

RELEVANT INFORMATION



Within the context of the SPRINT program, an initiative that aims at recovering the company's share price, Cementos Argos will propose to its shareholders, in 2023, cash distributions for around \$700 billion, between dividends and share repurchases

In a context of record financial results and, paradoxically, both the common and common non-voting shares dropping significantly, Cementos Argos S.A. launches the SPRINT program which stands for "Share Price Recovery INiTiative".

SPRINT encompasses 5 main pillars that aim to recover the price of both the common and the common non-voting shares, as follows: i) the continuous improvement of the company's financial results; ii) the significant increase in dividends to shareholders; iii) the launch of a share repurchase program; iv) the continuity of the listing process of the United States business on the New York Stock Exchange; and v) the subscription of a market maker contract with the ultimate purpose of making the common share eligible again for repo operations.

Framed within the second and third pillar, related to the increase in distributions to shareholders, the Board of Directors approved the contribution of 17,261,020 common shares owned in Grupo de Inversiones Suramericana S.A. to its subsidiary, Corporaciones e Inversiones del Mar Caribe S.A.S., a company whose sole shareholder is Cementos Argos S.A. ("the Transaction").

Upon completion of this Transaction, the Company expects to release around \$670 billion pesos of the profit that is recorded in its financial statements, in the equity account called Other Comprehensive Income ("OCI"). The foregoing, due to the fact that when adopting the International Financial Reporting Standards (IFRS), the shares were recognized on the balance sheet as financial assets at fair value with changes in the OCI. In consequence, subsequent changes in the fair value of the shares (among other financial assets) were recognized in the OCI within the equity.

In accordance with the IFRS, the contribution of the shares allows a reclassification of the accumulated results recognized in the OCI of the separate financial statement, so that they are recognized in the equity account of accumulated results, making them available to the shareholders.

To execute this Transaction, it is necessary to carry out a prior procedure before the Financial Superintendency of Colombia, and for the distribution of the profit, the approval of the Shareholders' Meeting will also be required at a meeting after the ordinary meeting that will be held in March of this year.

In that order of ideas, total distributions of around **\$700 billion** will be submitted for shareholder approval in the following instances:

1. In accordance with the profit distribution project that will be submitted for consideration during the Ordinary Shareholders' Meeting to be held in March, the company will propose a first distribution of dividends for \$128 billion, corresponding to the profit net generated in 2022, to be distributed in a single payment in April 2023.
2. If the Transaction is executed and prior compliance with the instances and approvals required in a second Shareholders' Meeting, the following would be submitted for approval of the shareholders: i) The distribution of additional dividends for an approximate value of \$317 billion, to be distributed between July 2023 and January 2024, and ii) A repurchase program of common and common non-voting shares for an approximate amount of \$250 billion.

If the payment of dividends and the repurchases of shares are approved during 2023, the approximate total amount to be distributed, of around \$700 billion, will be equivalent to an increase of 80% versus the distributions to shareholders of 2022, and will correspond to 55% of the company's cash balance at the end of 2022, which will not generate material increases in the consolidated leverage.

The milestones of the Transaction and the advances in the SPRINT program will be duly disclosed and informed to the market.

Cementos Argos S.A. once again reaffirms to all its shareholders its commitment to unlock the value of its shares and to recover their price.

Febrero 21, 2023