

CORPORATE PRESENTATION

CEMENTOS ARGOS 2024

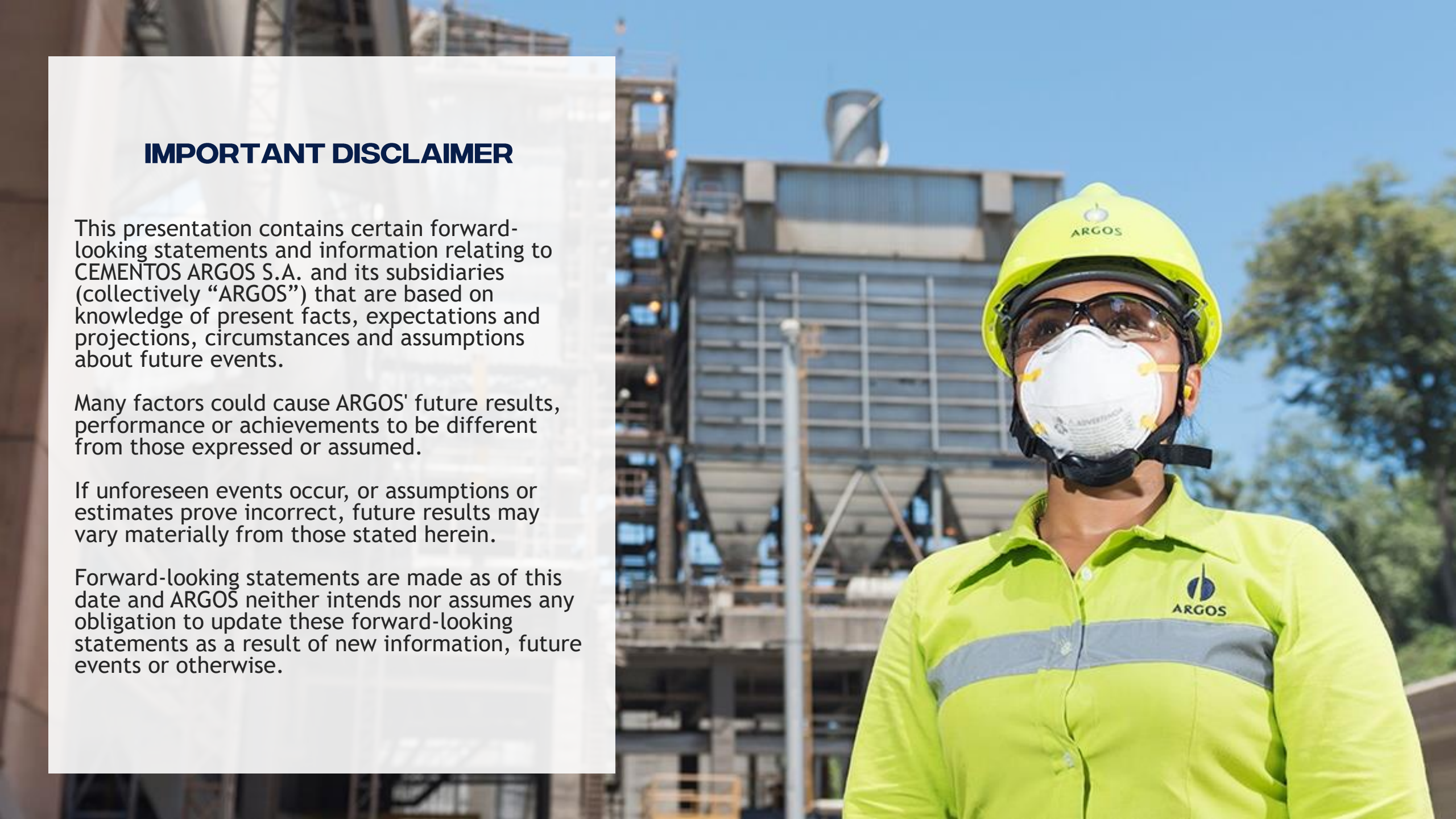
IMPORTANT DISCLAIMER

This presentation contains certain forward-looking statements and information relating to CEMENTOS ARGOS S.A. and its subsidiaries (collectively “ARGOS”) that are based on knowledge of present facts, expectations and projections, circumstances and assumptions about future events.

Many factors could cause ARGOS' future results, performance or achievements to be different from those expressed or assumed.

If unforeseen events occur, or assumptions or estimates prove incorrect, future results may vary materially from those stated herein.

Forward-looking statements are made as of this date and ARGOS neither intends nor assumes any obligation to update these forward-looking statements as a result of new information, future events or otherwise.



INTRODUCTION CEMENTOS ARGOS – STRATEGIC MILESTONES IN HISTORY

1934
FOUNDATION OF THE COMPANY

1934–2005

- 8 cement plants were founded in Colombia
- In the 1970s, **cement exports to the United States began.**
- Consolidated presence in the Caribbean and Central America through joint ventures, exports and trading.

