote an integral experience for collaborators and drive their development throughout their lifecycle at the company. We do this through:

- Training to acquire required skills in dynamic environments and strengthen technical abilities.
- Ongoing feedback through performance management, coaching and mentorship programs.
- Exposure through participation in projects, commissions, internships and defined career paths.

Our talent and culture management is marked by closeness, empathic and dynamic relationships that adapt to new realities. This promotes personal and professional growth amongst our talent, generating commitment to and pride of working at Grupo Empresarial Argos.

Talent Development

[103-3] We generated multiple options for training, including virtual courses, open talks and programs, that allowed us to continue developing our employees’ skillsets.
- We facilitated mobility with over 80 internships and the assignment of employees to projects that were cross-cutting to the businesses to deal with the COVID-19 situation.
- We have 105 employees that apply their leadership skills as volunteers, providing support to entrepreneurs.

Progress

- 94% commitment index as proof of cultural ownership.
- Average hours of training per employee excluding higher education scholarship holders: 54.3
- 100% of employees received a performance evaluation and feedback on objective fulfillment and competency adjustments.
- 100% of employees in the workplace environment survey.
- 404-1, 404-3
- 100% of employees received feedback on performance evaluation.

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CONSOLIDATED FINANCIAL STATEMENTS
## Grupo Argos S.A. and subsidiaries

### Consolidated Statement of Financial Position

As of December 31 | in millions of Colombian pesos

### ASSETS

#### Current Assets

<table>
<thead>
<tr>
<th>Notes</th>
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<tr>
<td>Biological assets</td>
<td>20</td>
<td>5,634</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid expenses and other non-financial assets</td>
<td>12</td>
<td>212,046</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>6,418,097</td>
<td>7,050,095</td>
</tr>
</tbody>
</table>

#### Non-current assets

<table>
<thead>
<tr>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other accounts receivable</td>
<td>8</td>
<td>2,828,008</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Goodwill</td>
<td>14</td>
<td>3,339,063</td>
</tr>
<tr>
<td>Right-to-use assets (property, plant and equipment), net</td>
<td>22</td>
<td>813,037</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>15</td>
<td>4,574,574</td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>16</td>
<td>19,659,963</td>
</tr>
<tr>
<td>Investment properties</td>
<td>17</td>
<td>2,280,815</td>
</tr>
<tr>
<td>Investments in associated and joint ventures</td>
<td>18</td>
<td>9,029,377</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>10</td>
<td>388,664</td>
</tr>
<tr>
<td>Biological assets</td>
<td>20</td>
<td>53,721</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>11</td>
<td>1,234,403</td>
</tr>
<tr>
<td>Prepaid expenses and other non-financial assets</td>
<td>12</td>
<td>105,891</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>44,107,516</td>
<td>43,896,302</td>
</tr>
</tbody>
</table>

### TOTAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50,525,613</td>
<td>50,946,403</td>
</tr>
</tbody>
</table>

### LIABILITIES

#### Current liabilities

<table>
<thead>
<tr>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>21</td>
<td>1,741,257</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>22</td>
<td>132,103</td>
</tr>
<tr>
<td>Employee benefit liabilities</td>
<td>23</td>
<td>206,396</td>
</tr>
<tr>
<td>Provisions</td>
<td>24</td>
<td>430,062</td>
</tr>
<tr>
<td>Trade and other accounts payable</td>
<td>25</td>
<td>2,253,559</td>
</tr>
<tr>
<td>Tax liabilities</td>
<td>10</td>
<td>183,414</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>7</td>
<td>65,085</td>
</tr>
<tr>
<td>Bonds and compound financial instruments</td>
<td>26</td>
<td>643,567</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td></td>
<td>3,811</td>
</tr>
<tr>
<td>Other non-financial liabilities</td>
<td>27</td>
<td>40,729</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>6,666,051</td>
<td>7,126,839</td>
</tr>
</tbody>
</table>

#### Non-current liabilities

<table>
<thead>
<tr>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>21</td>
<td>5,386,230</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>22</td>
<td>685,001</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>10</td>
<td>1,112,850</td>
</tr>
<tr>
<td>Employee benefit liabilities</td>
<td>23</td>
<td>445,591</td>
</tr>
<tr>
<td>Provisions</td>
<td>24</td>
<td>238,086</td>
</tr>
<tr>
<td>Trade and other accounts payable</td>
<td>25</td>
<td>408,744</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>7</td>
<td>95,840</td>
</tr>
<tr>
<td>Bonds and compound financial instruments</td>
<td>26</td>
<td>8,974,024</td>
</tr>
<tr>
<td>Other non-financial liabilities</td>
<td>27</td>
<td>575,101</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>17,919,567</td>
<td>17,574,166</td>
</tr>
</tbody>
</table>

### TOTAL LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24,543,716</td>
<td>24,334,884</td>
</tr>
</tbody>
</table>
### Grupo Argos S.A. and subsidiaries

#### Consolidated Statement of Financial Position

**As of December 31 | in millions of Colombian pesos**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>28</td>
<td>53,933</td>
</tr>
<tr>
<td>Share issue premium</td>
<td>28</td>
<td>1,354,759</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td>9,218,462</td>
</tr>
<tr>
<td>Reserves</td>
<td>25</td>
<td>3,675,583</td>
</tr>
<tr>
<td>Income for the year</td>
<td></td>
<td>(100,013)</td>
</tr>
<tr>
<td>Other equity components</td>
<td>30</td>
<td>(143,779)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>29</td>
<td>2,591,296</td>
</tr>
<tr>
<td>Equity attributable to owners of the company</td>
<td></td>
<td>16,648,741</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>32</td>
<td>9,581,810</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td>26,229,851</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND EQUITY</strong></td>
<td></td>
<td>50,773,567</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the consolidated financial statements.

#### Consolidated Statement of Income

**Years ending on December 31 | in millions of Colombian pesos, except for earnings per share**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from sales of goods and services</td>
<td>33</td>
<td>13,241,095</td>
</tr>
<tr>
<td>Revenue from interest calculated using the effective interest method</td>
<td>33</td>
<td>209,887</td>
</tr>
<tr>
<td>Equity method for associations and joint ventures</td>
<td>33</td>
<td>30,360</td>
</tr>
<tr>
<td>Other revenue from ordinary activities</td>
<td>33</td>
<td>509,181</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE FROM ORDINARY ACTIVITIES</strong></td>
<td></td>
<td>13,990,523</td>
</tr>
<tr>
<td>Cost of ordinary activities</td>
<td>34</td>
<td>(10,631,924)</td>
</tr>
<tr>
<td><strong>GROSS PROFIT</strong></td>
<td></td>
<td>3,358,599</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>35</td>
<td>(1,425,248)</td>
</tr>
<tr>
<td>Sales expenses</td>
<td>36</td>
<td>(282,865)</td>
</tr>
<tr>
<td><strong>STRUCTURE EXPENSES</strong></td>
<td></td>
<td>(1,708,113)</td>
</tr>
<tr>
<td>Other revenue (expenses), net</td>
<td>37</td>
<td>(32,359)</td>
</tr>
<tr>
<td><strong>PROFIT FROM OPERATIONAL ACTIVITIES</strong></td>
<td></td>
<td>1,638,127</td>
</tr>
<tr>
<td>Financial revenue</td>
<td>38</td>
<td>147,307</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>38</td>
<td>(1,385,739)</td>
</tr>
<tr>
<td>Exchange rate difference, net</td>
<td>38</td>
<td>6,347</td>
</tr>
<tr>
<td><strong>PROFIT BEFORE TAX</strong></td>
<td></td>
<td>153,945</td>
</tr>
<tr>
<td>Income tax</td>
<td>10.3</td>
<td>(252,097)</td>
</tr>
<tr>
<td><strong>NET PROFIT</strong></td>
<td></td>
<td>153,945</td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONTROLLING INTERESTS</td>
<td></td>
<td>(500,000)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td></td>
<td>253,958</td>
</tr>
<tr>
<td><strong>EARNINGS (LOSSES) PER SHARE FROM ONGOING OPERATIONS (*)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attributable to the ordinary controlling company’s shareholders:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic (*)</td>
<td></td>
<td>(116,67)</td>
</tr>
<tr>
<td>Diluted (*)</td>
<td></td>
<td>(116,67)</td>
</tr>
</tbody>
</table>

(*) Figures expressed in Colombian pesos.

The accompanying notes are an integral part of the consolidated financial statements.
### Consolidated Statement of Other Comprehensive Income

**Grupo Argos S.A. and subsidiaries**

**Years ending on December 31 | In millions of Colombian pesos**

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET PROFIT</strong></td>
<td>153,945</td>
<td>1,256,137</td>
</tr>
<tr>
<td><strong>ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains and losses from equity investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred taxes on equity investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New measurement of defined benefit liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred taxes on defined benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains and losses due to property, plant and equipment revaluation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax due to property, plant and equipment revaluation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share in associates and joint ventures, net</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings from cash flow hedging instruments, net</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred taxes from cash-flow hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange difference when translating foreign operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax when translating foreign operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share in associates and joint ventures, net</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OTHER COMPREHENSIVE INCOME, AFTER TAX</strong></td>
<td>508,558</td>
<td>10,117</td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE INCOME</strong></td>
<td>682,503</td>
<td>1,266,254</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of the consolidated financial statements.*
## Consolidated Statement of Changes in Equity

### Years ending on December 31 | In millions of Colombian pesos

<table>
<thead>
<tr>
<th>.DAL</th>
<th>Capital and Other Components of Equity</th>
<th>For the Period</th>
<th>Equity at the End of the Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Attributable share of the controlling company</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Equity presented balance as at December 31, 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>1,408,692</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Cumulative effect of the adoption of new standards (Note 3.1.2)</td>
<td>-</td>
<td>-34,569</td>
</tr>
<tr>
<td></td>
<td>Cumulative effect of the adoption of new standards by the equity method on associates and joint ventures</td>
<td>-</td>
<td>-647</td>
</tr>
<tr>
<td></td>
<td>Adjusted balance as at January 1, 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>1,408,692</td>
<td>29,665</td>
</tr>
<tr>
<td></td>
<td>Income for the period</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-100,013</td>
</tr>
<tr>
<td></td>
<td>Other comprehensive income for the period, after tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-250,820</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Issuance of capital and convertible instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>24,351</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Ordinary cash dividends declared</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-242,670</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Preferred cash dividends declared</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-79,647</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Appropriation of reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>24,500</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Transfers from other comprehensive income to retained earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>24,500</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Purchases and sales to non-controlling interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>3,981</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Other variations</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>318</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Balance as at December 31, 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>1,408,692</td>
<td>29,665</td>
</tr>
</tbody>
</table>

---

The accompanying notes are an integral part of the consolidated financial statements.

