

Management Report

02



Management Report from the Board of Directors and the CEO



Mercedes - Benz Stadium Atlanta United States

Pacífico 2 Antioquia



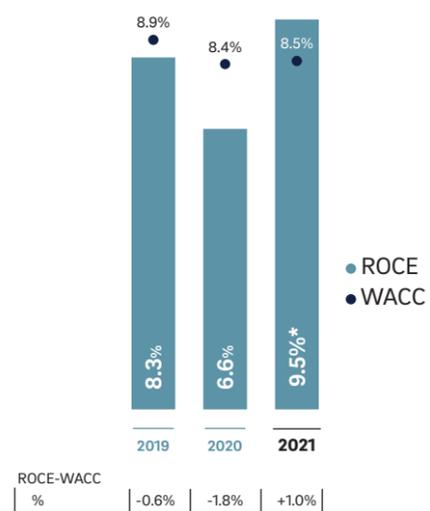
Dear shareholders

[102-10, 102-14] In 2021 we reaffirmed Grupo Argos's capacity to generate value, its structural soundness, and the effectiveness of the strategy executed over the last decade that allowed us to close out a year with historic results.

Grupo Empresarial Argos achieved an EBITDA of COP 4.3 trillion, with 29% year-on-year growth, as well as consolidated net income of COP 1.2 trillion, 7.8 times higher than in 2020, with a weighted return on invested capital that has grown progressively and closed at 9.5%, surpassing the cost of capital. In addition, it considerably reduced its costs and expenses, improving cash flow, reducing consolidated debt and increasing profitability.

These results demonstrate the company's ability to adapt and the value of nearly 90 years' experience as a relevant player in the country and the region. Discipline and strategy implementation has mobilized transformations that have, in

Consolidated Grupo Argos*



*The non-recurring effect of the divestment in DNA and BTA is eliminated.

turn, strengthened the company. We highlight the acquisition in recent years of an important base of energy assets, real estate income, and roadway and airport concessions that add up to a total of COP 22 trillion in assets under management.

It is equally important to highlight the consolidation of a business model that connects an abundance of global liquidity with the region's infrastructure needs and links global partners to leverage our operations' profitable growth while enabling remuneration for the Business Group's intellectual capital.

The maximized investment values and the selective and profitable growth evident in the results have been managed in articulation with the needs and expectations of all the company's stakeholders. This has enabled implementation of social and environmental transformation processes, founded on relationships of trust and on articulated work with the State, academia, and society at large.

This way of doing business meant that Grupo Argos was once again recognized in 2021 by the Dow Jones Sustainability Index as the most sustainable company in its industry globally, as a result of the proven progressive and relevant progress made year after year in the management of its environmental, social and corporate governance risks.

COP 4.3 trillion in EBITDA during 2021
 ▲ 29%

COP 22 trillion in infrastructure assets

COP 53 trillion in assets under management



Mixer driver
Antioquia

Long-term value generation

Over the last 10 years Grupo Argos has undergone a transformation: From a company with investments in the cement business and COP 27 trillion in consolidated assets to positioning itself as a relevant player in the infrastructure sector throughout the American continent with COP 53 trillion in assets under management and a solid and vibrant corporate culture that enables value generation in the 18 countries where it operates.

Over the decade, the company multiplied its revenue by 2.8, its EBITDA by 2.7 and its net income by 5.1. Today Grupo Argos is the number one Colombian investor in the United States, a leading company in energy transformation in Colombia and Central America, and one of the transport infrastructure platforms with the greatest potential in Latin America.

The experience developed over nine decades of operations in the cement business allowed Grupo Argos to consolidate, in just under ten years, an important asset base in the electrical

energy generation, transmission, distribution, and commercialization, roadway and airport infrastructure, urban development, and real estate income segments.

A highlight of these milestones includes the creation of Compas in 2012, a port platform incorporated from the spinoff of the cement business's bulk ports. These had been lacking coordination, and Grupo Argos operated and optimized them,

2.7 times
Grupo Argos multiplied
its EBITDA over the last 10 years

5.1 times
net income growth between 2011 and 2021

together with a partner, to create a logistical network, which, five years later and consistently with the original investment thesis, was sold, achieving an annual internal rate of return of 26%.

