



Management Report

01

Management Report from the Board of Directors and the CEO



Martinsburg Plant
- Cementos Argos
United States

Dear shareholders

[2-22] Thanks to your support, backing, and the trust you have placed in us to manage your capital, we reaffirm our commitment and conviction regarding Grupo Argos's capacity to create value. In a year with a challenging macroeconomic outlook, all businesses proved their structural soundness and the power of the strategy developed and implemented over the last decade to materialize their purpose of creating value for all our stakeholders.

In 2022 Grupo Argos achieved financial results that were unprecedented in its almost 90 years in existence. Revenues amounted to COP 21.3 trillion and EBITDA ascended to COP 5.2 trillion. Net income ended the year at COP 1.4 trillion, whereas net income to the majority shareholder was COP 881 billion. This all goes hand in hand with close to COP 1 trillion of deleveraging in our net debt.

The organization's evolution in recent years is a reason for pride and is evidence of Grupo Argos's capacity for transformation. The company evolved from a local cement company to a Multilatin that operates in the construction materials, energy, concessions, and real estate income sectors in 20 countries and territories around the Americas. We offer products and services that positively impact the lives of millions of people every day: from El Dorado Airport and Túnel de Oriente, to energy services for around 1.3 million customers. We produce the cement and concrete that drive the country's infrastructure growth, and develop urban projects that positively transform cities and lives.

As part of our process, around half of our revenue now comes from outside Colombia and from other businesses than cement. This expansion and geographic diversity have provided the organization with flexibility to mitigate the effects of the exchange rate volatility currently extant in the country. Over 50% of the EBITDA of our cement business comes from the United States, which makes investing in Grupo Argos a way to have exposure to the most important economy in the world.

Unfortunately, a year of excellent results was overshadowed by an issue that concerns and occupies us: Our share price performance. This problem is not exclusive to Grupo Argos. It is a structural reality of the Colombian stock market, where shares currently trade at a massive discount compared to other equity markets around the world. Nonetheless, aware of our responsibility to our shareholders, we continue prioritizing projects that will help close the gap between our business's fundamentals and their stock price on the market, as well as implementing measures to transfer value to them.

Along these lines, in 2022 we drove 30% growth in dividends for Grupo Argos, 40% for Cementos Argos, and 50% for Celsia. This year, an increase of 15% will be submitted for consideration by our shareholders. We will also submit, for consideration by our shareholders, an authorization to buy back up to COP 500 billion in company stock over the next three years. Both Celsia and Cementos Argos's shareholders will also consider an authorization to buy back up to COP 300 billion and COP 250 billion in stock, respectively, reaffirming our trust in the fundamentals of all our businesses.

➤ **COP 21.3 trillion**
Revenue
+31%

➤ **COP 5.2 trillion**
EBITDA
+21%

➤ **COP 881 billion**
Net income
+49%



Celsia Solar Comayagua
Honduras



Cartagena Plant - Cementos Argos Bolívar

In 2022, Grupo Argos continued its consolidation as a reference in the infrastructure management sector. Its partnership with *Macquarie Asset Management* as Odinsa's partner in its roadways and airports platform, not only proves the trust that top-level investors have in the organization, it is also evidence that the company is managing to execute its vision for the future: Grupo Argos is now an asset manager, and this reality will grow deeper every day.

The project to list Argos USA on the New York Stock Exchange is also moving forward apace, and we hope to conclude it as soon as market conditions are appropriate.

The company continues to think about and move towards its future, but it is also excited about its present. The results of each of our businesses, presented below, are proof of this.

Business Performance

Cement

Cementos Argos reported positive results in 2022, with significant revenue growth, and achieving one of the highest operating EBITDAs in its history, surpassing COP 2.1 trillion, and ending the year with an indebtedness indicator of 2.8 times net debt/ebitda. All three regions posted double-digit revenue growth. Revenue grew 12% in Colombia, 23% in United States, and 17% in Central America and the Caribbean. In turn, cement volumes were 16.2 million tons at year end, and concrete volumes stood at 7.5 million cubic meters.