---

Original version issued in Spanish and signed by Johana Novoa Cucunubá, Jorge Mario Velásquez Jaramillo, Claudia Patricia Álvarez Agudelo, and Myra Mariana Arantes Díaz.

---

Legal representative: Johana Novoa Cucunubá (Professional License No. 69447-T) | Jorge Mario Velásquez Jaramillo (Professional License No. 166943-T) | Claudia Patricia Álvarez Agudelo (Professional License No. 69447-T) | Myra Mariana Arantes Díaz (Professional License No. 166943-T)

Statutory Auditor: KPMG S.A.S. (See report from February 24, 2021)
Grupo Argos S.A. and subsidiaries

Consolidated Statement of Cash Flows

Years ending December 31 | In millions of Colombian pesos

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Issue of shares and other capital instruments from subsidiaries</td>
<td>24,351</td>
</tr>
<tr>
<td>Issue of bonds and structured notes</td>
<td>737,381</td>
</tr>
<tr>
<td>Payment of bonds, structured notes and commercial papers</td>
<td>(777,344)</td>
</tr>
<tr>
<td>Acquisition of other financing instruments</td>
<td>4,505,425</td>
</tr>
<tr>
<td>Payment of other financing instruments</td>
<td>(4,342,436)</td>
</tr>
<tr>
<td>Payment of lease liabilities</td>
<td>(960,872)</td>
</tr>
<tr>
<td>Acquisition of non-controlling interests in subsidiaries</td>
<td>(15,448)</td>
</tr>
<tr>
<td>Proceeds from the sale of shares in subsidiaries’ property that do not result in loss of control</td>
<td></td>
</tr>
<tr>
<td>Return on subordinated debt</td>
<td>-</td>
</tr>
<tr>
<td>Payments for financial derivative arrangements</td>
<td>(122,807)</td>
</tr>
<tr>
<td>Proceedings from financial derivative arrangements</td>
<td>105,497</td>
</tr>
<tr>
<td>Dividends paid from common shares</td>
<td>(889,766)</td>
</tr>
<tr>
<td>Dividends paid from preferred shares</td>
<td>(125,114)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(1,056,163)</td>
</tr>
<tr>
<td>Other cash inflows/outflows</td>
<td>9,226</td>
</tr>
<tr>
<td><strong>CASH FLOW USED IN FINANCING ACTIVITIES, NET</strong></td>
<td>(1,586,268)</td>
</tr>
<tr>
<td><strong>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET</strong></td>
<td>199,862</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the period</td>
<td>2,747,008</td>
</tr>
<tr>
<td></td>
<td>Effect of exchange rate changes on cash and cash equivalents held in foreign currency</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the period</td>
<td>(2,713,158)</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 8)</strong></td>
<td>2,713,358</td>
</tr>
<tr>
<td>Cash and cash included in a group of assets held for distribution to shareholders</td>
<td>12,013</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD NOT INCLUDING CASH AND BANKS INCLUDED IN A GROUP OF ASSETS HELD FOR DISTRIBUTION TO SHAREHOLDERS (NOTE 8)</strong></td>
<td>2,701,096</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the consolidated financial statements.

Certification by the Company's Legal Representative

Medellin, February 24, 2021

To the Shareholders of Grupo Argos S.A.

In my capacity as Legal Representative, I hereby certify that the consolidated financial statements as of the closing date of 31 December 2020 that are being disclosed do not contain defects, inaccuracies or material errors that would prevent knowing the true financial position or the transactions performed by Grupo Argos S.A. during the corresponding period.

Jorge Mario Velásquez Jaramillo
CEO | Legal Representative
(See attached certificate)

Certification by the Company's Legal Representative and Accountant

Medellin, February 24, 2021

To the Shareholders of Grupo Argos S.A.

The undersigned Legal Representative and Accountant of Grupo Argos S.A. (hereinafter the Company) do hereby attest that before making the Company’s Consolidated Financial Statements as at December 31, 2020 and 2019, available to you and third parties, we have certified the following statements contained therein:

a) All assets and liabilities included in the Company’s financial statements as at December 31, 2020 and 2019, exist, and all transactions included therein were made during the years ending on those dates.

b) The economic events undertaken by the Company during the years ending on December 31, 2020 and 2019 have been recognized in the financial statements.

c) The assets represent probable future economic benefits (rights) and the liabilities represent future economic sacrifices (obligations) obtained by the Company or for which it is responsible as at December 31, 2020 and 2019.

d) All elements have been recognized at their appropriate values according to the Generally Accepted Accounting and Financial Reporting Standards in Colombia.

e) All the economic events that affect the Company have been properly classified, described, and disclosed in the financial statements.

Jorge Mario Velásquez Jaramillo
CEO | Legal Representative
(See attached certificate)

Claudia Patricia Álvarez Agudelo
Accountant | Professional License No. 89447-T
(See attached certificate)

Johana Novoa Cucunubá
Statutory Auditor
Professional License No. 166943-T
Member of KPMG S.A.S.
(See report from February 24, 2021)
To the Shareholders
Grupo Argos S.A.:

Opinion

I have audited the consolidated financial statements of Grupo Argos S.A. and Subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2020 and the consolidated statements of income and other comprehensive income, changes in equity and 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 above mentioned consolidated financial statements, attached to this report, present fairly, in all material aspects, the consolidated financial position of the Group at December 31, 2020, the consolidated results 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 on a consistent basis with 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' Responsibilities for the Audit of the Consolidated Financial Statements" section of my report. I am independent of the Group in accordance with the Code of Ethics for Accounting Professionals 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 other ethical responsibilities in accordance with these requirements and the IESBA Code mentioned. I believe that the audit evidence I have obtained is enough 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, considered as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.
Assessment of Goodwill impairment (See note 14 to the consolidated financial statements)

<table>
<thead>
<tr>
<th>The key audit matter</th>
<th>How our audit addressed this matter</th>
</tr>
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</table>
| The Group’s consolidated statement of financial position includes goodwill for $3,139,063 million, derived from acquisitions made in previous years, on which an annual impairment assessment is required in accordance with IAS 36 - Impairment of Assets. The foregoing represents a key audit matter due to the materiality of the goodwill balance, and because it involves the determination of complex and subjective judgments made by the Group regarding long-term sales growth, operating costs and margins, projected in the different countries where the Group operates, as well as in the determination of the rates used to discount future cash flows. | My audit procedures for assessing the Goodwill impairment included, among others, the following:  
- Involvement of professionals with relevant knowledge and experience in the industry who assisted me in: 1) evaluating the key assumptions used in the impairment tests carried out by the Group, including input data; 2) carry out independent recalculations supported with information obtained from external sources on the discount rates and the macroeconomic variables used; 3) compare the result of the calculations obtained with those made by the Group; and 4) perform a sensitivity analysis including a possible reasonable reduction in key variables.  
- Comparison of budget for the previous year with the real data, to verify the degree of compliance and, consequently, the accuracy of the projections made by the Group’s management.  
- Assessment of whether the disclosures included in the notes to the financial statements are appropriate in accordance with IAS 36. |

Assessment of the valuation of the service concession agreements (See notes 8, 15 and 44 to the consolidated financial statements)

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<td>The Group has signed concession agreements for the construction, operation and transfer of infrastructures, which are within the scope of IFRIC 12 - Service Concession Agreements. The remuneration of these agreements depends on the terms and conditions of each contract; some incorporate certain mechanisms that grant the Group the unconditional right to receive a guaranteed minimum income (financial asset), while other agreements create exposure of the investment in the underlying assets to the traffic risk of the operation (intangible asset). As of December 31, 2020, the Group’s consolidated statement of financial position includes financial assets for $2,390,160 million, and intangible assets for $3,552,374 million, derived from the concession contracts signed, mainly from its subsidiaries Odinsa S.A. and Opain S.A. The foregoing represents a key audit matter due to the materiality of the balances related to said agreements, and because their valuation requires significant judgments by the Group in determining the discount rates and selecting the key input data such as the projections of capital investments and operating expenses, incorporated in the financial models used as the basis for the valuation of the amounts derived from each concession contract.</td>
<td>My audit procedures for assessing the valuation of the service concession agreements included the involvement of professionals with relevant knowledge and experience in the industry who assisted me in: 1) analyzing the methodology used in the valuation of assets derived from the concession contracts, and if it is consistent with IFRIC 12 and with the valuation practices usually used in the market; 2) the identification of the key hypotheses included in the financial models and the evaluation of the economic merits of each relevant hypothesis; 3) comparison of key assumptions with market data, if available; and 4) the recalculation of the financial asset / intangible asset, as well as the discount rates used and comparison of the results with those obtained by the Group.</td>
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Assessment of the recoverability of assets related to airport concession agreements (See note 15 to the consolidated financial statements)