During this period, the organization also acquired and transformed the Colversiones portfolio, multiplying its equity by 2.4, from COP 2.7 trillion in 2011 to COP 6.3 trillion in 2021, becoming consolidated as a leading platform for renewable energy generation in Colombia. It has grown significantly in the electrical distribution business with the acquisition of assets in Tolima and consolidation of its networks in Valle del Cauca, serving 1.2 million customers.

Along this vertical, and over the last three years, the organization managed to bring together top-tier global players, including the Canadian pension funds PSP and OTPP, through *Cubico Sustainable Investments*, under an asset manager scheme applied to the solar power generation and transmission businesses. Today, the organization has become established as a leading player in the transformation towards non-conventional renew-

able energies in Colombia and Central America with an installed capacity of 184 MW in solar and wind power and nearly 1,000 MW undergoing structuring and development.

In 2016, Grupo Argos also invested in the creation of Pactia, a private real estate equity fund that operates under an asset manager business model, which, thanks to its stable cash flow and growth potential, brought the Protección Pension Fund on board as a partner in 2017, doubling the value of its assets under management since its creation, with a current figure of COP 3.9 trillion represented by 838,000 m².

In the transport infrastructure segment, the company acquired Odinsa in 2015 and, since then, has focused on the road and airport concessions segments, divesting non-strategic assets and consolidating relevant positions in those that have led its transformation. In the roadway segment, in 2021 it partnered with Macquarie, the largest infrastructure fund in the world, under an asset management figure, in a new vehicle where Grupo Argos and Odinsa will be the managers of the roadway platform and which represents an annual internal net return of 19% for this vertical.

These strategic milestones, which demonstrate its capacity to attract global liquidity and first-class institutional partners, reaffirm Grupo Argos's competencies for generating value through platform creation and operation, together with partners, which are now the starting point for evolving the organization's strategy and structure under one central, concrete premise: **the disclosure and transfer of value to all shareholders.**

1,000
MW
in structuring
and development

Guanacaste Wind Farm
Costa Rica



An investor that bought COP 1,000 in Grupo Argos shares in 2000 would now have over COP 22,000 from dividends received and share valuation. This return is equivalent to an average annual return of 15.9% during a period full of economic growth and contraction cycles, largely explained by global commodity price and demand dynamics.

Now, while shareholder return is favorable over the long term and has responded to the organization's transformation and growth, when we look at the last 10 years we find an asymmetry in the share price, which does not match with Grupo Argos's good financial results over the decade. A gap has appeared between the value generated by the organization and its share price.



Cementos Argos Florida Plant
United States

**Grupo Argos' EBITDA grew from
COP 1.6 trillion in 2012 to**

**COP 4.3
trillion in 2021**

From a financial performance perspective, over the last decade EBITDA, a benchmark that represents Grupo Argos's operating cash generation, grew from COP 1.6 trillion in 2012 to COP 4.3 trillion in 2021, while from a stock market perspective, total shareholder returns, incorporating share valuation and dividends, remained stable. This provides evidence of a disconnect between the share price and the company's performance.

Among other reasons, this gap between the fundamental value and the market price is due to the low liquidity and depth of the Colombian Stock Exchange, which, over the last decade went from trading USD 100 million a day to around USD 30 million a day, meaning that most of the shares listed on the Colombian Stock Exchange, including those of Grupo Argos, are much more affected by exogenous variables than by the reality of their own financial results. This situation is repeated throughout Latin American markets, given these economies' direct exposure to the commodity cycle where, over the last decade, they have suffered through periods of low commodity prices that affected their economies and stock markets.

A series of challenges have also been evident in the Colombian equity market, a stand-out of which is the departure of international investors in recent years that was aggravated by the Covid-19 crisis. Between January 2020 and December 2021, COP 6.6 trillion in foreign investment flowed out of equity market, and this pressure has hindered share price recovery. Other structural problems put into evidence by the Equity Market Mission in 2019 are added to the outflow of capital which we have not yet solved as a country.