2005
STARTS EXPANSION INTO THE U.S.

2005 – 2017

- Acquisition of ready-mix and cement assets in the US
- Consolidated presence in the US with the acquisition of **4 integrated cement plants, 3 grinding mills, more than 280 ready-mix plants, and 21 ports and terminals.**

2017
OPTIMIZATION OF OUR PRESENCE IN THE U.S.

2017 – 2024

- **US EBITDA grows +56% vs. 2016**
- **Strategic divestitures** of ready-mix clusters
- Concentration of ready-mix **business in urban areas and close to own cement plants**

2024
ASSET COMBINATION WITH SUMMIT

2024

- U.S. assets are **combined with Summit Materials**, creating the **fourth-largest cement company** and sixth-largest aggregates company by capacity in the U.S.

WHAT IS CEMENTOS ARGOS TODAY?

ARGOS

ARGOS

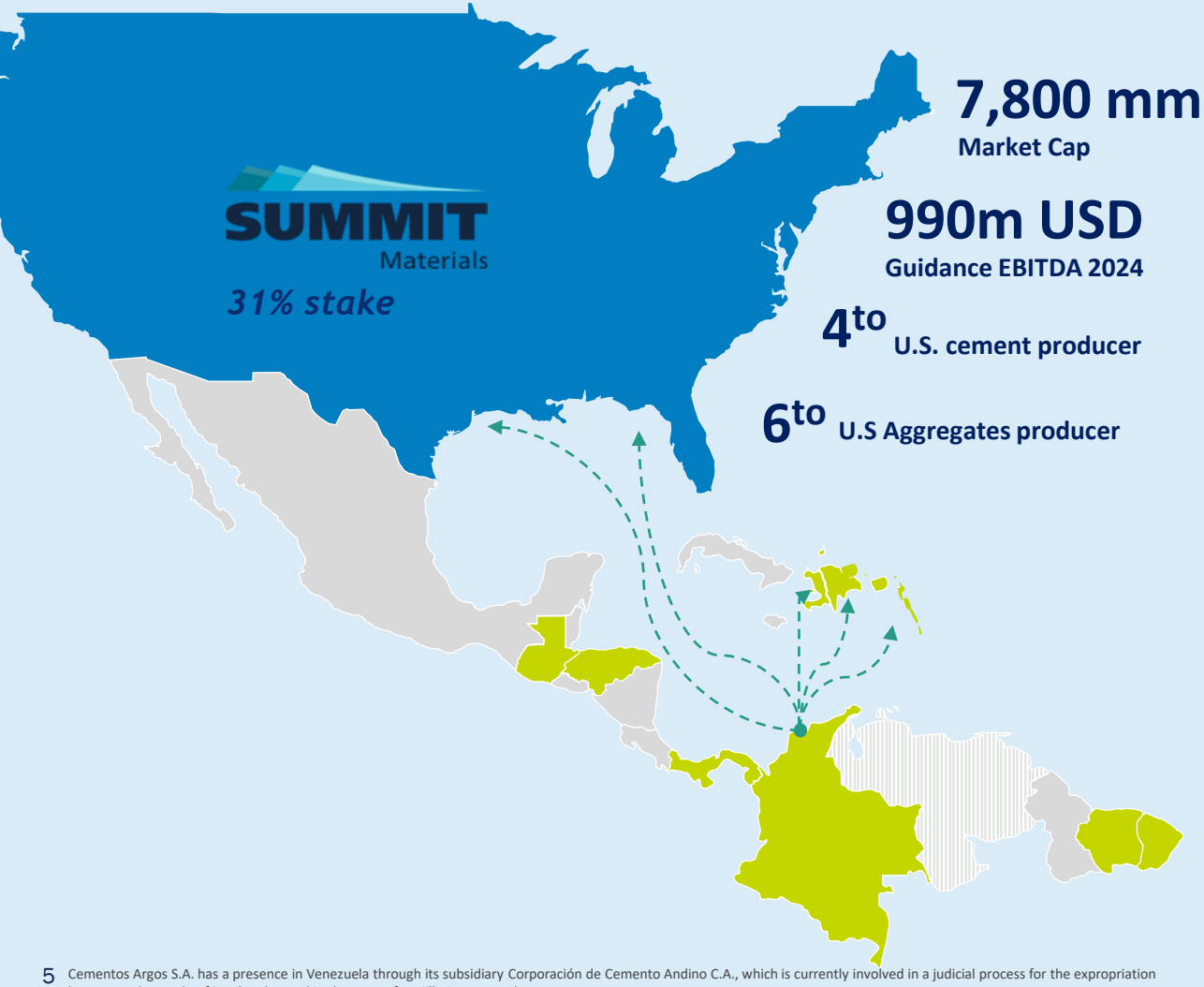
We are **QUALITY OPERATORS OF OUR ASSETS** in Colombia, Central America and the Caribbean.

We are the **MAIN SHAREHOLDER OF SUMMIT MATERIALS** with a 31% stake in the company.

Value-generating businesses leveraged on **COMPETITIVE ADVANTAGES**

CEMENTOS ARGOS TODAY

Cementos Argos is a company with exposure to the U.S. building materials industry through its 31% stake in Summit Materials and is an operator of high-performance building materials assets in LATAM, positioned to supply high-growth markets.