Exports last year were a record 1.2 million tons, a 28% increase compared to 2021. This was possible thanks to the expansion of the Port of Cartagena, optimized industrial processes that achieved a 10% increase in production capacity, and the refiring of kiln 3 at the Cartagena Plant

and kiln 2 at the Toluviejo Plant. Concrete volumes in Colombia grew 14%, driven by close to 30% year-over-year growth in construction licenses in the country.

In turn, in the United States, the Roberta, Harleyville and Newberry plants transitioned production to *Portland Limestone Cement IL* (PLC), resulting in increased production capacity while reducing their carbon footprint. In this region, all our plants – except Martinsburg – are operating at full capacity.

Construction spending in that country grew around 12% in 2022. We expect this trend will continue in 2023, driven mainly by the infrastructure and commercial segment after the entry into force of the "*Infrastructure and Employment Investment Bill*" that was passed by Congress.

- **COP 2.1 trillion**
Cementos Argos Ebitda
- **16.2million tons**
Cement Volumes
- **7.5million cubic meters**
Concrete Volumes



Argos USA also signed an agreement with *Smyrna Ready Mix Concrete, LLC.*, to sell 23 concrete plants (18 in North Carolina and five in Florida), with five-year cement supply rights. The total value of this sale was close to USD 93 million. This initiative is part of the efforts made by the company to divest assets that are not integrated into its logistics network and to use these resources to decrease its leverage.

Along these same lines, the company made progress with the requirements for listing the United States cement business on the New York Stock Exchange. As part of this process, Argos North America signed a USD 750 million, five-year loan agreement to refinance its debt, intend to improve its financial costs and maturity profile, without increasing the organization's leverage. At this time, the company is ready to look for a market window that will allow implementing this initiative, as soon as it sees reasonable multiples and variables for shareholders.

Túnel de Oriente Antioquia

Infrastructure

Energy

Our energy business had historic results Consolidated revenue was COP 5.6 trillion, with an EBITDA of close to COP 1.8 trillion, growing 30% compared to the previous year. Consolidated net profit ended the year at COP 442 billion, an excellent result despite the impact of increased financial spending due to higher interest rates.

In 2022, Celsia continued to add assets to generate clean and reliable energy for Colombia and the region. One of the most outstanding of these was the El Tesorito Thermoelectric Power Plant in Sahagún, Córdoba, which began commercial operations in September and made 200 MW of installed capacity available to the National Interconnected System. This plant required an investment of USD 210 million, which included the installation of 11 state-of-the-art, low emission and high-efficiency gas engines.

Parque Solar Prudencia
Panama



➤ **COP 5.6 trillion**
Consolidated revenue

➤ **COP 1.8 trillion**
Ebitda

➤ **COP 442 billion**
Net income

In 2022, through C2 Energía, its investment platform for solar farm development, the company also brought an additional 80 MW online, and is building 172 MW more, which will bring the platform up to 300 MW by the end of 2023. With its solar generation capacities, Celsia continues its consolidation as a key actor in the country's energy transition.

Quality of service for the transmission and distribution system was maintained in all markets, even including the challenges of the rainy season in Colombia and its effects upon infrastructure. Within this segment, Caoba, the transmission investment platform, continued expanding its asset base. Operating income totaled over COP 224 billion, growing 24%, and EBITDA was over COP 194 billion, growing 25%.

In the commercialization segment, global inflation during 2022 had an impact on local energy rates. In conversation with the National Government, a solution was reached to change the indexes and effectively reduce those rates. Celsia adhered to this voluntarily, with a reasonable financial impact, given the circumstances that gave rise to that situation, and a positive outcome for our clients.

In 2023, Celsia will remain focused on maintaining its growth and further expanding its leadership in non-conventional renewable energy in Colombia. This company is prepared to play a key role in the energy transition demanded by the country and the world, maintaining high sustainability and quality standards and providing economic and social benefits for its shareholders.

Concessions

In 2022, our roadway and airport concession business proved its resilience by ending the year with results that show it has fully recovered from the effects of the Covid-19 pandemic.

The performance of Odinsa's roadway concessions continued to improve, and ended the year with over 39 million vehicles, an increase of 15% compared to the previous year. Increased traffic resulted in higher internal rates of return for each concession. A highlight was the performance of Túnel de Oriente, where average daily traffic increased 30% compared to the previous year and reached levels estimated for 2032.