In 2021, in response to liquidity issues, Grupo Argos co-led the dual registration process for six Colombian issuers in Chile, seeking to reach a much deeper market and attract a new source of investors that would trade its shares in their local market and currency. The company also supported new digital platforms that promoted the involvement of over 2,000 new investors.

Dear shareholders, you can be certain that closing the gap between its fundamental value and its share price is a priority for the company's directors. For this purpose, Grupo Argos has announced the acceleration of a number of strategic initiatives we will refer to later.



Hotel Sofitel Calablanca Barú
Bolívar

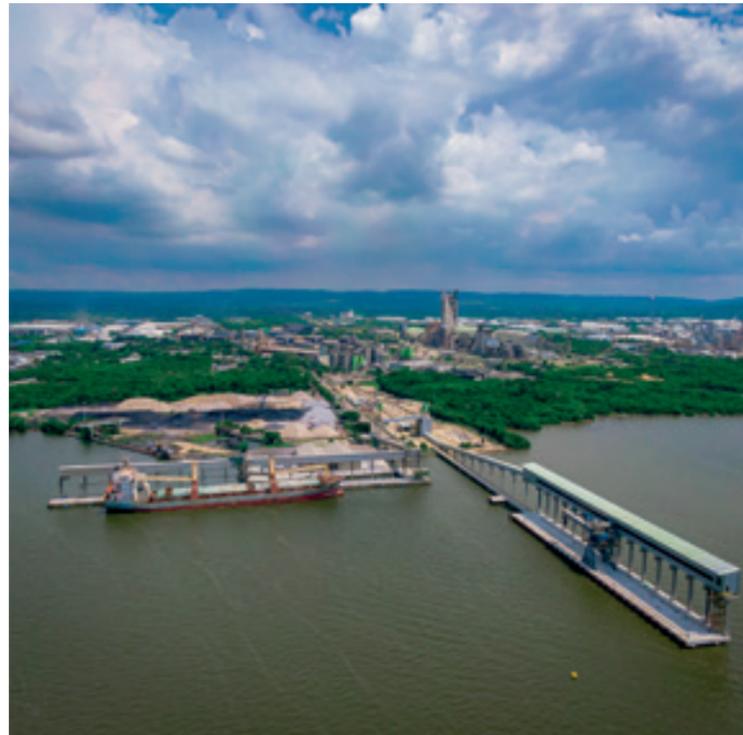
Business Performance

Cement

The progress made by Cementos Argos over several years in its operational efficiency and capital structure, together with good demand dynamics in all the regions where it operates, allowed the company to exceed expectations and strengthen its competitive position, achieving the highest EBITDA in its history.

In the United States, Cementos Argos moved forward with divestments in non-strategic assets, a highlight of which was the sale of 24 concrete plants for around USD 184 million. The resources from this divestment enabled accelerating the company's deleveraging process, which ended the year with an indebtedness indicator of 2.9 times net debt / EBITDA, its lowest in 8 years.

The company had total sales of 17.1 million tons of cement, an all-time record that led to 9% revenue growth in 2021, while EBITDA grew 34%. These results confirm Cementos Argos's favorable outlook, which closed out the year with COP 2.2 trillion in EBITDA, the highest in its history.



Cementos Argos Cartagena Plant
Bolívar

The company improved its competitive position and achieved greater financial flexibility thanks to decreased interest payments related to debt repayments.

2022 began with solid results and with the inauguration of a new port terminal in Cartagena that triples its export capacity from Colombia to the United States, to strengthen the business's position and meet the growing demand for cement in the region. This will also be leveraged by the infrastructure plan passed by that country's Senate.

Cementos Argos	2021	2020	% Var
Revenue	9,818	9,001	9%
Ebitda	2,156	1,610	34%
Net Income	431	78	453%

*Figures in billions of pesos

17.1
million
tons of cement sold in
2021

20%
2021 adjusted
EBITDA margin

Infrastructure

In 2021, the organization made progress with the consolidation of its energy, roadway and airport concessions and the real estate returns segment with strategic alliances and capital investments to strengthen each operation's growth.

