

Highest recorded EBITDA in our history for a first quarter marks an EBITDA margin expansion of 386 basis points

Report 1Q23

May 9TH, 2023



Cementos Argos S.A. (Argos) is a geographically diverse rapidly growing cement and ready-mix concrete (RMC) company with presence in 16 countries and leading market positions in the US, Colombia, Caribbean & *Central America* (CCA) and total annual capacity of approximately 23.1 million tons of cement.

BVC: CEMARGOS, PFCCEMARGOS

SANTIAGOX: CEMARGOSCL

ADR LEVEL 1: CMT0Y / ADR 144A: CMTRY - Reg-S: CMTSY

We continued to advance in our comprehensive work frame SPRINT:

1. Focus on providing strong operational and financial results, with a special emphasis on profitability, results in EBITDA margin expansion of 368 basis points during the first quarter of the year.
2. A first portion of dividends for 128 billion pesos was approved on our General Shareholders meeting and was full paid during April. Regarding the additional dividend payment of 317 billion pesos and the share buyback program of 250 billion pesos, we reaffirm our commitment with our shareholders to distribute these funds before our 2024 General Shareholders Meeting and continue to work on the alternatives that will allow us to execute the program
3. We continue to be ready to list our US operations in NYSE once market conditions are appropriate.
4. As of April 17th, our ordinary share is again eligible for repo operation in the Colombian market as a result of better liquidity conditions of our stock.

Consolidated Results

For the first quarter of 2023, the adjusted EBITDA stood at COP 597 billion, increasing 70.8% on a comparable basis versus 2022. These results are based on a strong pricing strategy mainly in Colombia and USA, besides the continuation of cost control initiatives. Adjusted EBITDA margin stood at 17.7% for the quarter, increasing 368 basis points versus 2022 on a comparable basis.

In terms of volumes, total cement dispatches reached 3.9 million tons, with a slight contraction of 0.6%, caused by the minor volume decrease in Colombia and the CCA region. Ready-mix volumes, stood at 1.8 million m³, decreasing 2.3% on a like for like basis versus 2022, mainly due to weather conditions in the US and market contraction in Colombia during the quarter.

Volumes - Adjusted		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Cement	000 TM	3,949	3,925	-0.6%	3,949	3,925	-0.6%
RMC	000 M ³	1,798	1,756	-2.3%	1,798	1,756	-2.3%
Key Figures - Adjusted		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Revenue	COP Bn	2,501	3,382	35.2%	2,501	3,382	35.2%
EBITDA	COP Bn	350	597	70.8%	350	597	70.8%
Margin EBITDA	%	14.0%	17.7%	368 pbs	14.0%	17.7%	368 pbs
Owners of the parent co. Adjusted	COP Bn	-4	102	2,236%	-4	102	2,236%
Net Income	COP Bn	12	118	898.6%	12	118	898.6%
Net Margin	%	0.5%	3.5%	302 pbs	0.5%	3.5%	302 pbs

For a detailed reconciliation of the adjustments please refer to the annex.

Results Per Region

USA

FOB prices increased 15.2% in cement and 21.3% in ready mix on the first quarter of 2023, as we announced a price increase to our cement and ready-mix clients at the beginning of the year, aiming at fully offsetting the inflationary pressures that have been affecting our costs since last year.

Cement volumes increased 7.1% and ready mix decreased 2.5% on a like-for-like basis, when compared to the first quarter of 2022, mostly due to rainy weather conditions. Nevertheless, the demand in our states remained positive, despite the deterioration of some macro indicators and the bad weather conditions experienced specifically in Georgia.

Adjusted EBITDA was 76.6% higher year over year on a comparable basis and the Adjusted EBITDA margin expanded 483 basis points compared to the same period of last year in line with our commercial efforts and the overall market trends.