7,800 mm USD
Market Cap

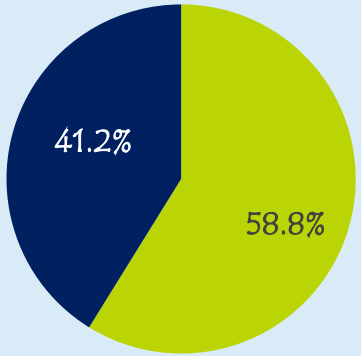
990m USD
Guidance EBITDA 2024

4to U.S. cement producer

6to U.S Aggregates producer

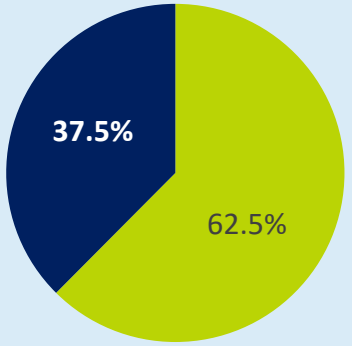
ARGOS LATAM OPERATIONS

1,230 mm USD
REVENUES LTM 1Q24*



Colombia
CCA

295 mm USD
EBITDA LTM 1Q24



7 integrated cement plants
7 cement grinding mills
14.4 MTPA of cement capacity

46 Concrete Plants

Cementos Argos S.A. has a presence in Venezuela through its subsidiary Corporación de Cemento Andino C.A., which is currently involved in a judicial process for the expropriation by Venezuelan trade of its plant located in the state of Trujillo in Venezuela.

WHY INVEST IN CEMENTOS ARGOS?

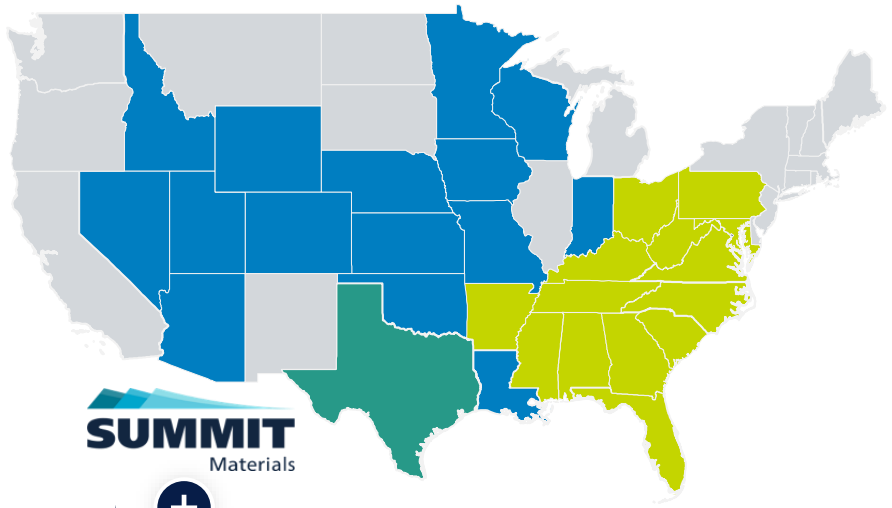


1. **EXPOSURE TO THE U.S.** construction materials market
2. High-performance **ASSET OPERATORS** in LATAM in the materials industry
3. **GROWTH LEVERS** in high-potential complementary businesses
4. **FIREPOWER** for future growth
5. Focus on transferring value to shareholders - **SPRINT**

1 EXPOSURE TO THE U.S. CONSTRUCTION MATERIALS MARKET

CEMENTOS ARGOS, through its 31% stake in Summit Materials, captures the opportunities of the world's most attractive building materials market in an optimal and far-reaching way.

30	11.6	5.5	990 m	>30%
States	MTPA Cement	MSTPA Aggregates	EBITDA Guidance 2024	Mgn EBITDA Adjusted Elevate Summit Goal

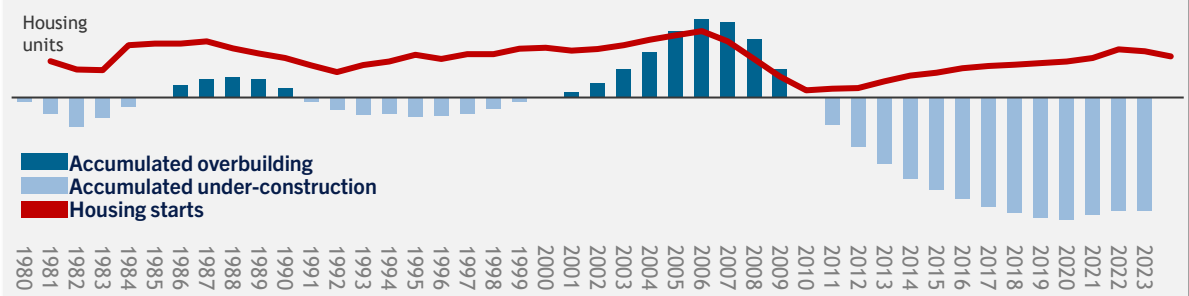


Unique positioning through participation in the Summit platform to capture market opportunities for the country's housing and infrastructure deficit.