Energy Generation

Three solar farms with a total installed capacity of 29.4 MW came on-line during this period and significant progress was made with the construction of the 200 MW El Tesorito thermoelectric project. This plant is expected to come on-line in 2022 to support the organization's and the country's power grid.

During 2021, the company made progress with structuring an additional 1,000 MW in renewable energy generation projects that will begin operations over the next four years and that, together with the El Tesorito plant, represent close to 70% growth in the company's current installed capacity.

Energy Transmission, Distribution and Marketing

In this segment, the company continued making progress with its network optimization strategy, particularly in the Tolima operations that were acquired in 2019 and that, to date, have improved service quality indicators by over 20% to maximize profitability. After two years in operation, its results have surpassed by 15% the business plan on which investments in these assets were based

Celsia	2021	2020	% Var
Revenue	4,111	3,536	16%
Ebitda	1,368	1,236	11%
Net Income	335	249	34%

*Figures in billions of pesos

70%
increase in Celsia's
installed power
generation
capacity
over the
next four years

20%
improvement in
energy service
quality indicators
for the Tolima
operations

Celsia Solar Comayagua
Honduras





Autopistas del Café
Coffee Growing Region

Roadway Concessions

The roadway concessions business ended the year with about 43 million vehicles mobilized, the highest number in the company's history. A contract was concluded with Macquarie in September 2021 for the creation of a roadway platform that will boost this segment's profitability and growth alongside a partner that will have 50% of the assets, while Odinsa maintains the other 50%. This transaction will involve a partial monetization of the investment in this business with a net Internal Rate of Return of close to 19%. Proceeds from the transaction will be used to reduce the company's indebtedness and ensure greater financial flexibility.

During 2021, a deal was also closed with the government of the Dominican Republic allowing early termination of the Autopistas del Nordeste and Boulevard Turístico del Atlántico concession contracts. A net payment of USD 319 million was made to Odinsa as a result of this transaction, with an annual Internal Rate of Return of 19% in dollars for the years of the investment.

Pacífico 2 was delivered and inaugurated in October 2021, becoming the third fourth generation roadway project to being operations in the

country. This involved the construction and rehabilitation of more than 90 km of roads, and an investment of COP 1.3 trillion. Delivery of this infrastructure megaproject proves that projects in Colombia can be built on time and on budget.

Transactions closed by the roadway concessions business in 2021, including the refinancing of Pacífico 2, represent close to COP 2 trillion in net cash that Odinsa will receive to reduce debt and promote future growth under the new asset manager scheme. Capital investments of COP 4.5 trillion in 4G and 5G projects are projected in coming years.

43 million
vehicles travelled along roadway concessions during 2021

COP 4.5 trillion
of future investment in 4G and 5G projects

Airport Concessions

In the airport business, the company ended 2021 with a positive net result at El Dorado Airport in Bogota and with an encouraging trend for income generation in 2022. The organization also concluded negotiations to extend the Airport's concession contract for about three years additional beyond its original termination date. This will partially offset the impact on present value of flows not perceived during the Covid-19 related lockdown and mobility restrictions.

In terms of traffic, El Dorado Airport mobilized 1.9 million passengers on average each month, whereas average monthly traffic in 2019 was 2.9 million passengers, which denotes the pandemic's impact. However, in December 2021, El Dorado mobilized 3 million passengers in total, marking the start of 2022 with traffic levels nearing those recorded before the pandemic.

3 million
passengers travelled through El Dorado Airport in December 2021

Odinsa	2021**	2020	% Var
Revenue	1,752	1,196	47%
Ebitda	879	458	92%
Net income controlling interest	182	-87	309%

*Figures in billions of pesos

**Results exclude operations of Autopistas del Nordeste and Boulevard Turístico del Atlántico

***Including Opain



El Dorado Airport
Bogota

Túnel de Oriente
Antioquia



Real Estate Business

The real estate business had positive results with a net operating income of COP 236 billion, 23% growth compared to 2020. During 2021, the fund divested 12,000 sq.mt. of leasable area, i.e., 1.4% of the 838,000 sq.mt. the company currently owns, allowing it to concentrate on those assets that have a greater capacity for generating profits.