Volumes - Adjusted		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Cement	000 MT	1,401	1,501	7.1%	1,401	1,501	7.1%
RMC	000 M3	1,091	1,064	-2.5%	1,091	1,064	-2.5%

Key Figures - Adjusted		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Revenue	USD M	340	416	22.2%	340	416	22.2%
EBITDA	USD M	37	65	76.6%	37	65	76.6%
Margin EBITDA	%	10.9%	15.7%	483 pbs	10.9%	15.7%	483 pbs

For a detailed reconciliation of the adjustments please refer to the annex.

Colombia

The continuation of our pricing and cost control strategy and the constant quest for profitability, were the main drivers of the strong evolution evidenced in the first quarter of 2023. Local cement prices posted a 24.2% year over year increase, while ready-mix prices rose 24.4% year over year.

In terms of cement volumes, exports from Cartagena increased 15.9%, reaching 345 thousand tons during 1Q23. The local market, on the other side, decreased 9.8% when compared to the same period of last year, due to the total market contraction, the closure of the road from Pasto to Popayan, and a market share loss experienced in January that was rapidly recovered on the following months. On a similar trend, our ready-mix volumes decreased 4.3% on a year-to-year basis.

Total EBITDA increased 39.4% during the quarter reaching COP 181 billion, when compared to the same quarter of last year, mostly due to the price increases and cost control initiatives in both the cement and the ready-mix business, generating an expansion of 488 basis points versus the same quarter of last year. Total EBITDA margin reached 25.4% for the quarter. The EBITDA attributable to exports was 4x the one evidenced during 1Q22, in line with volumes expansion and improved profitability.

Volumes		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Cement	000 MT	1,468	1,400	-4.6%	1,468	1,400	-4.6%
Local Market	000 TM	1,170	1,056	-9.8%	1,170	1,056	-9.8%
Exports	000 TM	297	345	15.9%	297	345	15.9%
RMC	000 M3	649	621	-4.3%	649	621	-4.3%
Aggregates	000 MT	402	313	-22.0%	402	313	-22.0%

Key Figures		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Revenue	COP Bn	632	712	12.6%	632	712	12.6%
EBITDA	COP Bn	130	181	39.4%	130	181	39.4%
Margin EBITDA	%	20.5%	25.4%	488 pbs	20.5%	25.4%	488 pbs

CCA

Local market cement dispatches were 4.9% higher, due to the positive dynamics in Panama, where cement volumes recovered satisfactorily with a 21.3% growth when compared to the same quarter of last year; and the Dominican Republic market, that continued to exhibit solid dynamics resulting in a 14% expansion of dispatches. Trading volumes decreased 31.9% year over year due to our strategy to maximize the usage of our export capacity from Colombia. Average cement prices increased 8.2% when compared to the same period of last year.

In terms of financial performance, we continued to observe a positive evolution during the first quarter of the year, with EBITDA expansion of 2.2% and EBITDA margin steady versus the same quarter of 2022. EBITDA stood at USD 30 million, and EBITDA margin reached 20.6%.

Volumes		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Cement	000 TM	1,080	1,024	-5.2%	1,080	1,024	-5.2%
Central America	000 TM	387	414	7.2%	387	414	7.2%
Caribbean	000 TM	398	408	2.6%	398	408	2.6%
Trading	000 TM	296	201	-31.9%	296	201	-31.9%
RMC	000 M3	58	71	22.1%	58	71	22.1%
Central America	000 M3	31	49	57.3%	31	49	57.3%
Caribbean	000 M3	27	22	-18.0%	27	22	-18.0%