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<td>The Group’s consolidated statement of financial position as of December 31, 2020 includes in the captions Intangibles, net, and Investments in associates and joint ventures, assets related to airport concession agreements for a value of $1,868,195 million and $524,244 million, respectively, whose values represent 5% of the Group’s total consolidated assets. I identified the assessment of the recoverability of assets related to airport concession agreements as a key audit matter, because it involves a significant judgment in the evaluation of the key hypotheses associated with the most relevant input data of the future cash flow estimate and the discount rate used to determine the recoverable value of said assets.</td>
<td>My audit procedures for assessing the recoverability of assets related to airport concession agreements included, among others, the following: • Identification of events, facts and/or circumstances that indicate the existence of impairment objective evidence. • For the value recognized as Investments in associates and joint ventures, I evaluated the work performed by the investee’s audit team, in relation to the procedures performed in the impairment test of the intangible asset associated with the concession agreement. • Professionals with relevant knowledge and experience in the industry assisted me in: (1) evaluating the key assumptions used in the impairment tests carried out by the Group on intangible assets, including input data and sensitivity to changes in key assumptions; (2) carry out independent recalculations supported by information obtained from external sources on the discount rate and the macroeconomic variables used; and (3) compare the results of the calculations obtained as of December 31, 2020, with those made by the Group.</td>
</tr>
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Assessment of the valuation of investment properties in accordance with the provisions of IAS 40 - Investment Properties (See note 17 to the consolidated financial statements)

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<td>The Company’s consolidated statement of financial position as of December 31, 2020 includes a significant amount of investment properties for $2,280,815 million, mainly represented in land measured at fair value with changes in income. The Group hires qualified external experts to periodically determine the fair value of its investment properties, who use significant judgments in determining key valuation hypotheses such as: the use of comparable in the market, the estimation of future cash flows, the discount rates applied and the expected growth of the market. The main reasons for considering this a key audit matter are: (1) there was significant judgment by the Group to determine the key hypothesis for the valuation of the investment properties; and (2) there was significant judgment and an audit effort to evaluate the evidence obtained related to the appraisals performed, as well as the audit effort that involves the use of professionals with specialized knowledge and skills in property valuation.</td>
<td>My audit procedures for assessing the valuation of investment properties in accordance with the provisions of IAS 40 included, among others, the following: • Evaluation of design, implementation and operational effectiveness of the key control established by the Group to determine and recognize in accounting the investment properties fair value, specifically in the review and approval by the Real Estate Strategy Direction of the appraisals carried out by external professionals with specialized knowledge in real estate valuation hired by the Group. • Evaluation of the competence and capacity of the external professionals hired by the Group, who determined the investment properties fair value. • Involvement of a professional with relevant knowledge and experience in real estate valuation, who assisted me in evaluating the key hypothesis used by external professionals hired by the Group to determine the investment properties fair value, and if the procedures and techniques applied are in accordance with IFRS 13 - Fair Value Measurement, and with International Valuation Standards.</td>
</tr>
</tbody>
</table>
Other matters

The consolidated financial statements at and for the year ending December 31, 2019 are submitted only for comparison purposes, were audited by me and in my report dated February 26, 2020 I expressed an unqualified opinion thereon.1

Other information

The responsibility for the other information rests with Management. The other information comprises the information included in the Integrated Report but does not include the consolidated financial statements or my corresponding audit report.

My opinion on the consolidated financial statements does not cover the other information and I do not express any assurance conclusion on it.

Regarding my audit of the consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether there is a material inconsistency between that information and the consolidated financial statements or my knowledge obtained in the audit, or whether in any way, it appears that there is a material misstatement.

If, based on the work that I have done, I conclude that there is a material misstatement in this other information, it is mandatory for me to report this fact. I have nothing to report in this regard.

Responsibilities of Management and those in charge with the Group’s governance for the consolidated financial statements

Management is responsible for the fair preparation and presentation of these consolidated financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes: designing, implementing and maintaining the internal control relevant that management considers necessary for 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 in the circumstances.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to the continuity of the Group and using the going concern accounting basis unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those in charge with corporate government are responsible for overseeing the Group’s financial reporting process.

Statutory Auditor’s responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements, considered as a whole, are free from material misstatement, whether due to fraud or error, and to issue an audit 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 aggregate, they could reasonably be expected to influence the users’ economic decisions taken based on these consolidated financial

As part of an audit conducted 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 enough 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 for 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 management.
- Conclude on the appropriate use of the going concern hypothesis by management 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 would conclude that a material uncertainty exists, I am required to draw attention in my statutory auditor’s report to the related disclosure in the consolidated financial statements or, if such disclosure is 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 ceases 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 in a manner that achieves fair presentation.
- Obtain enough and 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 by the direction, supervision, and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate to those in charge with the Group’s government, among other matters, regarding the planned scope and timing for the audit, as well as significant audit findings, including any significant deficiency in internal control that I identify during my audit.

I also provide those in charge with corporate government with a statement that I have complied with relevant ethical requirements regarding independence and communicate them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those in charge with corporate government, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and therefore they are the key audit matters. I describe these matters in my statutory auditor’s report unless law or regulation precludes public disclosure about the matter or, 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.

February 24, 2021

(Original version issued in Spanish and signed by)

Johana Novoa Cucunubá

Member of KPMG S.A.S.
SEPARATE FINANCIAL STATEMENTS
## Grupo Argos S.A.

### Separate Statement of Financial Position

**As of December 31 | In millions of Colombian pesos**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
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<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>6</td>
<td>24,148</td>
<td>1,729</td>
</tr>
<tr>
<td>Trade and other accounts receivable, net</td>
<td>8</td>
<td>302,429</td>
<td>223,804</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>9</td>
<td>248,887</td>
<td>169,602</td>
</tr>
<tr>
<td>Tax assets</td>
<td>10</td>
<td>27,267</td>
<td>30,227</td>
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<td>608,277</td>
<td>426,561</td>
</tr>
<tr>
<td></td>
<td>Non-current assets held for sale</td>
<td>18</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td></td>
<td>608,277</td>
<td>451,039</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
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<td>Trade and other accounts receivable, net</td>
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<td>-</td>
<td>12,041</td>
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<td>Right-to-use assets (property, plant and equipment), net</td>
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<td>Other financial assets</td>
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<td>1,105,896</td>
<td>1,167,807</td>
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<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
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<tr>
<td>Borrowings</td>
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<td>2,37</td>
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<td>Trade and other accounts payable</td>
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The accompanying notes are an integral part of the financial statements.

### Grupo Argos S.A.

**Separate Statement of Financial Position**

As of December 31 | In millions of Colombian pesos

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The accompanying notes are an integral part of the financial statements.
## Grupo Argos S.A.

### Separate Statement of Comprehensive Income

**Years ending on December 31 | In millions of Colombian pesos**

<table>
<thead>
<tr>
<th>Notes</th>
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<th>2019</th>
</tr>
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<tbody>
<tr>
<td></td>
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<td>222,023</td>
</tr>
<tr>
<td>30</td>
<td>Real estate business revenue</td>
<td>142,144</td>
</tr>
<tr>
<td>30</td>
<td>Equity method in subsidiary income, net</td>
<td>(33,924)</td>
</tr>
<tr>
<td></td>
<td>REVENUE FROM ORDINARY ACTIVITIES</td>
<td>256,307</td>
</tr>
<tr>
<td>30</td>
<td>Cost of ordinary activities</td>
<td>(55,103)</td>
</tr>
<tr>
<td>31</td>
<td><strong>GROSS PROFIT</strong></td>
<td>201,204</td>
</tr>
<tr>
<td>32</td>
<td><strong>administration expenses</strong></td>
<td>(127,478)</td>
</tr>
<tr>
<td>33</td>
<td>Sales expenses</td>
<td>(1,144)</td>
</tr>
<tr>
<td></td>
<td><strong>STRUCTURAL EXPENSES</strong></td>
<td>128,822</td>
</tr>
<tr>
<td></td>
<td>Other expenses, net</td>
<td>7,877</td>
</tr>
<tr>
<td>35</td>
<td><strong>PROFIT FROM OPERATIONAL ACTIVITIES</strong></td>
<td>64,705</td>
</tr>
<tr>
<td>36</td>
<td>Financial expenses, net</td>
<td>(102,770)</td>
</tr>
<tr>
<td>30</td>
<td><strong>LOSS/PROFIT BEFORE TAX</strong></td>
<td>(38,065)</td>
</tr>
<tr>
<td>10</td>
<td><strong>Income tax</strong></td>
<td>(2,058)</td>
</tr>
<tr>
<td>37</td>
<td><strong>NET PROFIT (LOSS)</strong></td>
<td>(59,123)</td>
</tr>
</tbody>
</table>

**LOSS EARNINGS PER SHARE FROM ONGOING OPERATIONS (**)**

<table>
<thead>
<tr>
<th>Attributable to shareholders</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>(69)</td>
<td>563</td>
</tr>
<tr>
<td>Diluted</td>
<td>(69)</td>
<td>563</td>
</tr>
</tbody>
</table>

Notes:
- Figures expressed in Colombian pesos.
- The accompanying notes are an integral part of the financial statements.