These results allowed Pactia to reduce its leverage and end the year with a debt balance of COP 1.5 trillion, 10% below December 2020.

Pactia	2021	2020	% Var
Revenue	357	282	26%
Ebitda	163	123	33%
Net Income	134	(13)	1092%

*Figures in billions of pesos

Financial Results - Infrastructure Business

On a consolidated basis, and through its different vehicles, infrastructure assets contributed COP 5.7 trillion to Grupo Argos's revenue and COP 1.7 billion in EBITDA. These results provide evidence of business model evolutions Grupo Argos began implementing over the last decade to create infrastructure asset platforms that now represent over 40% of the organization's EBITDA.

COP 5.7 trillion
in revenue from the Infrastructure business

COP 1.7 trillion
in EBITDA from the Infrastructure business

40%
of Grupo Argos's EBITDA comes from the infrastructure business

Real Estate Business

The efforts Grupo Argos's urban development business has been making in recent years, creating new markets and strategies to boost sales of its properties, came to fruition with important progress made in Barranquilla and Barú, with a net cash flow of COP 80 billion and businesses that guarantee COP 350 billion in future revenue, around COP 170 billion of which will enter in 2022.

Ciudad Mallorquín in Puerto Colombia, one of the business's most ambitious projects due to its vision for meeting the demand for social housing, is now a reality. The first stage of this project is moving forward with 5,000 homes sold in the first 10 months, which allowed tendering a second stage that will generate COP 214 billion in revenue.

The Calablanca hotel was also inaugurated in Barú, and has become the mainstay for developing the master plan for this region. Two promises of purchase and sale were also signed in 2021 for the development of a boutique hotel and a Four Seasons hotel which, together, will bring over COP 50 billion in revenue for Grupo Argos.

REAL ESTATE BUSINESS	2021	2020	% Var
Revenue	184	126	46%
Ebitda	33	48	(30%)
Net Cash Flow	80	14	486%

*Figures in billions of pesos

COP 350 billion
in future revenue concluded by the Real Estate Business



Hotel Sofitel Calablanca Barú
Bolívar



■ Grupo Sura Headquarters
Medellin

Portfolio Investments

Grupo Nutresa

Grupo Nutresa made progress with the consolidation of its business model, expanding its offerings in high growth categories like healthy snacks and functional beverages, extending its geographical footprint, and increasing its participation in the nutrition and wellbeing markets. It grew its B2B model in the United States and accelerated digitalization of its operations. The company also moved forward with construction of a new multicategory plant to increase competitiveness, connectivity and efficiency for the export market shipping from the Colombian Atlantic coast. Finally, it entered the pet category, one of the fastest growing segments in the world, with the acquisition of Belina, a company in Costa Rica.

Grupo Nutresa's had COP 12.7 trillion in consolidated revenues in 2021, 14.5% growth compared to 2020. EBITDA was COP 1.5 trillion, an increase of 6.2%, and consolidated net income ended the year at COP 677 billion, an increase of 17.6%.

Since 2000, this company has provided a yearly return of 18.9% to its shareholders, including Grupo Argos, adding together dividends and share valuation.

■ Grupo Nutresa
18.9%
TSR since 2000

■ Grupo Sura
19.3%
TSR since 2000

Grupo Sura

Grupo Sura's consolidated assets at the end of 2021 were COP 76 trillion, a 7.1% increase. The results of the financial business are a highlight of this growth, with Bancolombia recording 14.8 times the net income it received in 2020 and a return on equity of 14%. The progress made by Nequi is another highlight. It added over 10 million customers, and the bank to decide to spin off this business at the end of 2021 to boost its growth.

Sura Asset Management, in turn, increased its assets under management by 7.4% compared to 2020, which allowed it to generate higher income from both the commissions and the pensions and investment businesses.

On the insurance front, Suramericana continued proving the soundness of its assets in the face of Covid-19, maintaining its market leadership and growing 16.5% in premiums issued. At the most critical time, the company demonstrated a responsible and supportive commitment to caring for millions of people.

Grupo Sura's consolidated revenues amounted to COP 24.8 trillion, an increase of 19% compared to the end of 2020, while operating income was COP 2.6 trillion, growing by 59.2%. In turn, consolidated net income closed out the year at COP 1.5 trillion, 4.5 times higher than in 2020.