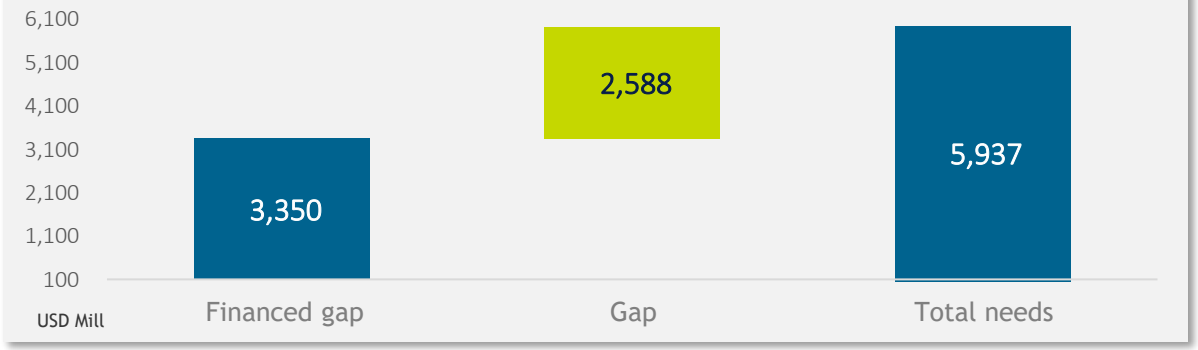
UNITED STATES MARKET

Infrastructure Investment and Jobs Act (IIJA)	Investments of U$1.2 tn for transportation and infrastructure
Inflation reduction Act (IRA)	U$242 billion in investments in clean energy economies

Historical underbuilding of the U.S. housing market.



Cumulative infrastructure investment needs in the U.S.



2 HIGH-PERFORMANCE ASSET OPERATORS IN LATAM IN THE MATERIALS INDUSTRY

COLOMBIA

6 Cement plants

40 Concrete plants

1 Sea port

5 Aggregates plants

8.5 MTPA Cement Capacity

- ✓ **Multi-planta** interconnected with the country's most efficient logistics network
- ✓ **+9,000** active customers
- ✓ **90%** of the national territory covered
- ✓ **+7,000** direct hardware stores

MARKET

Annual domestic cement demand

13

M Ton



40% BULK

- ✓ Formal housing
- ✓ Infrastructure
- ✓ Driven by economic cycles



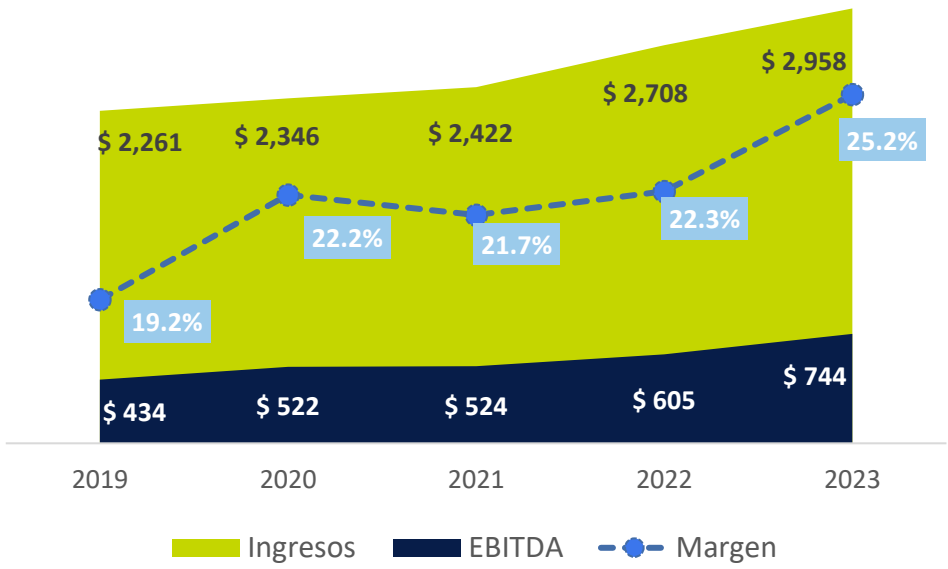
60% BAGS

- ✓ Retail sales
- ✓ Driven by private consumption
- ✓ Resilient to weak economic cycles

We are the largest integrated producer, with national coverage and a strong competitive advantage to capture growth in infrastructure and housing.

2019 – 2023

Billions of pesos



2 HIGH-PERFORMANCE ASSET OPERATORS IN LATAM IN THE MATERIALS INDUSTRY

CENTRAL AMERICA AND THE CARIBBEAN

1	7	6	10	1
Cement plant	Grinding stations	Concrete plants	Sea ports	Aggregates plant

- ✓ **Market leaders in** Honduras and Panama
- ✓ **Recent incursion into Guatemala**, interconnected with Honduras
- ✓ **Panama maritime terminal** for exports and imports

Honduras

42% Of regional EBITDA

- Country's demand : 2.4 million tons
- Market: 80% informal, 20% formal
- Integrated plant to supply the local market + Guatemala