---

## Grupo Argos S.A.

### Separate Statement of Other Comprehensive Income

**Years ending on December 31 | In millions of Colombian pesos**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(59,123)</td>
<td>482,739</td>
</tr>
<tr>
<td>27.2</td>
<td><strong>ENTRIES THAT WILL NOT BE RECLASSIFIED AFTER PRESENTING THE STATEMENT OF INCOME FOR THE PERIOD</strong></td>
<td>(59,123)</td>
</tr>
<tr>
<td>27.2</td>
<td>Gains (losses) from equity investments</td>
<td>(58,091)</td>
</tr>
<tr>
<td></td>
<td>Deferred taxes for equity investments</td>
<td>(7)</td>
</tr>
<tr>
<td></td>
<td>New measurements of employee defined benefit liabilities</td>
<td>882</td>
</tr>
<tr>
<td></td>
<td>Deferred taxes for employee defined benefits</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Share in other comprehensive income of subsidiaries, net</td>
<td>(124,249)</td>
</tr>
<tr>
<td>27.2</td>
<td><strong>ENTRIES THAT WILL BE RECLASSIFIED AFTER PRESENTING THE STATEMENT OF INCOME FOR THE PERIOD</strong></td>
<td>218,063</td>
</tr>
<tr>
<td>27.2</td>
<td>Effect of cash flow hedging instruments</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>Deferred tax from cash flow hedging instruments</td>
<td>(13)</td>
</tr>
<tr>
<td></td>
<td>Share in other comprehensive income of subsidiaries, net</td>
<td>218,030</td>
</tr>
<tr>
<td>27.2</td>
<td><strong>OTHER COMPREHENSIVE INCOME, AFTER TAX</strong></td>
<td>36,598</td>
</tr>
<tr>
<td>27.2</td>
<td><strong>TOTAL COMPREHENSIVE INCOME</strong></td>
<td>(59,123)</td>
</tr>
</tbody>
</table>

Notes:
- The accompanying notes are an integral part of the financial statements.

---

* Jorge Mario Velásquez Jaramillo
  CEO | Legal Representative
  (See attached certificate)

* Claudia Patricia Álvarez Agudelo
  Accountant | Professional License No. 09447-T
  (See attached certificate)

* Johana Noeva Cucunubá
  Statutory Auditor
  Professional License No. 160343-T
  Member of KPMG S.A.S.
  (See report from February 24, 2021)

* Jorge Mario Velásquez Jaramillo
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  Professional License No. 160343-T
  Member of KPMG S.A.S.
  (See report from February 24, 2021)
## Separate Statement of Changes in Equity

### Grupo Argos S.A.

**Separate Statement of Cash Flow**

**Years ending on December 31 | In millions of Colombian pesos**

<table>
<thead>
<tr>
<th>CASH FLOW FROM OPERATING ACTIVITIES</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit (loss)</td>
<td>(59,123)</td>
<td>482,739</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from dividends and shares</td>
<td>(122,786)</td>
<td>(142,147)</td>
</tr>
<tr>
<td>Income tax expenses recognized in the statement of income for the period</td>
<td>21,058</td>
<td>13,261</td>
</tr>
<tr>
<td>Equity method in the subsidiaries’ statement of income</td>
<td>33,824</td>
<td>(433,902)</td>
</tr>
<tr>
<td>Financial expenses recognized in the statement of income for the period, net</td>
<td>92,486</td>
<td>99,782</td>
</tr>
<tr>
<td>Less (profit) recognized for employee benefits and provisions</td>
<td>150</td>
<td>(373)</td>
</tr>
<tr>
<td>Profit from the sale of non-current assets</td>
<td>(12,561)</td>
<td>(68,857)</td>
</tr>
<tr>
<td>Profit from fair value measurements</td>
<td>(66,616)</td>
<td>(99,607)</td>
</tr>
<tr>
<td>Depreciation and amortization of non-current assets</td>
<td>18,378</td>
<td>16,390</td>
</tr>
<tr>
<td>Recovery, impairment of financial assets, net</td>
<td>(166,922)</td>
<td>(166,922)</td>
</tr>
<tr>
<td>Impairment of non-current assets and inventory, net</td>
<td>1,165</td>
<td>293</td>
</tr>
<tr>
<td>Unrealized exchange difference, recognized with financial instruments in statement of income</td>
<td>64</td>
<td>42</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>(5,085)</td>
<td>(1009)</td>
</tr>
<tr>
<td><strong>Cash flow generation from operating activities, net</strong></td>
<td>(59,008)</td>
<td>(92,425)</td>
</tr>
</tbody>
</table>

| Changes in working capital for: |  | |
| Trade and other accounts receivable | (6,520) | (106,465) |
| Inventories | 11,763 | 48,011 |
| Other assets | (7,346) | 361 |
| Trade and other accounts payable | (9,491) | (5,943) |
| Other liabilities | 3,974 | 8,030 |
| **Cash used for operations** | (105,208) | (148,426) |

**CASH FLOW GENERATION FROM OPERATING ACTIVITIES, NET**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>331,578</td>
<td>346,018</td>
</tr>
</tbody>
</table>
### Grupo Argos S.A.

**Separate Statement of Cash Flow**

Years ending on December 31 | In millions of Colombian pesos
---|---
2020 | 2019

#### CASH FLOWS FROM INVESTMENT ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial interest received</td>
<td>10,036</td>
<td>9,052</td>
</tr>
<tr>
<td>Acquisition of property, plant and equipment</td>
<td>(30)</td>
<td>(90)</td>
</tr>
<tr>
<td>From the sale of plant and equipment</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Acquisition of investment properties</td>
<td>(3,216)</td>
<td>(36,728)</td>
</tr>
<tr>
<td>From the sale of investment properties</td>
<td>10,722</td>
<td>34,037</td>
</tr>
<tr>
<td>Acquisition of shares in subsidiaries</td>
<td>(4,562)</td>
<td>(2,019)</td>
</tr>
<tr>
<td>From the sale of shares in subsidiaries</td>
<td>3,712</td>
<td>104,667</td>
</tr>
<tr>
<td>Acquisition of shares in associates and joint ventures</td>
<td>4,276</td>
<td>176,774</td>
</tr>
<tr>
<td>From the sale of shares in associates and joint ventures</td>
<td>38,422</td>
<td>339</td>
</tr>
<tr>
<td>Acquisition of financial assets</td>
<td>(793)</td>
<td>(793)</td>
</tr>
<tr>
<td>From the sale of financial assets</td>
<td>2,262</td>
<td></td>
</tr>
<tr>
<td>Payments made to financial derivative contracts</td>
<td>(10,682)</td>
<td></td>
</tr>
<tr>
<td>Return on subordinated debt</td>
<td>71,067</td>
<td></td>
</tr>
<tr>
<td>Loans to third parties (when resources are loaned)</td>
<td>(1,480)</td>
<td></td>
</tr>
<tr>
<td>Reserve of contributions</td>
<td>188</td>
<td>4,249</td>
</tr>
</tbody>
</table>

#### CASH FLOW GENERATED BY INVESTMENT ACTIVITIES, NET

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cash flow from investment activities</td>
<td>50,199</td>
<td>71,115</td>
</tr>
</tbody>
</table>

#### CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total issuance</td>
<td>7,979</td>
<td>460,000</td>
</tr>
<tr>
<td>Payment of bonds and commercial papers</td>
<td>(443)</td>
<td>(19,851)</td>
</tr>
<tr>
<td>Increase of other financing instruments</td>
<td>203,703</td>
<td>434,300</td>
</tr>
<tr>
<td>Payment of other financing instruments</td>
<td>(160,462)</td>
<td>(360,349)</td>
</tr>
<tr>
<td>Payment of lease liabilities</td>
<td>(1,865)</td>
<td>(1,826)</td>
</tr>
<tr>
<td>Collections from financial derivatives with financial liability hedging</td>
<td>2,538</td>
<td></td>
</tr>
<tr>
<td>Payment of financial derivatives with financial liability hedging</td>
<td>(227)</td>
<td></td>
</tr>
<tr>
<td>Dividends paid from common shares</td>
<td>(288,894)</td>
<td>(222,716)</td>
</tr>
<tr>
<td>Dividends paid from preferred shares</td>
<td>(77,424)</td>
<td>(72,374)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(91,877)</td>
<td>(104,203)</td>
</tr>
<tr>
<td>Other cash revenue</td>
<td>135</td>
<td></td>
</tr>
</tbody>
</table>

#### CASH FLOW USED IN FINANCING ACTIVITIES, NET

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(589,180)</td>
<td>(420,236)</td>
<td></td>
</tr>
</tbody>
</table>

#### INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>33,187</td>
<td>(1,104)</td>
<td></td>
</tr>
</tbody>
</table>

#### CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,729</td>
<td>4,850</td>
<td></td>
</tr>
</tbody>
</table>

#### EFFECT OF CHANGING EXCHANGE RATES ON CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCY

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(198)</td>
<td>(19)</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.

**Certification by the Company's Registered Agent**

**Medellin, February 24, 2021**

To the Shareholders of Grupo Argos S.A.

In my capacity as Registered Agent, I certify that the Separate Financial Statements as at December 31, 2020, and that have been made public, contain no flaws, inaccuracies or material misstatements that could prevent the true financial position of or transactions performed by Grupo Argos S.A. during the corresponding period from being known.

Jorge Mario Velásquez Jaramillo
CEO | Legal Representative
(See attached certificate)

**Certification by the Company's Registered Agent and Accountant**

**Medellin, February 24, 2021**

To the Shareholders of Grupo Argos S.A.