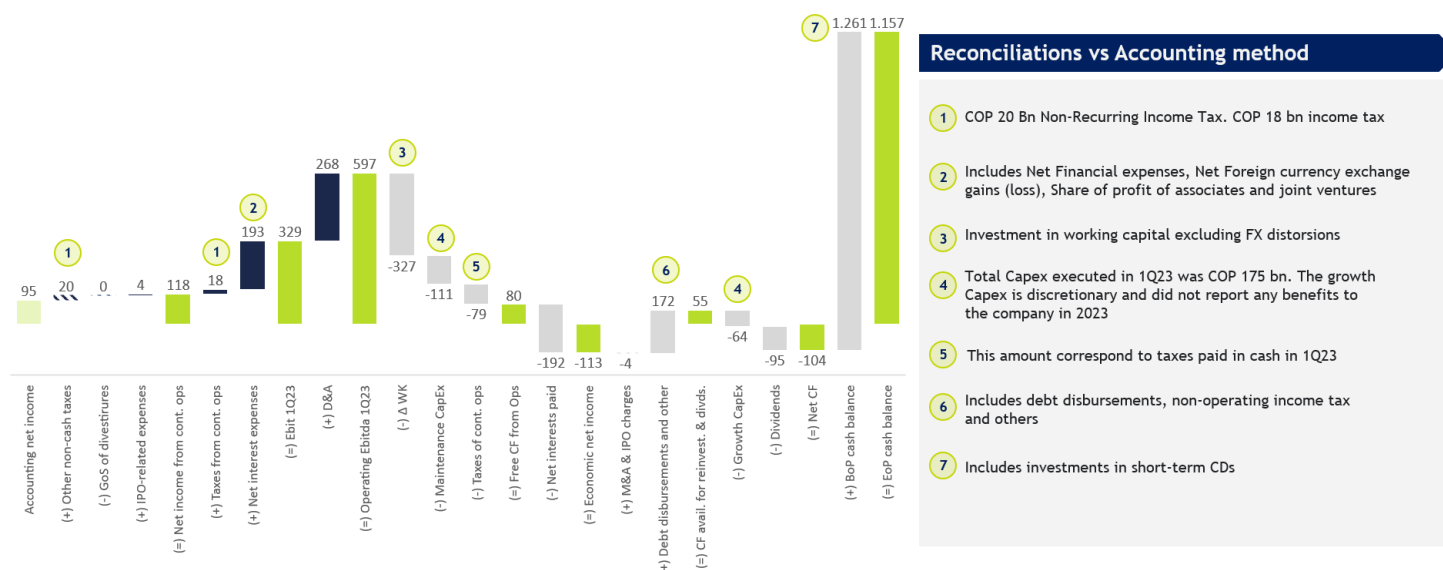
Key Figures		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Revenue	USD M	137	145	5.4%	137	145	5.4%
Central America	USD M	58	67	15.4%	58	67	15.4%
Caribbean	USD M	63	71	12.6%	63	71	12.6%
Trading*	USD M	17	7	-55.8%	17	7	-55.8%
EBITDA	USD M	29	30	2.2%	29	30	2.2%
Central America	USD M	17	18	0.9%	17	18	0.9%
Caribbean	USD M	8	9	10.8%	8	9	10.8%
Trading	USD M	4	3	-9.5%	4	3	-9.5%
Margin EBITDA	%	21.3%	20.6%	-65 pbs	21.3%	20.6%	-65 pbs
Margin EBITDA Central America	%	30.1%	26.3%	-378 pbs	30.1%	26.3%	-378 pbs
Margin EBITDA Caribbean	%	12.7%	12.5%	-20 pbs	12.7%	12.5%	-20 pbs

*Does not include sales to related companies.

Indebtedness and coverage indicators:

Net debt to EBITDA plus dividends ratio slightly increased, closing at 3.1x due, to the sharp Colombian Peso revaluation at the end of March.

Cash Flow as of March 31st, 2023 (COP Billion¹):



Investment Portfolio as of March 31st, 2023:

Company	% Stake	Price per Share (COP)	Value (COP million)	Value (USD million)
Grupo Sura	6.08%	40,500	1,149,995	249
Total			1,149,995	249

¹* FX Rate as of March 31st, 2023: COP 4,627.27/ USD

IFRS Figures and Reconciliation to comparable results

Consolidated

Consolidated			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
RMC Volume	m3		1,907	1,756	1,907	1,756
Divested Operations	RMC Volume Divested Operations P&P	m3	-109		-109	
RMC Volume - Adjusted		m3	1,798	1,756	1,798	1,756