República Dominicana

26% Of regional EBITDA

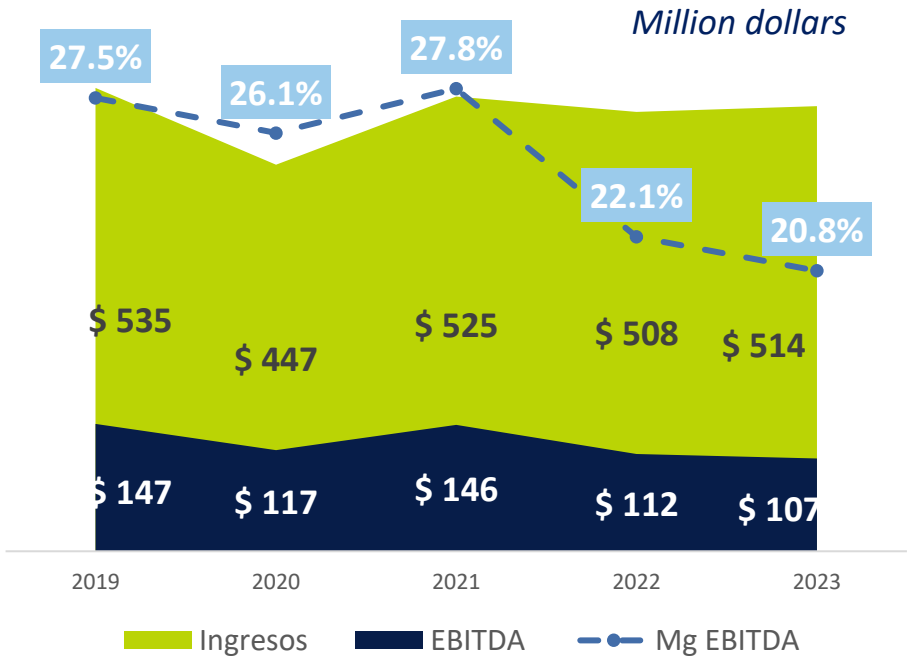
- Country's demand: 5.4 million tons
- Cement consumption derived from tourism, mining and other services and products associated with the country's free trade zones.

Panamá

18% Of regional EBITDA

- Country's demand: 1.2 million tons
- Market: 50/50 between formal and informal
- Diversified portfolio: aggregates, ready mixes

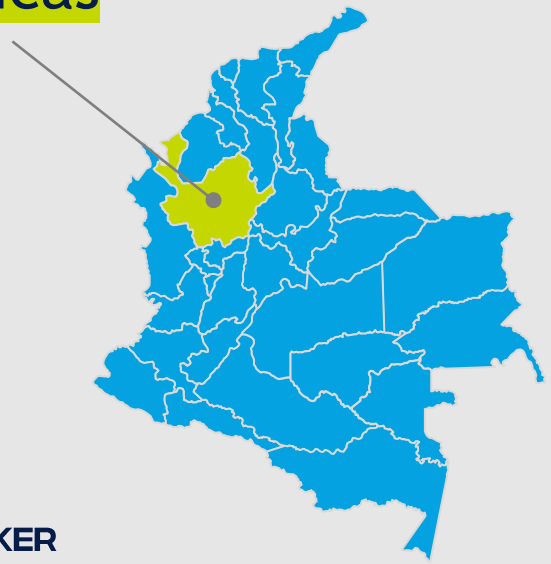
2019 – 2023



3 GROWTH LEVERS IN COMPLEMENTARY HIGH-POTENTIAL BUSINESSES – INNOVATION

CALCINED CLAYS

Largest calcined clay plant in the Americas



- A — 450,000 TPA
  CLAY CAPACITY
- B — Up to -50%
  CO2 EMISSIONS
- C — ~30% of
  CEMENT SOLD LOCALLY
- D — -20%
  IN VARIABLE COSTS VS. CLINKER

Argos USA, now part of Summit Materials, was invited by the DOE to negotiate for a grant to develop 4 calcined clay facilities in the USA.

DIGITAL TWINS

We have solutions at the forefront of the digital revolution.

Combining data science + artificial intelligence to optimize operational performance

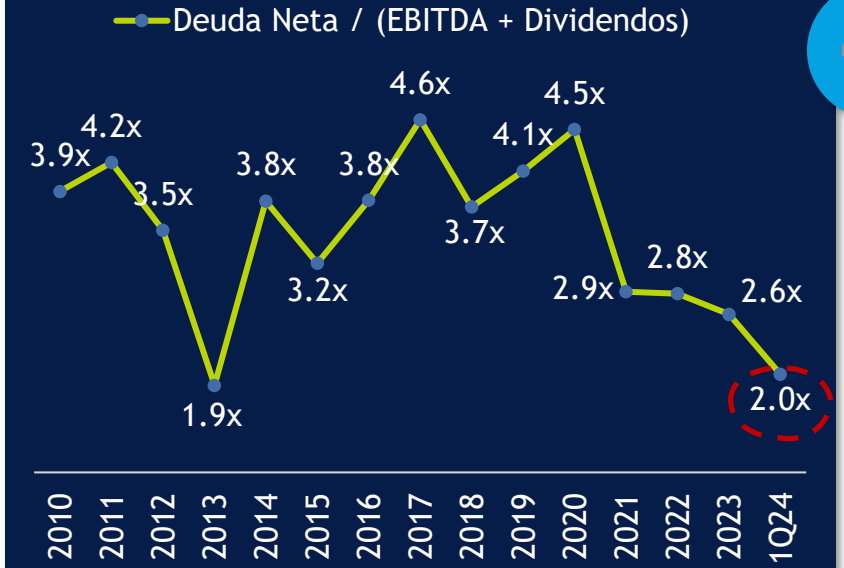
USD 9.0 MM
Saved during 2023

USD 7.3 MM
Estimated savings 2024

It allows to improve indicators such as:
1. **Clinker / Cement Factor**
2. **Caloric consumption**
3. **CO2 emissions**