The undersigned Registered Agent and Accountant of Grupo Argos S.A. (hereinafter the Company) do hereby attest that before making the Company’s Separate Financial Statements as at December 31, 2020 and 2019, available to you and third parties, we have certified the following statements contained therein:

a) All assets and liabilities included in the Company’s financial statements as at December 31, 2020 and 2019, exist, and all transactions included therein were made during the years ending on those dates.

b) The economic actions undertaken by the Company during the years ending on December 31, 2020 and 2019 have been acknowledged in the financial statements.

c) The assets represent probable future economic benefits (rights) and the liabilities represent future economic sacrifices (obligations) obtained by the Company or for which it is responsible as at December 31, 2020 and 2019.

d) All elements have been recognized at their appropriate values according to the Generally Accepted Accounting and Financial Reporting Standards in Colombia.

e) All the economic actions that affect the Company have been properly classified, described, and disclosed in the financial statements.

Jorge Mario Velásquez Jaramillo
CEO | Legal Representative
(See attached certificate)

Claudia Patricia Álvarez Agudelo
Accountant | Professional License No. 58447-T
(See attached certificate)

Johana Novoa Cucunubá
Statutory Auditor
Professional License No. 160943-T
Member of KPMG S.A.S.
(See report from February 24, 2021)
To the Shareholders
Grupo Argos S.A.

Report on the financial statements audit

Opinion

I have audited the separate financial statements of Grupo Argos S.A. (the Company), which comprise the separate statement of financial position at December 31, 2020 and the separate statements of income and comprehensive income, changes in equity and 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 above mentioned separate financial statements, prepared according to information faithfully taken from books and attached to this report, present fairly, in all material aspects, the separate financial position of the Company at December 31, 2020, the separate results of its operations, and its separate cash flows for the year then ended, in conformity with Accounting and Financial Reporting Standards accepted in Colombia, applied on a consistent basis with 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’ Responsibilities for the Audit of the Separate Financial Statements” section of my report. I am independent of the Company in accordance with the Code of Ethics for Accounting Professionals 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 separate financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code mentioned. I believe that the audit evidence I have obtained is enough 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, considered as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.
### Assessment of the recoverability of investments in subsidiaries and a significant associate

<table>
<thead>
<tr>
<th>The key audit matter</th>
<th>How our audit addressed this matter</th>
</tr>
</thead>
</table>
| The Company's separate statement of financial position as of December 31, 2020 includes investments in subsidiaries and a significant associate for $12,918,111 million, which represent 73% of the Company's total assets. I have identified the assessment of the recoverability of these investments as a key audit matter, because it involves a significant judgment in identifying indicators of impairment for these investments. Additionally, due to the materiality of the balance, it is considered one of the areas of highest attention in the audit. | My audit procedures to assess the recoverability of investments in subsidiaries and a significant associate included, among others, the following:  
- Identification of events, facts and/or circumstances that reveal the existence of objective evidence of impairment of the investments value, based on the impairment tests of the different cash-generating units in the context of the audit of the statements consolidated financial statements.  
- Evaluation of the work carried out by the audit team of the significant subsidiaries regarding the identification of objective evidence of impairment in the underlying assets of the investees.  
- Professionals with relevant knowledge and experience in the industry assisted me in: (1) evaluating the key assumptions used in the impairment test performed by the Company on its investment in this significant associate, including input data; (2) carry out independent recalculation supported by information obtained from external sources on the discount rate and the macroeconomic variables used; and (3) compare the results of the calculations obtained with those made by the Company. |

### Assessment of the valuation of investment properties in accordance with the provisions of IAS 40 - Investment Properties

<table>
<thead>
<tr>
<th>The key audit matter</th>
<th>How our audit addressed this matter</th>
</tr>
</thead>
</table>
| The Company's separate statement of financial position as of December 31, 2020 includes a significant amount of investment properties for $2,108,885 million, mainly represented in land measured at fair value with changes in income. The Company hires qualified external experts to periodically determine the fair value of its investment properties, who use significant judgments in determining key valuation hypotheses such as: the use of comparable in the market, the estimation of future cash flows, the discount rates applied and the expected growth of the market. The main reasons for considering this a key audit matter are: (1) there was significant judgment by the Company to determine the key hypothesis for the valuation of the investment properties; and (2) there was significant judgment and an audit effort to evaluate the evidence obtained related to the appraisals performed, as well as the audit effort that involves the use of professionals with specialized knowledge and skills in property valuation. | My audit procedures for assessing the valuation of investment properties in accordance with the provisions of IAS 40 included, among others, the following:  
- Evaluation of the design, implementation and operational effectiveness of the key control established by the Company to determine and recognize in accounting the investment properties fair value, specifically in the review and approval by the Real Estate Strategy Direction of the appraisals carried out by external professionals with specialized knowledge in real estate valuation hired by the Company.  
- Evaluation of the competence and capacity of the external professionals hired by the Company, who determined the investment properties fair value.  
- Involvement of a professional with relevant knowledge and experience in real estate valuation, who assisted me in evaluating the key hypothesis used by external professionals hired by the Company to determine the investment properties fair value, and if the procedures and techniques applied are in accordance with IFRS 13 - Fair Value Measurement, and with International Valuation Standards. |
Other matters

The separate financial statements at and for the year ending December 31, 2019 are submitted only for comparison purposes, were audited by me and in my report dated February 26, 2020 expressed an unqualified opinion thereon”.

Other information

The responsibility for the other information rests with Management. The other information comprises the 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 in the section on Other legal and regulatory requirements, in accordance with established in article 38 of Law 222 of 1995.

My opinion on the separate financial statements does not cover the other information and I do not express any assurance conclusion on it. Regarding my audit of the separate financial statements, my responsibility is to read the other information 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, it appears that there is a material misstatement.

If, based on the work that I have done, I conclude that there is a material misstatement in this other information, It is mandatory for me to report this fact. I have nothing to report in this regard.

Responsibilities of Management and those in charge with the Company’s governance for the separate financial statements

Management is responsible for the 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 the internal control relevant that management considers necessary for 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 the continuity of the Company and using the going concern accounting basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those in charge with corporate government are responsible for overseeing the Company’s financial reporting process.

Statutory Auditor’s responsibilities for the audit of the separate financial statements

My objectives are to obtain reasonable assurance about whether the separate financial statements, considered as a whole, are free from material misstatement, whether due to fraud or error, and to issue an audit 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 aggregate, they could reasonably be expected to influence the users’ economic decisions taken based on these separate financial statements.

As part of an audit conducted 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 enough 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 for 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 management.
- Conclude on the appropriate use of the going concern hypothesis by management 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 would conclude that a material uncertainty exists, I am required to draw attention in my statutory auditor’s report to the related disclosure in the separate financial statements or, if such disclosure is 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 Company ceases 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate to those in charge with the Company’s governance, among other matters, regarding the planned scope and timing for the audit, as well as significant audit findings, including any significant deficiency in internal control that I identify during my audit.
- Obtain enough and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the separate financial statements. I am responsible for the direction, supervision and performance of the
audit. I remain solely responsible by my audit opinion.

I also provide those in charge with corporate government with a statement that I have complied
with relevant ethical requirements regarding independence and communicate them all
relationships and other matters that may reasonably be thought to bear on my independence, and
where applicable, related safeguards.

From the matters communicated with those in charge with corporate government, I determine
those matters that were of most significance in the audit of the separate financial statements of
the current period and therefore they are the key audit matters. I describe these matters in my
statutory auditor’s 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.

Report about other legal and regulatory requirements

1. Based on the results of my tests, I believe during 2020:
   a) The Company’s bookkeeping has been performed in conformity with legal rules and
      accounting pronouncements.
   b) The operations recorded in the books are in conformity with the bylaws and decisions of
      the General Shareholders’ Meeting.
   c) The correspondence, the vouchers of accounts and the books of minutes and record of
      shares have been properly maintained.
   d) The management report prepared by management agrees with the accompanying financial
      statements, which includes evidence about free circulation of invoices issued by sellers or
      suppliers.
   e) The information contained in the contribution returns submitted to the Social Security
      System, specifically the information on affiliates and their salary base for determining
      contributions, has been prepared from the accounting records and supporting
documentation. The Company is up to date in payment of contributions to the Social
      Security System.

In compliance with the requirements of articles 1.2.1.2. and 1.2.1.5. of Single Regulatory Decree
2420 of 2015, in development of the Statutory Auditor’s responsibilities contained in numerals 1
and 3 of article 209 of the Code of Commerce, related to the evaluation whether the Society’s
management performance is in accordance with the bylaws and the orders or instructions of the
General Shareholders’ Meeting and if there are and are adequate the measures of internal control,
preservation and custody of the Society’s assets or third parties’ assets in its possession, I issued a
separate report dated February 24, 2021.

(Original version issued in Spanish and signed by)
Johana Novoa Cucunubá
Statutory Auditor of Grupo Argos S.A.
Registration 166843 - T
Member of KPMG S.A.S.

February 24, 2021
To the Shareholders
Grupo 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 numerals 1) and 3) of Article 209 of the Code of Commerce, detailed as follows, by Grupo Argos S.A. hereinafter “the Society” as of December 31, 2020, 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, in accordance with the criteria indicated in the paragraph called Criteria of this report:

1) If the Society’s management performance is in conformity with the bylaws and the instructions or decisions of the General Shareholders’ Meeting, and

3) If there are and are adequate the 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 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 assurance conclusion based on the evidence obtained. I performed my procedures in accordance with the International Standard on Assurance Engagements 3000 accepted in Colombia (ISAE 3000), which was translated into Spanish and issued in April 2009 by the International Auditing and Assurance Standards Board (IAASB). Such standard requires that I plan and perform the procedures necessary to obtain reasonable assurance about compliance with the bylaws and

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 in accordance with the International Standard on Assurance Engagements 3000 accepted in Colombia (ISAE 3000), which was translated into Spanish and issued in April 2009 by the International Auditing and Assurance Standards Board (IAASB). 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, in accordance with 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 comprehensive quality control system that includes policies and procedures documented on 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 do 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, in accordance with the requirements of the internal control system implemented by management.

