

3rd Quarter 2022

# Real Estate Business

**GRUPO ARGOS**  
Inversiones que transforman

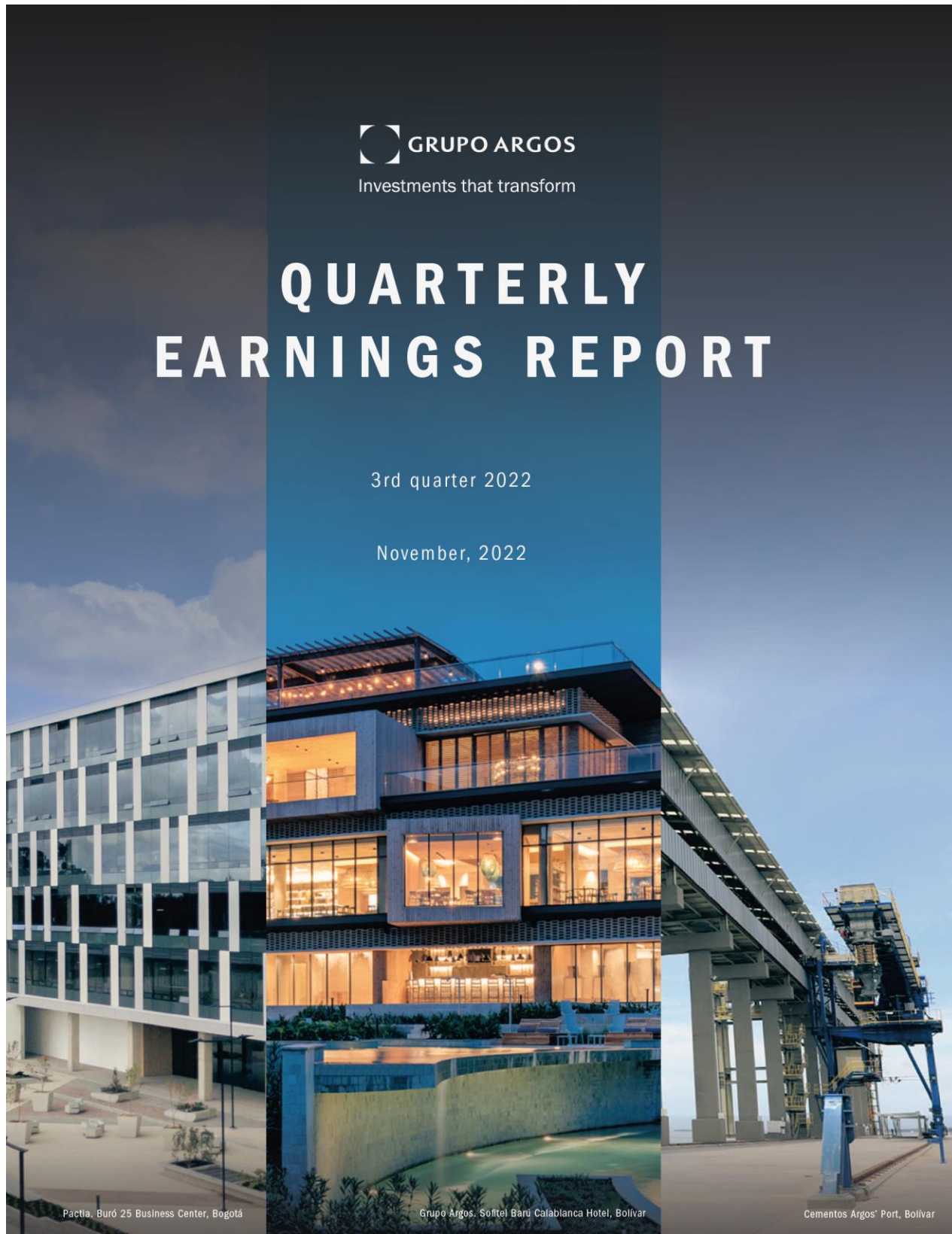
Desarrollo  
Urbano

**GRUPO ARGOS**  
Investments that transform

# QUARTERLY EARNINGS REPORT

3rd quarter 2022

November, 2022



Pactia. Buró 25 Business Center, Bogotá

Grupo Argos. Solitel Baru Calablanca Hotel, Bolívar

Cementos Argos® Port, Bolívar

## ODINSA

### Consolidated Results 3Q2022

Odinsa consolidates its strategy: A new strategic partnership with Macquarie Asset Management is announced for the airport business, complementing the existing partnership in the roadway business.

Last September, to continue generating value and contributing to the competitiveness and development of Colombia and the region, Odinsa and Macquarie Asset Management (MAM), the largest infrastructure asset manager in the world<sup>1</sup>, signed a new alliance for the creation of another investment platform focused, in this case, on airport assets.

Once incorporated, this platform's portfolio will include the two best airports in South America, according to the British firm Skytrax, namely El Dorado Airport in Colombia and Mariscal Sucre in Ecuador, managed through the Opain and Quiport concessions, respectively. This platform, where both companies will hold a 50% share, will be managed by Odinsa, given its extensive experience and knowledge with and of the assets in operation.

It will also incorporate the private initiatives currently led by Odinsa in Colombia: the New Cartagena Airport, which seeks to provide the city with the infrastructure required to support demand for the next 50 years; El Dorado Max, an efficient solution to maximize the use of the current terminal of the El Dorado airport, and El Dorado Airfield that proposes improvements to the airport's runways and taxiways with cutting-edge technology and capacity expansions. If awarded, these initiatives will have significant financial support and technical strength for their implementation and will promote fulfillment of the goals the country has set itself in terms of air connectivity and intermodal operations.

