

# INFORMACIÓN RELEVANTE



## Decision of the Board of Directors of Cementos Argos S.A. in relation to the Takeover Bid for shares of Grupo de Inversiones Suramericana S.A.

After a rigorous early analysis by the independent members of the Board of Directors of Cementos Argos S.A. (Cementos Argos), which was accompanied by globally recognized financial advisors and national and international legal experts, the Board of Directors of Cementos Argos unanimously decided not to accept the partial takeover bid made by JGDB Holding S.A.S. on December 16 on the shares of Grupo de Inversiones Suramericana S.A. (Grupo Sura) owned by Cementos Argos and equivalent to 5% of the total shares issued by said company. The main reasons were the following:

- The offered price of \$8.01 per common share represents a significant discount to the company's fair value. Additionally, the value of the offer represents a discount of 30% on the book value, which does not reflect either the leadership market position of Grupo Sura's operating businesses in the different countries where it has presence, the strength of its portfolio investments, nor the extraordinary recovery of the post-COVID operating results of the company and its businesses. The value offered, close to \$32,000 pesos, is well below the trading price of Grupo Sura's shares observed in 2019 of \$37,160 pesos, before the impact of COVID-19.
- The Board of Directors of Cementos Argos has full confidence that the current plans and initiatives communicated both by Grupo Sura and by the companies that integrate it, as well as by some of its most relevant shareholders, in the sense of: (i) seeking long-term strategic partners, (ii) increase the payment of dividends, (iii) listing some businesses on international stock exchanges, and (iv) separate certain high-potential ventures, such as Nequi, will help close the gap between the current values of Grupo Sura's shares in the market and their fundamental value.
- The Board of Directors of Cementos Argos, a leading company in sustainability, rated by Dow Jones as number one in the world in its sector in 2021, values Grupo Sura's sustainability strategy and considers that its business philosophy results in the greatest value creation in the long term for all its stakeholders and is a differentiating factor that generates credibility for the success of the strategic plans announced by the company to the market, for the benefit of all its shareholders.

Taking into account the above considerations, the Board of Directors decided that under these conditions it does not make sense to sell the shares that the company has in Grupo Sura.

Grupo Sura's valuation exercise done by Cementos Argos was carried out at the detailed level of each of its investments, following the methodologies of discounted free cash flow, dividend discount model, valuation by market multiples and comparable, regional, and global transactions, in the different sectors in which the companies that belong to its portfolio operate. This exercise led to the conclusion that the price offered in the takeover bid is significantly lower than the fundamental value of Grupo Sura and does not recognize its value or the growth potential of its investments.

The independent members of the Board of Directors ratify their commitment to continue promoting the strategic plan of Cementos Argos, with the aim of maximizing the generation of value for its shareholders and for society, and to continue contributing to the materialization of housing and infrastructure dreams of millions of people in the 16 countries and territories where Argos has a presence.

The execution of this plan has allowed the company to reach an ebitda of 2 billion pesos in the 12-month period ending September 2021, which represents the best operating results in its history, consolidating itself as the fourth cement company in the Americas. Likewise, Cementos Argos registers the lowest leverage level of the last 8 years, with a debt level of less than 3 times the ebitda.

Finally, as announced in previous days, one of the main strategic objectives of the Board of Directors of Cementos Argos in the coming months will be the listing on the New York Stock Exchange of its business in the United States, which today represents more than 50% of the company's income and ebitda. This process, which is expected to take place in the second half of the year, will constitute an important benefit for the company and its shareholders.

Cementos Argos reiterates its commitment to the implementation of initiatives aimed at closing the gap between the fundamental value of the company and the market price of its shares and the generation of economic and social value for its stakeholders, within the framework of the highest standards of corporate governance.

**January 7, 2022**