In turn, airport traffic ended the year with 40.7 million passengers mobilized. Both Opain and Quiport grew over 60% compared to the previous year. This resulted in greater profitability, a highlight of which was substantial growth of the expected internal rate of return for El Dorado, which increased from 13% to 17% per year in 2022.

➤ **Roadway traffic:**
39 million vehicles
+15% vs. 2021

➤ **Airport traffic:**
40.7 million passengers
+60% vs. 2021



➤ **Túnel de Oriente**
Antioquia



➤ **Pacifico 2**
Antioquia



El Dorado Airport
Bogotá

Besides considerable growth in its operating results, in 2022 Odinsa achieved great milestones towards realizing its long-term vision. The most important of these, without a doubt, was the announcement that a COP 1.4 trillion airport platform would be created together with *Macquarie Asset Management*, the manager of the world's largest infrastructure fund, with whom the company had already entered into an agreement to create Odinsa Vías, the road concession platform that now manages Túnel Aburrá Oriente, Pacífico 2, Malla Vial Del Meta and Autopistas del Café.

Macquarie and Odinsa will each have a 50% stake in the new airport platform. Upon the conclusion of this transaction, this partnership will hold 65% of Opain and 46.5% of Quiport. Given its extensive capacity, experience and knowledge of the assets, Odinsa will carry on as the private equity fund manager and will be remunerated for its role.

Also in the airport segment, at the end of the year, the company received approval from the National Infrastructure Agency (ANI, in Spanish) for the prefeasibility of the El Dorado Max Private Initiative. An over COP 7 trillion project that intends to expand and improve the existing infrastructure of the El Dorado Airport in Bogotá including new construction projects to expand its capacity to 60 million passengers a year.

Thanks to operations performed by the company throughout the year, Odinsa prepaid practically all its debt, which provides it with significant financial flexibility for upcoming business opportunities.

To close this chapter, we would like to mention Decree 0050/2023 that freezes the rates for

143 tolls throughout the country. As a company, we would like to issue a call for calm, as 75% of Odinsa's road traffic was not affected by the Colombian Government's decree. This decree also defines compensation mechanisms for concessions affected by these measures and a mandate to reestablish the rates, which is fundamental for the concessions' economic and legal stability.

However, considering the long-term effects for the sector, we would invite the Colombian Government to maintain the rules of the game and the institutions that have enabled, through public and private partnerships, reducing the infrastructure gap, which is of such importance for the country's competitiveness, development, and, especially, social inclusion.

As regards the electrical industry, the government issued Decree 0227 by which the President of the Republic took over, for a period of three months, the general functions delegated to some of the public utility regulatory commissions, including the CREG, making the President responsible for issuing specific acts of administration.

Although no regulatory provisions have been issued to date, we would like to issue a call to maintain the sector's institutions, which have been consolidated for over 30 years, and which have allowed overcoming periods of scarcity in energy generation without requiring rationing as was experienced in 1992, as well as building and financing large infrastructure projects with solid and stable regulations over time. These institutions have also allowed coverage to increase to around 97%, from 80% during the 1990s. Quality indexes are improving and, as a country, we must foster conditions that will maintain its energy security, which is a social and economic enabler that we cannot take for granted. We are convinced that a fairer and more sustainable economic system must be built on the institutional framework that has been developed for decades.

Real Estate Business

2022 was an extraordinary year for Grupo Argos's Real Estate Business. We recorded COP 224 billion in revenues, which resulted in a net cash flow of almost COP 100 billion. Over the next five years this business has signed sales agreements that will represent cash revenues of COP 350 billion for Grupo Argos.

The company completed a very successful call for the third stage of Ciudad Mallorquín and for three blocks of Portal Empresarial del Norte. Our customers sold over than 4,600 VIS units and nearly 2,000 non-VIS units in Barranquilla and Puerto Colombia, equivalent to a 39% and 56% share of the region's market, respectively. This confirms that our projects have the best turnover and sales indices in the metropolitan area of Barranquilla.

In Barú we continue to make progress with positioning it as a great Caribbean tourist destination.

With the opening of the Sofitel Barú Calablanca Hotel - where Grupo Argos contributed the land, managed its structure, and maintains a 20% stake - we managed to place this territory on the Colombian and regional luxury tourism map, positioning the hotel as one of the most representative assets in this category.