4 FIREPOWER FOR FUTURE GROWTH

LOW LEVERAGE



-65%
Net debt in 1Q24

NON-OPERATING PORTFOLIO

GRUPO SURA

8.9%
stake

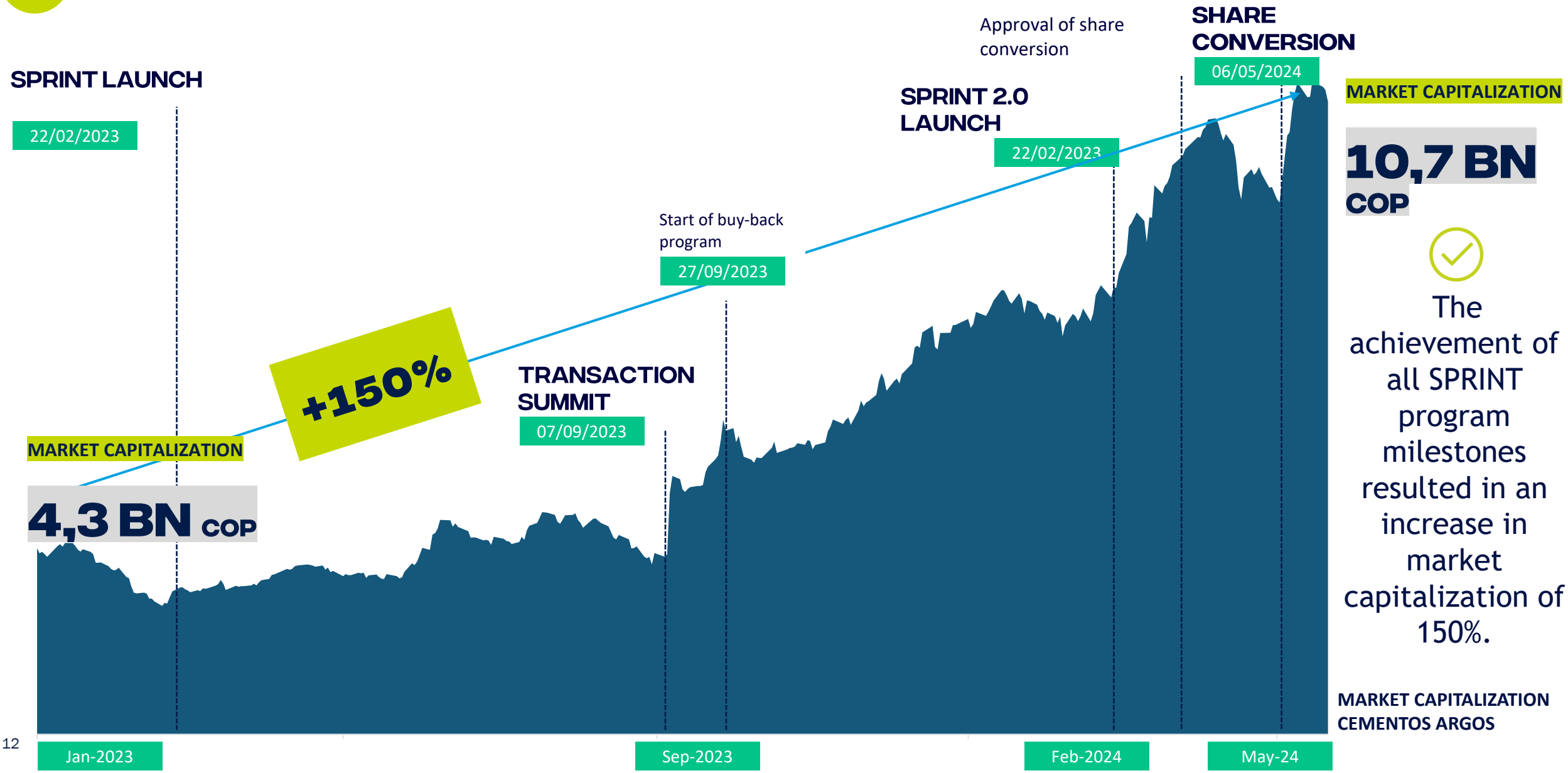
USD
255 MM
Portfolio value

OPPORTUNITIES

1. Growth in core business lines.

2. Levers of growth and entrepreneurship:
   - Calcined clays
   - Trading
   - Exports
   - Aggregates

5 FOCUS ON TRANSFERRING VALUE TO SHAREHOLDERS – SPRINT



The achievement of all SPRINT program milestones resulted in an increase in market capitalization of 150%.

SPRINT 2.0

	1	2	3	4	5	6
PILLARS	Focus on strong results with a special emphasis in profitability ✓	Increase dividend payments to shareholders ✓	~ COP 250 billion share-buy-back program ✓	Listing our US business in the NYSE ✓	Improve the liquidity of our common stock ✓	Convert common non-voting shares to common shares at a ratio of 1:0,85
NEW TARGETS	Improved target of **EBITDA margin >22% for 2024**	Distribute dividends for **COP 585 billion**, which implies a **+31% versus 2023**	Second phase of **COP 500 billion** for share buybacks over a period of 2 years	Integration with Summit Materials and strategic **board participation** will continue throughout the year	**Enhance our Market maker program** to significantly increase the daily traded volumes	The conversion was executed on 6-May-24, we expect it to lead to positive and transformative results for the stock.