Consolidated			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
Revenue - IFRS	COP Bn		2,577	3,382	2,577	3,382
Divested Operations	RMX Assets Divested in the US 2022	COP Bn	-76		-76	
Revenue - Adjusted		COP Bn	2,501	3,382	2,501	3,382

Consolidated			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
EBITDA - IFRS	COP Bn		445	594	445	594
Divested Operations	RMX Assets Divested in the US 2022	COP Bn	-96	4	-96	4
Listing Expenses	Non - Operational Expenses	COP Bn	.02			
EBITDA - Adjusted		COP Bn	350	597	350	597
EBITDA Margin - IFRS	%		17.3%	17.6%	17.3%	17.6%
EBITDA Margin - Adjusted	%		14.0%	17.7%	14.0%	17.7%

Consolidated			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
Net Profit - IFRS	COP Bn		22	78	22	78
Divested Operations	RMX Assets Divested in the US 2022	COP Bn	-39		-39	
Listing Expenses	Non - Operational Expenses	COP Bn		4		4
Intercompany Operations Non-Recurring Income Tax		COP Bn	12	20	12	20
Net Profit - Comparable		COP Bn	-4	102	-4	102
Net Margin - IFRS	%		0.8%	2.3%	0.8%	2.3%
Net Margin - Comparable	%		-0.2%	3.0%	-0.2%	3.0%

USA

USA			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
RMC Volume	m3		1,200	1,064	1,200	1,064
Divested Operations	RMC Volume Divested Operations P&P	m3	-109		-109	
RMC Volume - Adjusted		m3	1,091	1,064	1,091	1,064

USA			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
Revenue - IFRS	USD M		360	416	360	416
Divested Operations	RMX Assets Divested in the US 2022	USD M	-19		-19	
Revenue - Adjusted		USD M	340	416	340	416

USA			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
EBITDA - IFRS	USD M		61	64	61	64
Divested Operations	RMX Assets Divested in the US 2022	USD M	-24		-24	
Listing Expenses	Non - Operational Expenses IPO	USD M		1		1
EBITDA - Adjusted		USD M	37	65	37	65
EBITDA Margin - IFRS	%		17.1%	15.5%	17.1%	15.5%
EBITDA Margin - Adjusted	%		10.9%	15.7%	10.9%	15.7%

IFRS Results:

Below is a summary of the main consolidated figures and by region for the first quarter of 2023:

COP Bn	Revenue		
	2022.Q1	2023.Q1	Var
Colombia	632	712	12.6%
USA	1,407	1,980	40.7%
CCA	538	689	28.3%
Central America	226	318	40.4%
Caribbean	246	337	36.9%
Trading	65	35	-46.2%
Subtotal	2,577	3,382	31.2%
Corporate			0.0%
Other Businesses			0.0%
Consolidated Results	2,577	3,382	31.2%

USD M

Colombia	162	150	-7.4%
USA	360	416	15.7%
CCA	137	145	5.4%
Central America	58	67	15.4%
Caribbean	63	71	12.6%
Trading	17	7	-55.8%
Subtotal	659	711	7.9%
Corporate			0.0%
Other Businesses			0.0%
Consolidated Results	659	711	7.9%

EBITDA				
2022.Q1	Mgn (%)	2023.Q1	Mgn (%)	Var Marg
130	20.5%	181	25.4%	488
240	17.1%	307	15.5%	-156
114	21.3%	142	20.6%	-65
68	30.1%	84	26.3%	-378
31	12.7%	42	12.5%	-20
15	23.0%	17	47.0%	2,407
484	18.8%	630	18.6%	-16 bps
-39	N/A	-36	N/A	N/A
	N/A	-0.7	N/A	N/A
445	17.3%	594	17.6%	28 bps