Pactia had a net operating revenue of COP 256 billion, growing 8%, and a consolidated EBITDA of COP 187 billion, 15% growth compared to 2021. Income was COP 243 billion, growing 49% over the previous year. The business also ended the year with a gross leasable area of 804,000 sq. mt. and COP 3.9 trillion in assets under management, and assets in all segments have high occupancy levels: 95% for commercial, 99% for logistics, and 96% for office space.

► **COP 224 billion**
in revenue

► **COP 350 billion**
in assured cash revenue over the
next 5 years

Ciudad Mallorquín (render)
Atlantico





► **COP 3 trillion**
in debt reductions
over the last 3 years

► Rioclaro Plant - Cementos Argos
Antioquia

Financial Results

As mentioned earlier, Grupo Argos ended 2022 with historic results. Revenue was COP 21.3 trillion, a 31% increase over last year, and EBITDA was COP 5.2 trillion, a 21% increase. Net income ended the year at COP 1.4 trillion, and net income to the majority shareholder was COP 881 billion.

Outstanding figures in a lot of the businesses went hand in hand with a deleveraging policy that, considering the volatile economic environment and considerably increased financing rates, resulted in significantly reduced financial expenses. We reduced our net debt by over COP 3 trillion over the last three years, equivalent to over half the consolidated EBITDA recorded for 2022. Decisions to divest in non-strategic assets and the use of these and other resources to pay off debt, allowed mitigating con-

solidated financial costs, which nonetheless grew by approximately COP 450 billion. If these decisions had not been made in a timely manner, financial costs could have had an estimated impact of another half trillion pesos on our consolidated results.

Grupo Argos's separated debt ended the year at COP 1.1 trillion, with 99% of its loans maturing after 2023. This provides the company with greater financial flexibility and allowed it to close the period with healthy indebtedness indicators that are in line with its current credit rating. Financing rates have increased worldwide, which has meant that the cost of debt at the end of the year was 12%, a 500 basic point increase over 2021. Nonetheless, the company put in place a series of hedging mechanisms to partially mitigate this increase.

Long-term value creation

Since it was founded in 1934, Grupo Argos has been a proudly Colombian organization that believes that ethical and responsible operations are both a necessity and good business. This is a company that, since it distributed its first dividend to shareholders in 1938, has never stop doing so.

Over the last decade, the organization continued its history of growth and accelerated a process of transformation and diversification that provide it with an optimal competitive position to deal with the current economic environment and take advantage of new opportunities in the regional infrastructure sector.

In 2012, Grupo Argos generated an EBITDA of COP 1.6 trillion. To date, that figure has grown 3.3 times over, ending 2022 at COP 5.2 trillion. This

growth in operational performance occurred largely because the company managed to double EBITDA generated in Colombia from COP 1.5 trillion to COP 3.3 trillion over 10 years, and multiply by almost 10 times EBITDA generated in other countries, from COP 0.2 trillion in 2012 to COP 1.9 trillion in 2022.

Under volatile exchange conditions, Grupo Argos has greater stability and flexibility due to the benefits brought by its diversification and growth over the last decade. Apart from this, in 2017, almost half of the organization's revenue, on average, has come from sources other than the cement business. This is proof that while the organization has diversified geographically, it has also diversified its lines of business.

Grupo Argos has greater stability and flexibility due to the benefits brought by its diversification and growth over the last decade.

Over the last 10 years, EBITDA has multiplied by 3.3 times



► Puerto Cartagena
Cementos Argos
Bolívar

Harleyville Plant
Cementos Argos
United States



Share price

Now, it should be highlighted that the organization's evident generation of economic value is not being reflected by Grupo Argos's share price. Proof of this is that the company is trading at less than half of its carrying value while, on average, throughout the time it has been listed on the stock exchange, this price has exceeded its carrying value at the end of each year.

This decoupling is due to multiple causes, some of them exogenous, including a low appetite of international investors for equity assets in emerging markets, a lack of liquidity in the Colombian market, political and institutional uncertainty in Colombia, and global economic volatility.