The execution of **SPRINT 2.0**, and more specifically the conversion from common non-voting shares to common shares, would increase the probabilities to be included in the MSCI Emerging Markets Index which, in turn, should act a strong catalyst to keep closing the value gap

SPRINT 2.0

ACHIEVEMENTS

1. Share conversion rate of 99.8%
2. Argos US + Summit integration on schedule; synergies ahead of schedule
3. EBITDA margin that is 21 basis points above the guidance, and 238 basis points above last year's
4. Market maker program increased in 42 % the traded volume during the current year
5. 38% executed from current repurchase program & 160 billion pesos of dividends paid in April



We continue to deliver positive results to the market as we advance each pillar of SPRINT 2.0.

TRACK RECORD OF TRANSFORMATION IN THE U.S. MARKET

With our **vision and commitment to long-term value creation**, we executed a disciplined growth strategy in the United States.

As a result, the combination with Summit Materials allows us to transition to a **new business model** to manage our presence in the United States and develop our operations in Latin America.

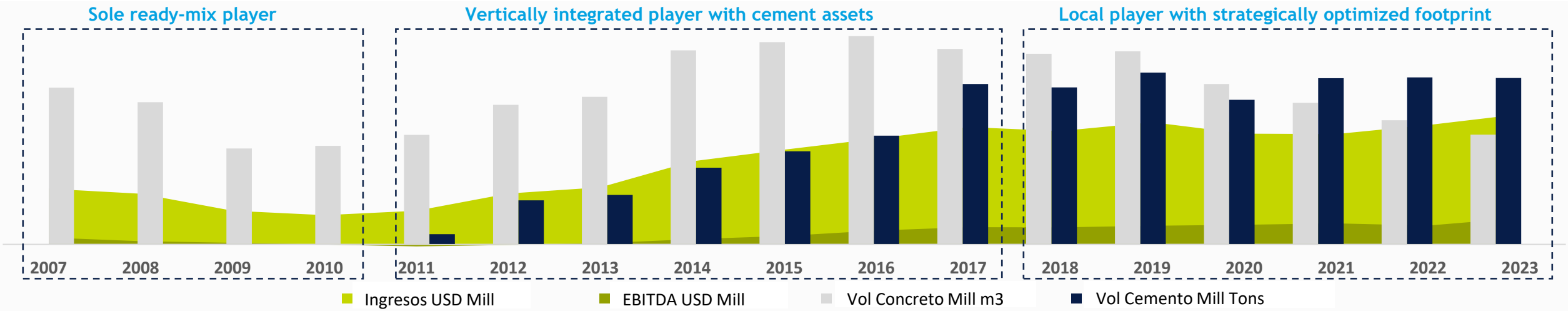
ARGOS USA
In figures

Net investment return
2.9x

EBITDA 4.0x
From 88 in 2007 to 365 Million in 2023

ROCE +700 bps
From 4% in 2007 to 11% in 2023

TRACK RECORD OF EFFECTIVE MANAGEMENT AND OPTIMIZATION IN THE U.S. MARKET



CEMENTOS ARGOS IN FIGURES

LATAM OPERATIONS AT YEAR-END 2023

USD **1,197** mn

REVENUE*

▲ 9.7% y/y

USD **279** mn

EBITDA*

▲ 4.8% y/y

USD **241** mn

Net income

▲ 73.7% y/y

23.8%

EBITDA Margin*

▲ 159 pbs y/y



- ✓ Long-term vision of value creation.
- ✓ Focus on profitability in the regions.
- ✓ Greater financial flexibility due to cash recognition.
- ✓ Net income strengthened by:
  - ✓ Equity method 31% in Summit
  - ✓ Lower financial expenses due to deleveraging

*Figures adjusted by simulating new post-combination structure with Summit

1Q24 – FIRST QUARTER REFLECTING NEW BUSINESS MODEL

1Q24 HIGHLIGHTS

COP 1.3 Tn
REVENUE
-9.3% YoY

COP 291 Bn
EBITDA
+1.6% YoY

2.11 mm ton
CEMENT VOLUME
-12.9% YoY

648 mm m3
RMX VOLUME
-6.4% YoY

Volumes - Adjusted		QUARTER			YTD		
		2023.Q1	2024.Q1	Var	2023.Q1	2024.Q1	Var
Cement	000 TM	2,424	2,111	-12.9%	2,424	2,111	-12.9%
RMC	000 M^3	692	648	-6.4%	692	648	-6.4%

Key Figures - Adjusted		QUARTER			YTD		
		2023.Q1	2024.Q1	Var	2023.Q1	2024.Q1	Var
Revenue	COP Bn	1,446	1,311	-9.3%	1,446	1,311	-9.3%
EBITDA	COP Bn	287	291	1.6%	287	291	1.6%
EBITDA Margin	%	19.8%	22.2%	238 pbs	19.8%	22.2%	238 pbs
Net Income	COP Bn	118	55	-53%	118	55	-53%
Net Margin	%	8.2%	4.2%	-397 pbs	8.2%	4.2%	-397 pbs

For a detailed reconciliation of the adjustments please see the annex

QUARTER RESULTS

Challenging market dynamics in local markets

Strategies put in place to adjust to headwinds

Margin expansion of **238 basis points** totaling **22.2 %**

GUIDANCE

EBITDA MARGIN	**> 22 %**	**+130 BPS YOY**
ROCE	**11% – 12 %**	
CAPEX	USD **110 – 130** mm	**48%** MAINTENANCE | **52%** GROWTH
EBITDA	COP **1.10 – 1.15** Tn USD 262 - 273 mn	COP **+2% YOY** USD +5.0% YoY
NET DEBT /EBITDA	**≤ 2.5X**	

*Guidance measured versus proforma figures excluding the US operations.

