

NEWSLETTER OF CORPORATE

FINANCIAL RESULTS

May 14th, 2024

WITH POSITIVE FIRST-QUARTER RESULTS AND IN LINE

with the successful execution of SPRINT 2.0, we propose an additional dividend distribution through March 31st, 2024, and an extension of the share repurchase program



- The ebitda margin expanded 238 basis points during the quarter, maintaining the growth trend in Colombia, Central America and the Caribbean.
- Due to the combination of U.S. operations with Summit Materials, beginning in the first quarter of 2024, we recorded 31% of the net income generated by Summit as an equity method in the financial statements.
- With the reduction of debt and greater financial flexibility, we closed the quarter with a debt to ebitda ratio of 2 times, enhancing our ability to explore growth opportunities in the different businesses in the region.

As of March 31st, 2024, we recorded an adjusted ebitda of 291 billion pesos, 2% above the value recorded in the same period of the previous year, and an ebitda margin of 22.2%, with an expansion of 238 basis points.

This result evidences the effectiveness of the strategies implemented to respond to the uncertain conditions and competitive challenges in the local markets, which offset the 13% and 6% decrease in cement and ready-mix volumes, respectively, and the consequent 9% decrease in consolidated revenues, largely due to 5 fewer working days in the period due to the Easter holidays, which for the current year were within the first quarter of 2024, affecting the comparable base with 2023.

In the results, we also highlight that the combination of U.S. operations and Summit Materials creates relevant changes that start to be seen in the financial statements from the first quarter of 2024.

In connection with this transaction, an extraordinary gain of US\$1.4 billion was recorded during the first quarter of the year. At the exchange rate of January 12th, 2024, the transaction's closing date, the accounting record in Colombian pesos in the income statement was US\$5.3 billion.

With the cash received, we significantly reduced our indebtedness by 70% and strengthened our financial position. For the first quarter, the ratio of net debt to ebitda closed at 2 times.

As a result of the combination of assets with Summit, the U.S. operations will not be consolidated in the results of operations. Instead, 31% of the net income generated by Summit each year will be accounted for by the equity method.

With the new business model we leverage a significant exposure in the construction materials industry in the United States, through our 31% stake in Summit Materials; maintaining the direct operation of cement and concrete assets in Colombia, Central America and the Caribbean with an annual ebitda of close to US\$300 million; and strengthen growth levers and additional ventures in trading, exports, calcined clays and aggregates, with all the potential to explore and capture scaling and projection opportunities in our main business lines and initiatives in the different geographies.



PERFORMANCE BY REGIONS:

COLOMBIA REGION



In Colombia, at the industry level, there was a 9.1% decrease in cement shipments. In the case of Argos, the decrease was 8.7% in total cement shipments and 6.3% in ready-mix shipments.

However, price dynamics combined with operating efficiencies and strict cost discipline allowed us to record an ebitda of Ps. 197 billion at the end of March 2024, 8.8% higher than in the same period last year. The ebitda margin was 26.5%, 263 basis points higher than in the first quarter of 2023.

CENTRAL AMERICA AND CARIBBEAN REGION



On a consolidated basis, the Central America and Caribbean region showed a solid performance in the first quarter, achieving an ebitda of US\$34 million, an increase of 14% compared to the same period of the previous year, and an ebitda margin of 23.6%, an expansion of 301 basis points.

Particularly in Central America, the Honduran, Panamanian and Guatemalan markets remained stable during the first quarter of the year compared to 2023, with improvements in prices and costs leveraging better margins. For the period, cement volumes in Central America totaled 417,000 metric tons and increased 2.5% to US\$18 million, with an ebitda margin of 27.5%, 116 basis points higher than last year.

In the Caribbean, the 13% volume contraction versus last year is entirely due to the situation in Haiti, whose social and political problems have been intensifying since the second quarter of 2023. Excluding this impact, cement volumes in the rest of the region's geographies showed a 4% year-over-year increase.

The results of the Dominican Republic, Puerto Rico and the Antilles were the main drivers of the 36.5% expansion in terms of ebitda for the quarter and an overall ebitda margin of 19%, 668 basis points above the results of the first quarter of 2023.

About the Trading business, the first quarter saw the beginning of the operation of the new complementary agreements with Summit, because of which Argos manages all imports of cementitious materials and other raw materials for this company's operations in the United States. During the period, Argos handled 123 thousand tons of cement for Summit and 83 thousand tons of other raw materials such as slag. The Trading unit exhibited a 16% ebitda expansion, mainly due to improved fuel costs and operational efficiencies implemented in fleet management.

ASSEMBLY AS OF MARCH 31ST, 2024

In an Ordinary Meeting held on March 18th, 2024, the Shareholders' Meeting approved the proposal to hold, for this year only, an ordinary meeting with a cut-off date of March 31st, 2024, to make an additional distribution of profits for 429 billion pesos, for dividend payments between July 2024 and January 2025, as well as to authorize a new phase of the share repurchase program for an additional 375 billion pesos.

With these figures, plus the resources approved at the March 18th Assembly, for 160 billion pesos in dividends that were paid in April and 125 billion pesos for repurchases, which are close to 40% executed, Argos will reach total dividend distributions of 585 billion pesos and repurchases of 500 billion pesos to be executed over two years, as announced in SPRINT 2.0, in fiscal year 2024.

The Ordinary Assembly with the cutoff date of March 31st, 2024, has been called for June 13th, 2024, and will be held virtually.

THE SUCCESSFUL SHARE CONVERSION PROCESS

On May 3rd, the process of converting the non-voting preferred dividend shares into common shares was completed, at a ratio of 0.85 common shares to one preferred share.

This initiative was presented as the cornerstone of the SPRINT 2.0 program announced in February 2024 and was submitted for approval by the Shareholders' Meeting at the Ordinary Meeting held on March 18th, obtaining the favorable vote of 88.02 % of the outstanding common shares and 80.67 % of the outstanding preferred shares, equivalent to 100 % of the holders of common and preferred shares present at the meeting.

After obtaining approval from the Colombian Financial Superintendency and a period of 10 business days for receipt of notices of non-conversion, during which shareholders who decided to keep their preferred shares communicated their decision to the company, 99.8% of the preferred shares were converted into common shares, which now represent 99.96% of the outstanding shares of Argos.

As a result, today we are a company whose capital is represented almost exclusively by common stock. In addition, the nearly US\$1.3 billion achieved in float-adjusted market capitalization of these shares exceeds the minimum threshold required to enter the MSCI Emerging Markets index. This provides greater visibility for international investors and allows the right conditions to develop new initiatives to further close the gap between the market value of the shares and their fundamental value.



During the first quarter of the year, our company managed to experience stable market dynamics in most of the territories in which we have a presence. This period was marked by positive results that highlight the company's solid positioning with our customers and the focus of all our teams on continuing to evolve. The expansion of our ebitda margin and the reduction of debt thanks to the profit generated by Summit Materials are not only milestones that enhance our ability to explore growth opportunities in the different businesses but also reflect our continued commitment to generating value for our shareholders and all our stakeholders in the 16 countries and territories where we operate.

Juan Esteban Calle,

Cementos Argos president.