33	20.5%	38	25.4%	488
61	17.1%	64	15.5%	-156
29	21.3%	30	20.6%	-65
17	30.1%	18	26.3%	-378
8	12.7%	9	12.5%	-20
4	23.0%	3	47.0%	2,407
124	18.8%	132	18.6%	-16 bps
-10	N/A	-7	N/A	N/A
	N/A	-0.15	N/A	N/A
114	17.3%	125	17.6%	28 bps

CONSOLIDATED STATEMENT OF INCOMEFor the three months ended as of March 31st | Million of Colombian pesos or million dollars

	Accumulated (1 st Q)		
	2023	2022	Variation
Continuing operations			
Income from operations	\$ 3,381,707	\$ 2,577,281	31.2 ⁽¹⁾
US\$ dollar (millions)	711	659	7.9
Cost of sales	(2,728,659)	(2,213,276)	23.3
Cost of sales	(2,489,049)	(2,005,169)	24.1
Depreciation and amortization	(239,610)	(208,107)	15.1
Gross profit	\$ 653,048	\$ 364,005	79.4
Administrative expenses	(208,857)	(160,676)	30.0
Selling expenses	(81,274)	(67,495)	20.4
Depreciation and amortization	(28,243)	(24,274)	16.4
Other revenues, net	(9,008)	101,259	(108.9)
Operating profit	\$ 325,666	\$ 212,819	53.0
EBITDA	593,519	445,200	33.3
US\$ dollar (millions)	125	114	9.6
Adjusted EBITDA	597,242	349,703	70.8
US\$ dollar (millions)	126	89	40.4
Financial expenses, net	(176,013)	(109,578)	60.6
Foreign currency exchange (loss) gains	(14,939)	(5,009)	198.2
Share of profit of associates and joint ventures	(2,356)	(27)	8625.9
Profit before income tax	\$ 132,358	\$ 98,205	34.8
Income tax	(37,533)	(60,179)	(37.6)
Net income	\$ 94,825	\$ 38,026	149.4
Income for the period attributable to:			
Owners of the parent company	78,426	21,822	259.4
Non-controlling interest	16,399	16,204	1.2
Net income for the year	\$ 94,825	\$ 38,026	149.4
US\$ dollar - Owners of the parent company	16	6	195.4
Owners of the parent company – Adjusted	101,875	(3,823)	2764.8
Net income for the year - Adjusted	\$ 118.274	11.843	898,6
Additional Information:			
Gross margin	19.3%	14.1%	
Operating margin	9.6%	8.3%	
Net margin	2.3%	0.8%	
EBITDA	593,519	445,200	
EBITDA margin	17.6%	17.3%	
Adjusted EBITDA	597,242	349,703	
Adjusted EBITDA margin	17.7%	10.3%	

(1) The adjusted growth of the revenues, which excludes for purposes of comparability the revenues attributable to the ready-mix operations divested in the US region in 2022, stood at 35,2%

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONFor the three months ended as of March 31st and December 31st | Millions of Colombian pesos or million dollars