DECARBONIZATION TARGETS

2030

To reduce direct CO2 emissions by 29%, with respect to 2006 levels; and to reduce indirect CO2 emissions from electricity purchases by 23%, with respect to 2021 levels*.

**Applies only to the cement business*

2050

Producing and selling carbon-neutral concrete

Reduction of CO2 emissions scope 1 and 2 ($kgCO_2$/t mat cementante)

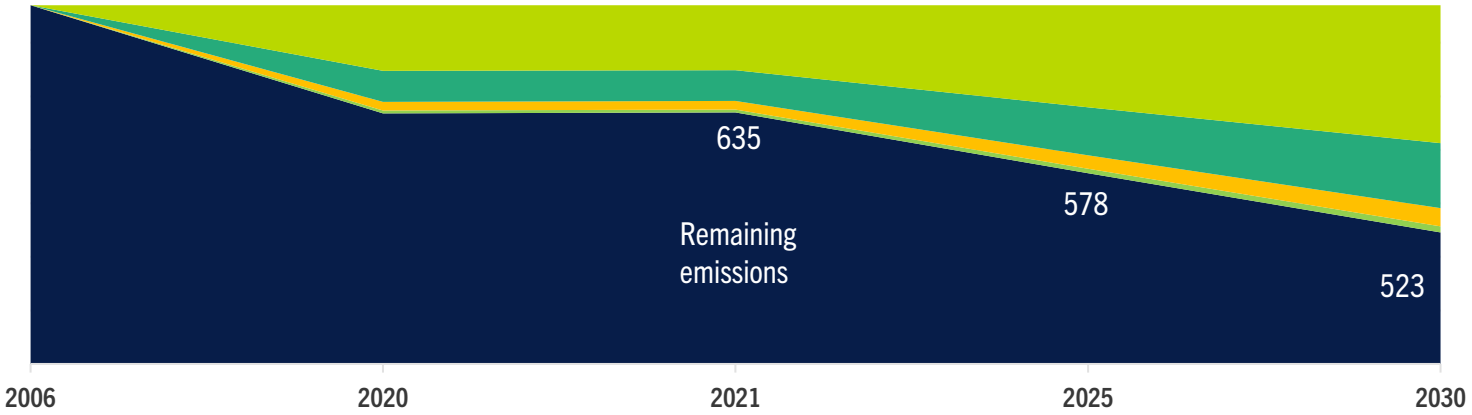
Total, company (cement+concrete+aggregates)



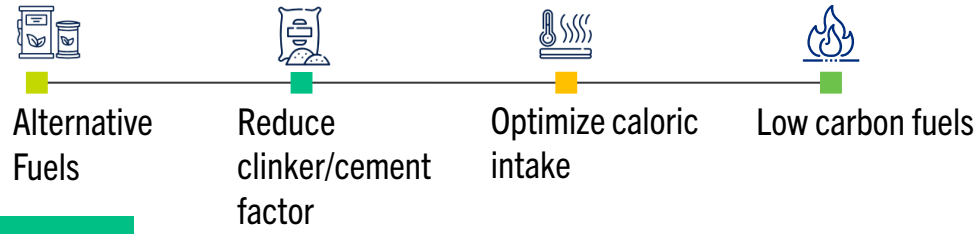
*** Meta validada por SBTi (Science Based Targets Initiative)*

Decarbonization path

($kgCO_2$/t cementitious material)



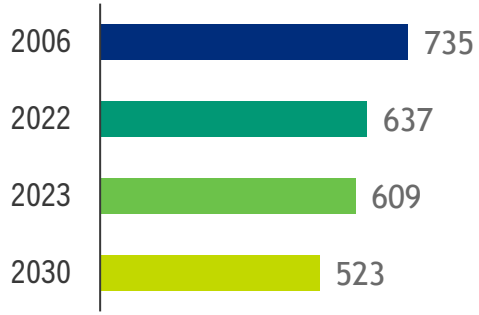
Work focuses



Scope 1 emissions

Direct emissions - cement

$kgCO_2$/t mat cementante





CEMENTOS ARGOS

VALUATION KIT

ARGOS

BUSINESS VALUATION

1 OPERATING PORTFOLIO



31% of stake in Summit Materials valued at

USD 2.2 BILLION

2 OPERATING ASSETS



Operations in Colombia and CCA generate

~ USD 300 MM

In EBITDA per year

Peers

9.1X / 5.4X

EV / EBITDA average

USA / Latam

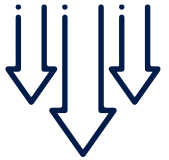
3 GROWTH LEVERS



- Calcined clays
- Trading
- Exports
- Aggregates

CASH AND DEBT

4 FINANCIAL FLEXIBILITY



USD 579 MM

Net Debt 1Q14

2.0X

Net Debt / EBITDA 1Q24

5 NON-OPERATING PORTFOLIO



USD 255 MM

Stock portfolio

SURA Group



CONTACT INFORMATION

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