This reasonable assurance engagement includes obtaining evidence for the year ending December 31, 2020. 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, in accordance with the requirements of the internal control system implemented by management.

• 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.

• 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, in accordance with the requirements of the internal control system implemented by management, which includes:
  
  – Design, implementation and operating effectiveness tests on the relevant controls of the internal control components on the financial report 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.

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 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 are based on the established in the internal control system implemented by administration.

Conclusion

My conclusion is based on the evidence obtained on the matters described and is subject to the inherent limitations set forth 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, maintenance and custody of the Society’s assets or third parties’ assets in its possession are adequate, in all material aspects, in accordance with the requirements of the internal control system implemented by management.

(Original version issued in Spanish and signed by)
Johana Novoa Cucunubá
Statutory Auditor of Grupo Argos S.A.
Registration 166943-T
Member of KPMG S.A.S.

February 24, 2021

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"In accordance with - core" option of the GRI Standards

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<td>403-2</td>
<td>Hazard identification, risk evaluation and incident investigation</td>
<td>ESG Databook &gt; Social &gt; Labor Indicators &gt; Work-related injuries and illnesses</td>
</tr>
<tr>
<td>403-3</td>
<td>Workplace health services</td>
<td>ESG Databook &gt; Social &gt; Labor Indicators &gt; Work-related injuries and illnesses</td>
</tr>
<tr>
<td>404-4</td>
<td>Worker participation, consultation and communication on workplace health and safety</td>
<td>ESG Databook &gt; Social &gt; Labor Indicators &gt; Work-related injuries and illnesses</td>
</tr>
<tr>
<td>404-5</td>
<td>Worker workplace health and safety training</td>
<td>ESG Databook &gt; Social &gt; Labor Indicators &gt; Work-related injuries and illnesses</td>
</tr>
<tr>
<td>404-6</td>
<td>Worker health promotion</td>
<td>ESG Databook &gt; Social &gt; Labor Indicators &gt; Work-related injuries and illnesses</td>
</tr>
<tr>
<td>403-7</td>
<td>Prevention and mitigation of health and safety-related impacts for workers directly affiliated under commercial relationships</td>
<td>ESG Databook &gt; Social &gt; Labor Indicators &gt; Work-related injuries and illnesses</td>
</tr>
<tr>
<td>403-9</td>
<td>Work-related injuries</td>
<td>ESG Databook &gt; Social &gt; Labor Indicators &gt; Work-related injuries and illnesses</td>
</tr>
<tr>
<td>403-10</td>
<td>Work-related illnesses and conditions</td>
<td>ESG Databook &gt; Social &gt; Labor Indicators &gt; Work-related injuries and illnesses</td>
</tr>
<tr>
<td>GA-SST01</td>
<td>Employee work-related illness frequency</td>
<td>ESG Databook &gt; Social &gt; Labor Indicators &gt; Work-related injuries and illnesses</td>
</tr>
<tr>
<td>GA-SST02</td>
<td>Contractor work-related illness frequency</td>
<td>ESG Databook &gt; Social &gt; Labor Indicators &gt; Work-related injuries and illnesses</td>
</tr>
<tr>
<td>GA-SST03</td>
<td>Frequency of employee injuries in time lost</td>
<td>ESG Databook &gt; Social &gt; Labor Indicators &gt; Work-related injuries and illnesses</td>
</tr>
<tr>
<td>GA-SST04</td>
<td>Frequency of contractor injuries in time lost</td>
<td>ESG Databook &gt; Social &gt; Labor Indicators &gt; Work-related injuries and illnesses</td>
</tr>
</tbody>
</table>

---

### TCFD Table Grupo Argos 2020

At Grupo Argos we are committed to transparency, identification and management of Climate Change-related risks and opportunities, by understanding the implications and challenges of climate risks for our business operations. These challenges are aligned with 2030 Agenda and Paris Agreement objective compliance, and with the growing interest of our investors in the topic. In 2021, we will continue moving forward with climate risk quantification and will draft a gap closing plan that will enable compliance with the TCFD report recommendations by 2022.

<table>
<thead>
<tr>
<th>TCFD COMPONENTS</th>
<th>RECOMMENDED DECLARATIONS</th>
<th>INTEGRATED REPORT</th>
<th>ESG SPECIAL REPORT</th>
<th>ESG DATABOOK (2019 INFO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>a) Describe Board control of climate-related risks and opportunities.</td>
<td>pp. 5, 10, 11 &amp; 54</td>
<td>p. 11</td>
<td>pp. 40, 41</td>
</tr>
<tr>
<td>Strategy</td>
<td>b) Describe management's role in evaluating and managing climate-related risks and opportunities.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Risk Management</td>
<td>c) Describe the resilience of the organization's strategy, considering different climate-related scenarios, such as a 2°C or less scenario.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Metrics and objectives</td>
<td>d) Describe key performance indicators for identifying and evaluating climate-related risks.</td>
<td>pp. 58, 59, 64 &amp; 65</td>
<td>p. 10</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>e) Describe the metrics used by the organization for climate-related risk and opportunity evaluation according to its strategy and risk-management processes.</td>
<td>pp. 58, 59, 64 &amp; 65</td>
<td>p. 10</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>f) Disclose Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas (GHG) emissions and related risks.</td>
<td>-</td>
<td>-</td>
<td>p. 67</td>
</tr>
<tr>
<td></td>
<td>g) Describe objectives used by the organization to manage climate-related risks and opportunities and performance against objectives.</td>
<td>pp. 44, 46, 62, 63 &amp; 64</td>
<td>-</td>
<td>pp. 8, 9, 66, 67, 68 &amp; 69</td>
</tr>
</tbody>
</table>
## SASB Content Index

**Grupo Argos S.A.**

Detailed information can be found in our ESG Databook. Access information for 2019, after March 25, access information for 2020.

The Sustainability Accounting Standards Board (SASB) [www.sasb.org](http://www.sasb.org) is an independent organization that defines private sector standards focused on improving equity market efficiency by fostering disclosure of material information on sustainability to satisfy investor needs. Grupo Argos is an asset manager and, although SASB does not provide a specific guide for this sector, we decided to adopt this guide with the relevant indicators that appear below. We also publish specific SASB indicators for our stock market listed businesses, which are cement (Cementos Argos) and energy (Celsia).

### Category | ID Indicator | Accounting Metric | Reference | Comments
--- | --- | --- | --- | ---
**ENVIRONMENTAL**

**Greenhouse gas emissions and energy resource planning**

- IF-EU-110a.1 (1) Gross global Scope 1 emissions, percentage covered by (2) regulations limiting emissions and (3) regulations for emissions reporting

  - Integrated Report: Sustainability Vision, Responsible Business Group Operations, p.66
  - ESG Databook Grupo Argos: Environmental > Climate Change > Direct GHG Emissions

  - Related standards: Related GRI 305-1
  - Related GRI 305-3

**Water Management**

- IF-EU-140a.1 (1) Total water uptake, (2) total water consumption, percentage for each region with a high or extremely high water stress baseline

  - Integrated Report: Sustainability Vision, Responsible Business Group Operations, p.66
  - ESG Databook Grupo Argos: Environmental > Water > Total Water Uptake
  - ESG Databook Grupo Argos: Environmental > Water > Water Consumption

  - Related standards: Related GRI 303-3 & 303-5

**Greenhouse Gas Emissions**

- EM-CM-110a.2 Presentation of short or long-term CO2 emissions management strategy or plan, reduction objectives and a performance analysis against those objectives.

  - Integrated Report: Sustainability Vision, Climate Change, p.64 - 66
  - ESG Databook Grupo Argos: Environmental > Climate Change > Emissions Intensity

  - Related standards: Related GRI: 305-4

**Energy Management**

- EM-CM-130a.1 (1) Total energy consumption, (2) percentage electric grid, (3) percentage alternative, (4) percentage renewable

  - ESG Databook Grupo Argos: Environmental > Energy Management > Internal Energy Consumption

  - Related standards: Related GRI: 302-1
  - Related GRI: 2.3.3

**HUMAN CAPITAL**

**Workplace Health and Safety**

- EM-CM-320a.1 (1) Number of Recordable Incident Rate (TRIR), (2) “Near miss” frequency rate (NMMR) for full-time employees (FTEs) and contractors.

  - ESG Databook Grupo Argos: Social > Labor Indicators

  - Related Standard: GRI 403-9

**Leadership and Governance**

- IF-EN-510a.2 Total monetary losses resulting from legal proceedings associated with (1) bribery or corruption and (2) antitrust practices

  - In 2020 we had no monetary losses resulting from legal proceedings associated with (1) bribery or corruption and (2) antitrust practices.
  - ESG Databook Grupo Argos > Economic Dimension > Compliance System > Incidents

- IF-EN-510a.3 Description of policies and practices for preventing (1) bribery and corruption, and (2) anticompetitive behavior within tendering processes

  - (1) Bribery and corruption see policies at: [https://www.grupoargos.com/Portals/0/Codigo_de_conducir.pdf](https://www.grupoargos.com/Portals/0/Codigo_de_conducir.pdf)
  - ESG Databook Grupo Argos > Economic Dimension > Compliance System > Corruption

- EM-CM-520a.1 Total monetary losses from legal procedures associated with cartel, price fixing, and antitrust activities

  - In 2020 we had no monetary losses arising from legal procedures associated with cartel, price fixing and antitrust activities.
  - ESG Databook Grupo Argos: Economic > Compliance System > Incidents

- EM-CM-520a.2 Total monetary losses from legal procedures associated with cartel, price fixing, and antitrust activities

  - In 2020 we had no monetary losses arising from legal procedures associated with cartel, price fixing and antitrust activities.
  - ESG Databook Grupo Argos: Economic > Compliance System > Incidents

### Appendix

The ESG Databook contains the following GRI indicators:

- **GRI 205-1**: Total number and percentage of violations of social legislation.
- **GRI 403-9**: Fines or violations of current social legislation.