This value and price gap affects many companies listed on the Colombian Stock Exchange. At the start of 2023, the median price-to-book multiple among issuers on the Colombian exchange was close to 0.6 times, a factor without precedent. For reference, this same multiple for S&P 500 companies was above three times. In 2022 the change in share price amongst companies listed on the Colombian Stock Exchange, excluding those subject to takeover bids during the year, was close to -30%. This is a widespread decoupling that represents a greater challenge for implementing initiatives that will help close the gap between the organization's stock price and its value.

When observing the historical evolution of Grupo Argos's share price in recent decades, its value has increased the most with the stock market entry of PFAs, passive funds, and international institutional investors. However, in recent years, no new actors have been interested in providing sufficient dynamics and bring efficiency to the Colombian Stock Market.

Grupo Argos's business fundamentals are still extremely positive, and we are fully confident in

the organization's value. In the long term, market prices should converge with the fundamental prices of companies that have consistently solid results. Colombia is a country with many opportunities. So long as issuers can continue to maintain their positive results and the country continues growing, we are convinced that the market will recognize a fair value for the stock listed on the market.

- Price vs. carrying value (P/PV):
BVC (median):
0.6 times
- S&P 500 (median)
-30%times

Strategy

To address these complexities of the Colombian stock market, in 2021 we publicly announced a strategic plan that intends to transfer greater value to our shareholders. Odinsa's partnership with *Macquarie Asset Management* is a milestone that proves that this is not just a vision for the future, but that we are already achieving that vision.

This segment has been the axis of Grupo Argos' strategy over the last 10 years. The organization is now evaluating the most efficient business, tax, social, and financial mechanisms and alternatives to consolidate and extend this business model. Its

first approaches with potential investors has found an appetite for the type of assets and geographies where Grupo Argos has a business presence.

It should be noted that this vision is essentially the same as other infrastructure asset managers, where the company acts as a professional private equity fund manager and receives management and success commissions for that work. This strategy will enable further growth and maximize returns for shareholders as Grupo Argos diversifies its revenue streams and receives remuneration for its intellectual capital and management capacity.



Wind Farm
Guanacaste
Costa Rica



Autopistas del Café
Coffee Growing Region

Takeover bids

As communicated through the relevant reporting mechanism, Grupo Argos's Board of Directors decided not to participate in the takeover bids for ordinary stock of Grupo Sura and Grupo Nutresa in 2022, considering the technical and strategic analyses submitted by *J.P. Morgan* and the legal analyses submitted by the company's external legal counsel. These decisions were founded, among other reasons, on the successive and increasingly more expensive bids made by the different bidders, which confirm the strategic and economic value of Grupo Sura, Grupo Nutresa, and the companies they invest in, as well as their potential for creating greater value for all their shareholders, including Grupo Argos.

The Board of Directors also considered that the isolated prices offered per share could not be the sole value used to make decisions. It considered, among others, the proration risks resulting from the fact that these were partial takeover bids, and their impact on the price and value of the remaining shares, as well as the strategic and financial

value of the deciding share packages in Grupo Sura and Grupo Nutresa, which Grupo Argos holds, considering the bidders' share of these companies. The Board also considered the uncertainty and risks for Grupo Argos and its shareholders, given Grupo Sura and Grupo Nutresa's stake in Grupo Argos, as regards the company's and its affiliate's business plans, as these have been hostile takeover bids.

The Board of Directors also analyzed several scenarios related to the potential non-realization of these takeover bids due to the way in which the bids were structured and, specifically, their effects on Grupo Argos, its shareholders, and the other companies in Grupo Empresarial Argos and their shareholders.

Grupo Argos's investments in Grupo Nutresa and Grupo Sura have represented benefits for the organization's shareholders, with internal rates of return of close to 20% per year over the last 20 years. They have supported the growth of Grupo Argos and its businesses and a sustained distribution of dividends throughout its history.

Sustainable value creation for stakeholders

Grupo Argos's results and consolidation today are the virtuous consequence of a corporate vision that has been maintained over time and is founded on an essential conviction: Corporate success is possible, and, moreover, is exponentially higher, when it seeks to benefit all the organization's stakeholders and is balanced with the creation of social value and with care for the environment. This vision was recognized by the *Dow Jones Sustainability Index*, which ranked Grupo Argos and Cementos Argos amongst the most sustainable companies in their sector in the world for the tenth consecutive year.