	2023	2022	Variation
ASSETS			
Cash and cash equivalents	\$ 681,876	\$ 790,086	(13.7)
Other financial assets ⁽¹⁾	474,842	470,805	0.9
Derivative financial instruments	34,126	66,715	(48.8)
Trade receivables and other accounts receivable, net	1,587,602	1,353,453	17.3
Tax asset	180,792	173,580	4.2
Inventories	1,478,795	1,502,691	(1.6)
Other non-financial assets	220,796	244,559	(9.7)
Assets held for sale	40,891	40,944	(0.1)
Total current assets	\$ 4,699,720	\$ 4,642,833	1.2
Trade receivables and other accounts receivable, net	43,540	47,705	(8.7)
Investments in associates and joint ventures	45,633	49,084	(7.0)
Derivative financial instruments	54,866	87,544	(37.3)
Other financial assets	1,175,056	1,219,082	(3.6)
Other intangible assets, net	627,504	669,344	(6.3)
Assets by right of use of leases, net	549,872	580,846	(5.3)
Biological assets	18,460	19,470	(5.2)
Property, plant and equipment, net	13,024,932	13,401,459	(2.8)
Investment property	260,858	266,953	(2.3)
Goodwill	1,937,999	2,011,850	(3.7)
Deferred tax assets	293,488	259,645	13.0
Other non-current assets	9,846	10,117	(2.7)
Total non-current assets	\$ 18,042,054	\$ 18,623,099	(3.1)
TOTAL ASSETS	\$ 22,741,774	\$ 23,265,932	(2.3)
US\$ dollar (millions)			
LIABILITIES			
Financial liabilities	1,333,229	1,197,958	11.3
Leasing liability	118,795	126,980	(6.4)
Trade liabilities and accounts payable	1,434,669	1,383,501	3.7
Tax liability	73,127	94,530	(22.6)
Employee benefits	204,402	173,361	17.9
Provisions	71,954	109,179	(34.1)
Other financial liabilities	94,435	85,018	11.1
Derivative financial instruments	34,945	21,908	59.5
Outstanding bonds and preferred shares	463,187	458,288	1.1
Other non-financial liabilities	230,580	272,419	(15.4)
Total current liabilities	\$ 4,059,323	\$ 3,923,142	3.5
Financial liabilities	3,023,417	3,119,319	(3.1)
Leasing liability	537,763	563,899	(4.6)
Employee benefits	186,231	191,913	(3.0)
Derivative financial instruments	9,549	649	1371.3
Provisions	221,763	189,720	16.9
Outstanding bonds and preferred shares	2,749,983	2,740,742	0.3
Deferred tax liabilities	468,308	467,394	0.2
Total non-current liabilities	\$ 7,197,014	\$ 7,273,636	(1.1)
TOTAL LIABILITIES	\$ 11,256,337	\$ 11,196,778	0.5
US\$ dollar (millions)	2,433	2,328	4.5
Equity attributable to the owners of the parent company	10,559,638	11,018,470	(4.2)
Non-controlling interest	925,799	1,050,684	(11.9)
EQUITY	\$ 11,485,437	\$ 12,069,154	(4.8)
US\$ dollar (millions)	2,482	2,509	(1.1)
TOTAL EQUITY AND LIABILITIES	\$ 22,741,774	\$ 23,265,932	(2.3)

⁽¹⁾ "Corresponds to CDTs for \$470 billion with various financial entities with terms of less than 1 year"

Appendix

Separated Financial Statements

In compliance with the letter 24 of 2017 and the article 5.2.4.1.5 of decree 2555 of 2010, is important to highlight that to have a better understanding of the financial information published by the company, both the consolidated and separated financial statements must be analyzed in conjunction including its respective appendixes and the solvency, profitability, liquidity and indebtedness are detailed in the respective document transmitted to the Superintendencia Financiera de Colombia.

The separated financial statements of Cementos Argos S.A. reflect a similar trend to the one reported in the analysis of our Colombian operation in the consolidated financial statements and complementary analysis published to the stock market and reported to the Superintendencia Financiera de Colombia. In the same way, the separated financial statements include the corporate expenses of the operation that supports all the geographies. In this sense, and in order to have an appropriate understanding of the solvency, profitability, liquidity and indebtedness of the company, it is suggested to analyze the consolidated financial statements.

Conference Call Information

The conference call to discuss 1Q23 results will be held on Tuesday, May 9th, 2023, at 9:00 a.m. Colombia & and 10:00 a.m. ET

Join web seminar Zoom.

Register before the call:

https://summa-sci.zoom.us/webinar/register/WN_o-8etIWVQ2OAHvTEKy2QWA

Once you fill out the form, and depending on the configuration of your browser, you will either be automatically connected to the conference call or redirected to a tab with another link. On the second case, please click on the new link to access the event. In order to avoid connectivity issues, we suggest connecting at least 15 minutes before the call.

1Q23 results presentation and report are available from today Tuesday, May 9th, 2023, at Cementos Argos' Investor Relations website: <https://ir.argos.co/en/Financial-Information/Reports>

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