**Grupo Argos 2020 Integrated Report**

**Grupo Argos S.A.**

Detailed information can be found in our ESG Databook. Access information for 2019, after March 25, access information for 2020.

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The Sustainability Accounting Standards Board (SASB)www.sasb.org is an independent organization that defines private sector standards focused on improving equity market efficiency by fostering disclosure of material information on sustainability to satisfy investor needs. The following table refers to the Standard for the Building Materials Industry as defined by the SASB Industry Classification System and identifies where each topic is reported.

### Category: Environmental

<table>
<thead>
<tr>
<th>ID Indicator</th>
<th>Accounting Metric</th>
<th>Reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM-CM-150a.1</td>
<td>Total CO2 emissions - gross (t CO2/year)</td>
<td>7.772 778 t/a</td>
<td>Related GRI: 305-1</td>
</tr>
<tr>
<td>EM-CM-150a.2</td>
<td>Prevention of a short or long term Scope 1 CO2 emissions management strategy or plan, reduction targets and a performance analysis against those targets.</td>
<td>Integrated Report, Climate Change p. 114 - 117, TCFT Table <a href="https://bit.ly/2OvNU6">https://bit.ly/2OvNU6</a></td>
<td>Related GRI: 103-1; 103-2; 103-3; 201-2; 305-6</td>
</tr>
</tbody>
</table>

### Category: Air Quality

<table>
<thead>
<tr>
<th>ID Indicator</th>
<th>Accounting Metric</th>
<th>Reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM-CM-120a.1</td>
<td>Atmospheric emissions of the pollutants: (1) Overall t NOX emissions</td>
<td>(1) 11.572 t</td>
<td>Related GRI: 305-1; Related DJSI: 2.10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) 3.370 t</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3) 751 t</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4) 55 (mg PCDD/y)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5) 214 t</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(6) 226 Kg HgP/y</td>
<td>Related DJSI: 2.10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(7) 28 Kg HM1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(8) 3.684 Kg HM2</td>
<td></td>
</tr>
</tbody>
</table>

### Category: Energy Management

<table>
<thead>
<tr>
<th>ID Indicator</th>
<th>Accounting Metric</th>
<th>Reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM-CM-130a.1</td>
<td>(1) Total energy consumed, (2) percentage electrical grid, (3) percentage alternative, (4) percentage renewable</td>
<td>Related: 302-1</td>
<td>Related GRI: A-B1</td>
</tr>
</tbody>
</table>

### Category: Waste Management

<table>
<thead>
<tr>
<th>ID Indicator</th>
<th>Accounting Metric</th>
<th>Reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM-CM-160a.1</td>
<td>(1) Total fresh water extracted (m3/y)</td>
<td>(1) 10.058 363 m3/y</td>
<td>Related GRI: 303-3</td>
</tr>
<tr>
<td></td>
<td>(2) total fresh water extracted(1000m3/y)</td>
<td>(2) 10.058 (1000m3/y)</td>
<td>Related GRI: A-A2</td>
</tr>
<tr>
<td></td>
<td>(3) percentage recycled fresh water,</td>
<td>(3) 143%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(4) total water extracted in areas with water stress [m3/y]</td>
<td>(4) 487 310 m3/y</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(5) percentage of water extracted in water stress</td>
<td>(5) 0.05%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(6) total water consumption across all areas (m3/y)</td>
<td>(6) 5.471 151 m3/y</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(7) water consumption percentage across all areas</td>
<td>(7) 7.019%</td>
<td></td>
</tr>
</tbody>
</table>

### Category: Biodiversity Impact

<table>
<thead>
<tr>
<th>ID Indicator</th>
<th>Accounting Metric</th>
<th>Reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM-CM-160a.2</td>
<td>Altered land surface, percentage of impacted area rehabilitated</td>
<td>81%</td>
<td>Own related indicator: A-B1</td>
</tr>
</tbody>
</table>

### HUMAN CAPITAL

<table>
<thead>
<tr>
<th>ID Indicator</th>
<th>Accounting Metric</th>
<th>Reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace Health and Safety</td>
<td>EM-CM-320a.1</td>
<td>Frequency index</td>
<td>1,33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee frequency index</td>
<td>1,35</td>
</tr>
<tr>
<td>Workplace Health and Safety</td>
<td>EM-CM-320a.2</td>
<td>Number of reported cases of silicosis</td>
<td>No silicosis cases reported during 2020</td>
</tr>
</tbody>
</table>

### BUSINESS AND INNOVATION MODEL

<table>
<thead>
<tr>
<th>ID Indicator</th>
<th>Accounting Metric</th>
<th>Reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>EM-CM-400a.1</td>
<td>Percentage of products that qualify for sustainability credits, design and building construction certificates</td>
<td>The product portfolio is currently being updated. Metrics will be reported as soon as this process concludes.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Related GRI: 302-1 302-2</td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>EM-CM-400a.2</td>
<td>Market-share of products that reduce impacts related to energy, water consumption and / or materials during usage and / or production.</td>
<td>Integration of the new LEED standard (version 4.1) is currently being analyzed to estimate revenue from products that reduce environmental impacts and request credits for sustainable building credits and construction certificates. The metric will be updated once this process concludes.</td>
</tr>
</tbody>
</table>

### LEADERSHIP AND GOVERNANCE

<table>
<thead>
<tr>
<th>ID Indicator</th>
<th>Accounting Metric</th>
<th>Reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrity and price transparency</td>
<td>EM-CM-520a.1</td>
<td>Total amount of monetary losses resulting from legal processes associated with cartel, price-fixing and antitrust activities.</td>
<td>During 2020 there were no monetary losses resulting from legal processes associated with cartel, price-fixing and antitrust activities.</td>
</tr>
</tbody>
</table>
## SASB Content Index
### Celsia S.A.

The Sustainability Accounting Standards Board (SASB) www.sasb.org is an independent organization that defines private sector standards focused on improving equity market efficiency by fostering disclosure of material information on sustainability to satisfy investor needs. The following table refers to the Standard for the Electrical Services and Energy Generation industry as defined by the SASB Industry Classification System and identifies where each topic is reported.

<table>
<thead>
<tr>
<th>Category</th>
<th>ID Indicator</th>
<th>Accounting Metric</th>
<th>Reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ENVIRONMENTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greenhouse gas emissions and energy resource planning</td>
<td>IF-EU-110a.1</td>
<td>(1) Gross global Scope 1 emissions, percentage covered by (2) regulations; limiting emissions and (3) regulations for emissions reporting; (4) non-compliance associated with energy supply</td>
<td>• We Care for the Planet &gt; Climate Change &gt; Main Results • We Care for the Planet &gt; Climate Change &gt; Our Operations Related GRI 305-1 DJSI 2.3.31 Emissions Alcance 1</td>
<td></td>
</tr>
<tr>
<td>Greenhouse gas emissions and energy resource planning</td>
<td>IF-EU-110a.2</td>
<td>Greenhouse gas (GHS) emissions associated with energy supply</td>
<td>We Care for the Planet &gt; Climate Change &gt; Main Results</td>
<td></td>
</tr>
<tr>
<td>Greenhouse gas emissions and energy resource planning</td>
<td>IF-EU-110a.3</td>
<td>Demonstration of a short or long term Scope 1 CO2 emissions management strategy or plan; reduction targets and a performance analysis against those targets.</td>
<td>We Care for the Planet &gt; Climate Change &gt; Our Operations Related Standard DJSI 2.5</td>
<td></td>
</tr>
<tr>
<td>Greenhouse gas emissions and energy resource planning</td>
<td>IF-EU-110a.4</td>
<td>(1) Number of clients served in markets, subject to renewable portfolio standards (RPS) and (2) RPS goal compliance percentage per market</td>
<td>N/A N/A</td>
<td></td>
</tr>
<tr>
<td>Air Quality</td>
<td>IF-EU-120a.1</td>
<td>Atmospheric emissions of: (1) NOx (excluding NO2); (2) SOx; (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg), percentage of in or close to densely populated areas.</td>
<td>We Care for the Planet &gt; Economic Efficiency &gt; Other atmospheric emissions management GRI 307-7 Other emissions DJSI 2.3.6 NOx emissions DJSI 2.3.5 SOx emissions DJSI 2.3.9 Mercury emissions DJSI 2.3.10 Particulate matter emissions DJSI 2.3.32 SF6 emissions</td>
<td></td>
</tr>
<tr>
<td>Water Management</td>
<td>IF-EU-140a.1</td>
<td>(1) Total water uptake; (2) total water consumption, percentage for each region with a high or extremely high water stress baseline</td>
<td>We Care for the Planet &gt; Energy Resource Management &gt; Water management main results Related GRI 303-3 and 303-5</td>
<td></td>
</tr>
</tbody>
</table>