Including dividends and share valuation since 2000, this company has provided 19.3% in shareholder return annually.



■ Martinsburg Plant - Cementos Argos
United States

Grupo Nutresa and Grupo Sura Takeover Bids

Bids were made on the Colombian stock market for ordinary shares of Grupo Nutresa and Grupo Sura, companies belonging to Grupo Argos's portfolio, in November 2021. This dynamic continued in January 2022 with two new bids for stock in these companies.

These offers were analyzed by five members of the Board of Directors, after the General Share-

holders' Meeting granted authorizations regarding potential conflicts of interest to deliberate and decide on them.

According to technical studies submitted by independent consultants including J.P. Morgan, which were analyzed by the Board of Directors, the prices offered by the two takeover bids for each company were lower than their fundamental value, among other strategic and business elements considered, which led the Board of Directors to refuse such offers.



Newberry Plant - Cementos Argos
United States

Financial Results

The consolidated results aggregate the good performance of all businesses during 2021. Revenues amounted to COP 16.3 trillion (+17%), EBITDA was COP 4.3 trillion (+29%), and net income was COP 1.2 trillion (+683%), all exhibiting double-digit growth compared to 2020 and surpassing forecasts delivered to the market at the start of the exercise. Excluding the effects of non-recurring operations, the growth of financial results in all areas is also evident when compared to 2019 results, a year not affected by the pandemic, compared to which revenue grew* by 4%, EBITDA by 11%, and net income by 73%.

Performance by all businesses confirms that the impact caused by the health situation has been overcome and that the global economy is reactivating. This has been driven by aggregate demand and benefitted all sector, including productive sectors, and specifically construction and infrastructure.

Even with higher inflation and the difficulties faced by supply chains around the world due to a decoupling between demand and restarting manufacturing activity together with high fuel costs, consolidated revenues grew by 17% while costs

grew 11%, resulting in a higher contribution margin that proves the power of Grupo Empresarial Argos's operational leverage.

Financial expenses were close to COP 1 trillion and were reduced by COP 250 billion, given the COP 400 billion in debt payments made by the organization, achieving a 2% reduction in consolidated gross debt that ended the year at COP 16.3 trillion.

Along these lines, highlights include Cementos Argos's reduced leveraging with operating cash flow generation and divestments in assets not integrated with the cement production network. A reduction in Odinsa's leveraging at the end of the period was also very relevant, thanks to progress made with optimizing the equity structure for roadway concessions with refinancing achieved in Pacifico 2, the Tunel de Oriente Concession, and transactions in Dominican Republic.

*Proforma results eliminating the impact of non-recurring operations including asset acquisitions and divestments.

COP 16.3
trillion
in revenue
↑ 17%

COP 1.2
trillion
in net income
↑ 683%

Net income ended the year at COP 1.2 trillion, and net income to the controlling entity was COP 590 billion. The organization's ability to generate operating cash flow was also proven. This item amounted to COP 4.3 trillion, a 53% increase compared to 2020, and allowed it to meet all its obligations, reduce leverage and keep its investment programs in line, closing the year with an outstanding consolidated cash position of COP 2.7 trillion. In turn, Grupo Argos's weighted return on capital employed (ROCE), closed at 9.5%, growing 290 basic points compared to 2021.

Just as in the consolidated results, growth was evident in all lines of the 2021 separate results. Revenues were COP 653 billion, with a positive contribution from the cement, energy, real estate and urban development businesses that, together with the dividends received from portfolio investments, led to a growth of 155%. EBITDA was COP 420 billion, an increase of 405%, and consolidated net income was COP 336 billion.

As regards its equity structure, Grupo Argos ended the year with a separate debt of COP 1.47 trillion, a 7.5% reduction compared to the previous period. 94% of the loans mature after 2023, giving the company greater financial flexibility and allowing it to close 2021 with healthy indebtedness indicators, in line with the AAA and AA+ rating given by Fitch Ratings and S&P Global Ratings respectively, the latter improving its outlook from neutral to positive.