This year, the company made progress in all lines of its sustainability strategy. On the climate change front, Grupo Empresarial Argos aims to reduce the intensity of its CO₂e emissions by 46% per million pesos in revenue compared to

2018 by 2030. At the end of 2022, we recorded a reduction of 36% compared to the 2018 baseline thanks to energy efficiency and transformation efforts made by the businesses. We have also implemented reforestation programs that have represented voluntary planting of over 15 million native trees in Colombia over the past six years.

The organization's climate change strategy is also being recognized and validated by independent entities. Grupo Argos is undergoing certification by *Carbon Trust* as a carbon neutral company for its 2022 corporate operations, while Celsia received that accreditation from Icontec. In turn, Cementos Argos and Odinsa became the first Colombian companies with climate change mitigation objectives validated by the *Science Based Targets®* initiative.



Educational centers that benefited from Works for Taxes
Tolima

From a perspective of diversity and inclusion, Grupo Argos's commitment to creating inclusive environments that value and respect diversity was recognized by the Bloomberg Gender Equality Index, which includes over 400 companies from around the world. Likewise, *Forbes* ranked Grupo Argos as the most woman-friendly company in the world after evaluating criteria that included competitive salaries, career advancement opportunities, and flexible work arrangement. This organization has a team of over 11,500 people from different backgrounds, generations, cultures, and skills that provide all their talent and commitment to consolidate Grupo Empresarial Argos's capacity for comprehensive value creation. We extend a special recognition to all our employees for the work they have done.

In 2022, the organization continued promoting several shared development initiatives, including high impact initiatives developed through the Social Value Creation program and Fundación Grupo Argos. In the former case, it is worth highlighting the Corporate Group's participation in the Works for Taxes Roundtable, an example of the power of working together, which, last year alone, represented close to COP 90 billion in investment as a result of the efforts of the 10 partner companies.



Since the mechanism began in 2018, we have achieved over COP 200 billion in investments, and benefitted over 240,000 people with school supplies, road infrastructure, and environmental sanitation projects.

Through Fundación Grupo Argos, we have sought to contribute to the planet and to the standards of living of rural families. In 2022, we planted close to 1 million trees, generated almost 800 green jobs, and protected over 3,500 hectares of water basins with conservation and productivity agreements. Finally, to improve standards of living for 25,000 rural families, we delivered 5,500 solutions for access to clean water.

These outstanding results for materializing Grupo Argos's purpose of transcendence from a perspective of social and environmental sustainability were made possible by your generosity, dear shareholders, and the inspiring and dedicated leadership of Camilo Abello, Grupo Argos's Senior Director of Sustainability and the Executive Director of Fundación Grupo Argos, who, unfortunately passed away in December 2022. We want to pay a special tribute to this extraordinary human being in every sense of the word. A professional who shone since his entry to Grupo Argos in 1993 and until his final days. An integral man, a father, and a person with great social sensitivity who knew how to connect with the people around him. Camilo is and will be a symbol of struggle and tenacity and an inexhaustible source of inspiration due to his exemplary life, and, above all, his physical, mental and spiritual strength. We are moved and touched by his early departure. It will be impossible to forget him, as his mark and legacy live and breathe in every corner of the organization.

Delivery of clean and safe water solutions in Puerto Triunfo Antioquia



Grupo Empresarial Argos Employees Colombia

Our vision for the future

On behalf of over 11,500 employees that give their talent and commitment to create value for you and all our stakeholders, I want to thank you for supporting and accompanying Grupo Argos's vision for the future, so we can continue to lead development of the infrastructure that drives competitiveness in Colombia and all the other countries where we have a presence.

Dear shareholders. We acknowledge the structural challenges we face, but, just as we have done throughout our 90-year history, you can be certain of our commitment to creating and transferring value to each of you, so you can perceive the value of the company and its investment portfolio.

Thank you very much.

Rosario Córdoba Garcés
Ana Cristina Arango Uribe
Claudia Betancourt Azcárate
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 2022, 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 January 4, 2022, February 21, 2022, April 19, 2022, and November 16, 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 de Inversiones Suramericana 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 through relevant reporting channels.

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 on the website www.grupoargos.com.