### HUMAN CAPITAL

<table>
<thead>
<tr>
<th>Category</th>
<th>ID Indicator</th>
<th>Accounting Metric</th>
<th>Reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace Health and Safety</td>
<td>EM-CM-320a.1</td>
<td>(1) Total Recordable Incident Rate (TRIR), (2) “Near miss” frequency rate (NMFR). Would include full-time employees (FTEs) and contractors.</td>
<td>Celsia Culture &gt; Workplace Health and Safety &gt; Main results</td>
<td>Related Standard: GRI 403-9 “TRIR exists but not NMFR. Would need configuration in terms of definition and presentation in integrated report.”</td>
</tr>
</tbody>
</table>

### LEADERSHIP AND GOVERNANCE

<table>
<thead>
<tr>
<th>Category</th>
<th>ID Indicator</th>
<th>Accounting Metric</th>
<th>Reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical incident risk management: Nuclear safety and emergency management</td>
<td>IF-EU-540a.1</td>
<td>Total number of nuclear safety units, broken down by US Nuclear Regulatory Commission (NRC) action grid column.</td>
<td>Not applicable to Celsia</td>
<td></td>
</tr>
<tr>
<td>Critical incident risk management: Nuclear safety and emergency management</td>
<td>IF-EU-540a.2</td>
<td>Describe efforts to manage nuclear safety and emergency preparation.</td>
<td>Not applicable to Celsia</td>
<td></td>
</tr>
</tbody>
</table>

### SOCIAL CAPITAL

<table>
<thead>
<tr>
<th>Category</th>
<th>ID Indicator</th>
<th>Accounting Metric</th>
<th>Reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Accessiblity</td>
<td>IF-EU-240a.4</td>
<td>Discussion of the impact of outside factors on customer electrical accessibility, including economic conditions of the service territory.</td>
<td>Related GRI 307-1 DJSI 2.3.3</td>
<td></td>
</tr>
</tbody>
</table>

### Appendix

- **Environmental Management**: Greenhouse gas emissions and energy resource planning; demonstration of a short or long-term Scope 1 CO2 emissions management strategy or plan; reduction targets and performance analysis against those targets.
- **Critical incident risk management**: Total number of nuclear safety units, broken down by US Nuclear Regulatory Commission (NRC) action grid column.
- **Human capital**: Discussion of the impact of outside factors on customer electrical accessibility, including economic conditions of the service territory.
- **Social capital**: Greenhouse gas emissions and energy resource planning; demonstration of a short or long-term Scope 1 CO2 emissions management strategy or plan; reduction targets and performance analysis against those targets.

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Self-Assessment of the Application of Integrated Reporting Principles and Disclosures

The 2020 Integrated Report has been prepared following the principles and elements of the International Integrated Reporting Council, IIRC, to communicate more transparently to our stakeholders the management of material topics that influence our capacity to generate value and how these articulate with our strategy and business model, considering the different risks and opportunities arising at the Business Group.

Integrated Reporting Guidelines Applied

Strategic Approach and Future Direction
At the start of the report we present our business model and the way in which we create value, provide information on our strategy and how it relates to that capacity for value creation over the short, medium and long term. In the Our Business section, we present the objectives and components of the value creation process, framed within sustainable actions, as well as its use and effect upon capitals presented throughout the report and the contribution of management to management of these targets and strategies risks. The chapters describe the actions we perform in the short, medium and long term to meet objectives and disclose long term targets in a timely manner. The management report also contains an national and international business and investment outlook analysis.

Information Connectivity
We have structured this report to provide a holistic overview of the combinations, relationships and dependencies between the factors that affect our value creation capacity over time, as well as connections between these and the objectives and performance of Grupo Argos and its strategic businesses in all material aspects.

Stakeholder Engagement
In the Value Creation section we provide information on the nature, mechanisms, and quality of our stakeholder engagement, including how and to what extent we understand, take into account, and respond to their legitimate expectations and interests to generate a value proposal and maintain an ongoing conversation. Throughout the report, we also highlight how management of material topics responds to these expectations and interests.

Materiality
We perform a materiality analysis under which we enter into consultations with representatives of different stakeholder groups, as well as sources of information for different applicable local and international strategies and practices, allowing us to identify six relevant topics we have called Value Drivers. This report incorporates these results, presenting qualitative and quantitative information closely adjusted to each Value Driver, as well as the positive and negative impact of the way in which these are taken into account in the value creation process and in investment or divestiture decisions.

Concision
We have made progress with adhering to the Integrated Report Framework, presenting a report where we communicate, as clearly and concisely as possible, the most significant matters and the relationships existing between them, the business model, the strategy, and the manner in which the holding company creates value of the short, medium and long term, as well as the stakeholders impacted by management of material topics.

Reliability and Completeness
To ensure reliability of the reported information, accounting data were audited by an independent third party, KPMG S.A.S., in its capacity as statutory auditor for the company. Senior management reviewed and approved the Integrated Report and charged Deloitte & Touche with limited assurance of social, environmental and economic indicators.

Compatibility and Consistency
We prepare our report under Global Reporting Initiative (GRI) standards, core option, and have reported information on a consistent basis over time and allows historical comparison. We also following the principles and guidelines of the Integrated Reporting Framework (IRF). The following are the elements of this framework applied when preparing this report.

Performance
Subsidiary financial performance
Performance and results for the holding company and its subsidiaries under the triple bottom line accounting framework
In stakeholder engagement
In ethics management, transparency and anti-corruption mechanisms
In financial capital management
In intellectual capital management
In industrial capital management
In natural capital management
In human capital management
In social capital management
Future outlook
Who we are
Sustainability Vision
Talent and Culture
Sustainability Vision
Talent and Culture

In conclusion, positive progress has been made with Integrated Reporting Framework adherence compared to 2019, and the required considerations have been implemented to ensure its integrity. Even so, we are aware of the challenges and opportunities for improvement to move every closer to full adherence to that framework.
Memorandum of independent review


Responsibilities of the Management of Grupo Argos and Deloitte

The preparation of the 2020 Integrated Report of Grupo Argos, between January 1st and December 31st of 2020, and its content are the responsibility of the organization which is also responsible for defining, adapting and maintaining management systems and internal control which information is obtained.

Our responsibility is to issue an independent report based on the procedures applied and previously agreed upon for our review. This Report has been prepared exclusively in the interest of the organization in accordance with the terms of our proposed services. We do not assume any liability to third parties other than the Management of the Company.

We have performed our work in accordance with the independence regulations required by the ethics code of the International Federation of Accountants (IFAC).

Scope of our work

The scope of a limited review is substantially less than an audit. Therefore, we do not provide an audit about the Integrated Report. We have carried out the review of the content adaptation of Grupo Argos Integrated Report 2020, to the Guide for the preparation of Sustainability Reports of the Global Reporting Initiative (GRI Standards).

Standards and review processes

We have carried out our work in accordance with ISAE 3000 - International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

Our review work consisted in the formulation of questions to the Administration, as well as to the different areas and operations of Grupo Argos that have participated in the elaboration of the Integrated Report 2020, in the application of analytical procedures and tests of revision by sampling that is described below:

- Interviews with Grupo Argos employees to know about the principles, management approaches and data consolidation systems applied to prepare the Report.
- Analysis of how the content, structure and indicators were defined, based on the materiality exercise according to the GRI Standards.
- Analysis of the processes to collect and validate the data presented in the report.
- Checklist: by sample, test data and evaluation of quantitative and qualitative evidence corresponding to the GRI contents and Grupo Argos internal indicators included in the 2020 Integrated Report, and proper compilation from the data supplied by Grupo Argos the sources of information.

Confirmation that the 2020 Integrated Report of Grupo Argos has been prepared in accordance with GRI Standards: Core option “in accordance”.

General contents:

It was confirmed that the Report is presented in accordance with the GRI Standards: Core option regarding the general basic contents.

Specific contents:

We review the management approach, the GRI, DISI and internal contents of its material issues:

<table>
<thead>
<tr>
<th>Material</th>
<th>GRI content and / or own Indicator of Grupo Argos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethics and Corporate Governance</td>
<td>205-1, 205-2, 205-3</td>
</tr>
<tr>
<td>Sustainability Vision</td>
<td>302-1, 302-5, 305-1, 305-2, 305-4, 305-5, 405-1, GA-VS01, GA-EG05</td>
</tr>
<tr>
<td>Identity and Relationship</td>
<td>415-1</td>
</tr>
<tr>
<td>Talent and Culture</td>
<td>401-1, 404-1, 404-3, 417-7, 403-9, 403-10, GA-VS03, GA-VS04</td>
</tr>
</tbody>
</table>

Conclusions

Based on the work carried out described in this report, the procedures carried out and the evidence obtained, no subject matter has come to our knowledge that leads us to think that the indicators within the scope of the review and included in the 2020 Integrated Report of Grupo Argos for the period between January 1 and December 31, 2020, have not met all the requirements for the preparation of reports, in accordance with the essential option of the Global Reporting Initiative (GRI) Standards. For those contents of the GRI Standards where Grupo Argos did not report quantitatively (figures), only the qualitative information that included procedures, policies, evidence of activities carried out, among others, was reviewed.

Alternative lines of actions

Deloitte has provided Grupo Argos with a report with the most significant alternatives of action for the future preparation of Reports, which do not modify the conclusions expressed in this report, also a few observations that will strengthen the consolidation, management, measurement and communication processes of the organization’s sustainability performance.

Declaration of Independence

We confirm our independence from Grupo Argos. All of our employees carry out annual updates to the Ethics Policy where we promptly declare that we have no conflicts of interest with Grupo Argos, its subsidiaries and its stakeholders.

Jorge Enrique Múnera D.
Partner
Deloitte asesores y Consultores Ltda.
Bogotá, March 2021

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En la elaboración del Reporte Integrado participaron los equipos de Grupo Argos, bajo la coordinación de Sostenibilidad y Comunicaciones.