During the year, Grupo Argos managed to structure innovative financing alternatives with the first ESG loan in the country, and one of the first in the world, which it concluded with Bancolombia for COP 392 billion. This operation will allow the company realize the investments it has

made, with conviction, in environmental, social and corporate governance matters. This milestone allowed other Group companies to make their ESG investments tangible through liability substitutions, where COP 2.6 trillion were placed at the end of the year, representing potential consolidated savings of COP 9 billion.

The benefits of the economic reactivation added to years of great efforts by our collaborators to achieve more efficient companies focused on profitability ratify the soundness of the operational leverage achieved by Grupo Argos and its companies, which allow us to present extremely satisfactory results today.

COP 2.6
trillion
in sustainable
financing for the
Business Group



Celsia Solar Divisa
Panama

46%

will be the reduction by Grupo Empresarial Argos of the intensity of CO₂e emissions per million pesos in revenue.

11.4

million native trees planted between 2016 and 2021

Generation of sustainable value for stakeholders

Grupo Argos's vision for making a positive impact on its various stakeholders is included in its strategic value proposition and its investments. Besides allowing it to remain one step ahead to ensure the future existence of its companies viable, this vision arises from an understanding that corporations are relevant to society. Along these lines, the company focused on three major fronts for sustainable value generation in 2021: climate change, diversity, and social value.

Throughout the year, the organization moved forward with its climate change strategy to mitigate and offset its consolidated carbon footprint and strengthen mechanisms to adapt the businesses to the effects of this global phenomenon. The goal by 2030 is to reduce the intensity of CO₂e emissions by 46% per million pesos in revenue compared to a 2018 baseline.

In terms of mitigation, Grupo Argos is working developing innovation programs and new technologies that will allow it to: (i) consolidate a power generation grid with at least 25% of its installed capacity coming from non-conventional renewable sources by 2025, a goal that is 10% complete at the end of 2021; (ii) improve the energy efficiency of its operations; (iii) and, specifically in the construction materials business, increase its use of alternative fuels to 33%, reach a 72% clinker/cement ratio, and reduce kiln heat consumption by 10%.

As regards offsets, Grupo Empresarial Argos became consolidated in 2021 as the private actor that has contributed the most to voluntary reforestation in Colombia, having planted of 11.4 million native trees between 2016 and 2021. The purpose is to continue along these lines and increase massive and voluntary tree planting, to the tune of approximately 4.5 million more units in 2022.

In terms of diversity and inclusion, progress was made with establishing and implementing policies to prevent sexual harassment and develop diversity and inclusion training programs. The organization also moved forward with its commitment to breaking paradigms with training programs for women as electricians, firefighters, and mixer drivers.

This commitment was recognized by the *Bloomberg* Gender-Equality Index, an initiative that, in 2021 highlighted the 418 global companies with best equality practices that generate value for their investors through diversity and inclusion initiatives.



Emprender Mujer Program
Antioquia



Conecta Volunteer Work in Cocorná
Antioquia

Hogares Saludables in Manrique
Antioquia



2,500

job vacancies for young people and women with the Corporate Employment Alliance led by Grupo Argos

COP 19

billion in social investment executed by Fundación Grupo Argos in 2021

Along these lines, during 2021, Grupo Argos built and implemented an inclusive leadership model to enable behaviors in our teams that allow us, among others, to continue strengthening this diversity and inclusion strategy value driver throughout the organization. This comprehensive model includes five dimensions of leadership: company results, team consolidation, career development, human essence, and community returns.

In this last area, precisely, Grupo Argos promoted *We Create Social Value*, a program that arose from a genuine interest in protecting employment, strengthening productive chains and generating scalable social innovation processes within the framework of the pandemic. This program materialized a vision for collective and articulated work that has inspired Grupo Empresarial Argos for nearly 90 years to connect labor supply with employment needs around the country, generating 2,500 job opportunities for young people and women.

With a voluntary initiative to support suppliers within the framework of the *Creemos Valor Social* program, liquidity was added to the economy by

reducing payment lead times, benefiting over 9,000 companies in Colombia that provide products and services to our organization and that employ over 500,000 people. More than 7,500 of these are micro, small, and medium-sized enterprises.

Finally, in 2021, Fundación Grupo Argos invested over COP 19,6 billion in a consolidated manner in programs and projects that fell under its two strategic lines: territorial transformation and water resource conservation. In a document on our website, you can find details of the operations of Fundación Grupo Argos made possible thanks to our shareholders' support and generosity.

Grupo Argos's comprehensive vision for sustainability has shown that successful companies can contribute to societies that offer better opportunities and that are able to understand their environment and propose alternatives to improve it.

Our Strategy and Vision for the Future

Grupo Argos's strategic route towards consolidation as an important infrastructure asset manager on the American continent, involving top level associates that will allow it to connect an abundance of global capital with the region's infrastructure needs, configure an important potential for growth that will drive the organization's value generation and comprehensively benefit its shareholders. Added to this objective is the imperative of aligning its share price, and those of its businesses and portfolio investments, to the real performance and fundamental value demonstrated by this Corporate Group. A series of short- and medium-term strategic initiatives are being implemented with this in mind.

The first of these is preparation for listing and issuing Argos USA shares on the New York Stock Exchange. Argos USA gathers Cementos Argos's cement and concrete assets in the United States through a public issue of shares on that country's equity markets and registered subject to the rules of the competent authority, namely the *Securities and Exchange Commission*.

Argos USA would be the largest 100% North American cement company in terms of installed capacity listed on the NYSE, with exposure to that country's cement demand, which will be boosted once the USD 1.2 trillion infrastructure renewal program is approved.

Subsequently, Grupo Argos's infrastructure assets will be consolidated under a single vehicle. Development of the infrastructure business has been the core strategy over the last 10 years, and completion of this operation will allow the company to consolidate a regional asset management platform that will repay the organization's proven management capacity.

The resulting company will gather together the following operations: (i) energy generation, distribution, and transmission; (ii) roadway and airport

concessions; and (iii) the real estate portfolio - a robust asset base that shares similar characteristics including the generation of stable, predictable cash flows with a long-term investment horizon. This consolidation will maximize operational, tax, and equity structure efficiencies, but, above all, it seeks to convey to our shareholders the value and potential of these businesses, which are not being fully recognized by Grupo Argos's share price.

Finally, and as a transparent and efficient mechanism to transfer economic value to shareholders, the Grupo Argos Board of Directors decided to review its dividend policy and propose to the Shareholders' Meeting an increase of 31% on the dividend paid the year before.

Dear shareholders, thank you for supporting and trusting in your organization, and for accompanying a vision for generating long-term comprehensive value that will bring development and progress to millions of people through infrastructure. We are fully convinced that this shared vision will allow the company to continue consolidating its leadership throughout the Americas, generating value for you, our shareholders, and for all stakeholders.

Thank you very much.

Rosario Córdoba Garcés
Ana Cristina Arango Uribe
Claudia Betancourt Azcárate
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.

Grupo Argos has implemented an internal control system to ensure adequate preparation and presentation of financial information to its shareholders, the market and the public at large. In 2021, the company's Management, Risk Evaluation Department, Internal Auditor, Statutory Auditor and Board of Directors, through its Audit, Finance and Risk Committee, conducted an internal control system review and concluded that it works properly.

Grupo Argos also held three extraordinary sessions of the General Shareholders' Meeting on December 3, 2021, January 4, 2022, and February 21, 2022 to decide on authorizations required in terms of potential conflicts of interest of certain Grupo Argos Board members to deliberate and decide on takeover bids related to ordinary shares of Grupo Nutresa S.A. and Grupo Sura S.A. Similarly, the Grupo Argos Board of Directors, in sessions following the extraordinary sessions of the General Shareholders' Meeting, deliberated and decided on these takeover bids.

All the above was reported to the market over relevant reporting channels.



Pacífico 2
Bolombolo, Antioquia

Grupo Argos's legal matters, including legal and administrative proceedings, are being dealt with in a timely manner by the Directors and Counsel and no material rulings affecting the company's financial situation were handed down.

Finally, a report on the implementation of Country Code recommendations can be found at www.grupoargos.com.