In June this year, Odinsa and Macquarie began operating their road infrastructure investment platform, Odinsa Vías, which currently manages their share in roadway projects in Colombia: Túnel Aburrá Oriente, Pacífico 2, Malla Vial del Meta and Autopistas del Café, as well as the Conexión Centro Perimetral de la Sabana private initiatives.

It should be highlighted that conclusion of the roadway platform business with MAM (as of June this year) has given rise to changes in the way Odinsa books accounting results for the 4 roadway concessions included under the platform. This is because Odinsa is no longer a direct shareholder in these roadway projects and is now an investor in a Private Equity Fund, which, in turn, invests therein. In a few months, once the airport platform has been concluded, accounting for investments in the airport business will also be adjusted.

---

<sup>1</sup> IPE Real Assets 2021 – Top 100 Infrastructure Investment Managers.

These changes imply deconsolidation of the following roadway concessions: Autopistas del Café (including its construction consortium), Malla Vial del Meta and Túnel Aburrá Oriente. These will begin to be recorded under a single entry included in Odinsa's Financial Statements using the equity method to book its share of returns from the Private Equity Fund. This will also happen once precedent conditions for operating the airport platform are achieved. Grupo Argos currently consolidates the El Dorado airport concession. Once the transaction has been concluded, Grupo Argos will cease consolidation and Odinsa will carry the results of the asset using the equity method to book its share of returns from the Private Equity Fund.

### Consolidated Results 3Q2022

Odinsa booked COP 170 billion in revenue during the third quarter of 2022 arising from revenues from its share in the private equity fund and booked under the equity method.

Only revenues from Green Corridor are registered in the roadway concession segment, as it is the only concession it continues consolidating after conclusion of the roadway vertical in June. During the third quarter, Green Corridor reported COP 9 billion in revenue.

It should be highlighted that revenue has increased for all roadway concessions, for a total of COP 228 billion (13% YOY). This is mainly explained by traffic recovery and, in the case of MVM, by construction revenues, as it began construction work in June.

Finally, Odinsa obtained positive Revenue, EBITDA, and Net Income from the airport segment via the Equity Method (EM), resulting from an evident recovery in passenger traffic. This segment contributed about COP 37 billion to the quarter's results as of September 2022, approximately COP 6 billion more than the same period the year before. It should be mentioned that Opain's results, despite being very positive, do not contribute to Odinsa's results due to an accounting decision made in 2021 under which this assets' results will only begin to be recorded in Odinsa's results once its equity ceases to present negative values.

EBITDA for 3Q2022 has a negative variation of 64% y/y, with a value of COP 75 billion. This reduction is due to deconsolidation of roadway concessions arising from the sale of a 50% share in its Colombian roadway assets to Macquarie Asset Management for creating the above-mentioned private equity fund and early termination of the Autopistas del Nordeste and Boulevard Turístico del Atlántico projects. The airport segment contributed COP 37 billion (+23% YOY) to EBITDA, in line with the revenue mentioned previously.

Net Income to the Controlling Interest increased by approximately COP 25 billion in 3Q2022 compared to the same period the previous year (COP 83 billion in 3Q2022 vs COP 57 billion in 3Q2021). This is due to income generated under the equity method.

The company's consolidated financial debt ended the third quarter at COP 692 trillion, a reduction of 78% compared to the year before. This reduction corresponds mainly to early payment of debt belonging to Odinsa Holding and Odinsa SA and deconsolidation of the debt in Autopistas del Nordeste, Boulevard Turístico del Atlántico, and the roadways to be transferred to the Private Equity Fund.

As regards 3Q2021, the cost of debt in USD and COP increased 142 and 145 basic points respectively, explained by increasing Bank of the Republic interest rates, higher inflation, and other index rates.

The balance for separated debt was COP 498 billion at the end of 3Q2022, 67% lower than at the same cut-off date the previous year.

Results for the third quarter compared to the same period the previous year can be found below:

### 3Q2022 Results

COP millones	T3 2022	T3 2021	Var A/A	sep-22	sep-21	Var A/A
Ingresos	176.498	280.031	-37%	488.572	722.772	-32%
Ebitda	74.733	208.540	-64%	470.946	480.718	-2%
Utilidad neta	82.688	84.983	-3%	326.933	169.481	93%
participación controladora	82.782	57.248	45%	307.668	99.561	209%

\* Revenue includes results from the equity method for Farallones (COP 18 billion impairment), write-offs, and other adjustments between businesses.

## Operational roadway concessions

**AUTOPISTA DEL CAFÉ - AKF***Colombia**Term: 30 years (1997 - 2027)**Guaranteed minimum revenues**FCP Odinsa Vías*

This concession reports total traffic of 3.6 million vehicles for 3Q2022, a decrease of -0.3% YOY explained mainly by a reduction in category 5, 6 and 7 vehicles as a result of the Pacifico 1 project works that limit traffic between Medellín and the Coffee Growing Region.

Revenue increased 3% YOY (COP 66 billion vs. COP 64 billion reported the previous year), due to construction revenues and rate increases tied to inflation. EBITDA for the concession decreased 11% due to adjustments to the Commercial Offer with the Construction Group, while Net Income increased 9% YOY due to increased financial revenue.

COP millones	T3 2022	T3 2021	Var A/A	sep-22	sep-21	Var A/A
Tráfico Total	3.571.686	3.581.804	-0,3%	10.540.974	9.369.518	13%
Trafico Promedio Diario TPD	38.823	38.933	-0,3%	38.612	34.321	13%
Ingresos	65.940	64.067	3%	194.996	180.674	8%
Ebitda	24.711	27.644	-11%	77.872	78.094	0%
Utilidad Neta	18.515	16.940	9%	39.326	52.789	-26%

\*Average Daily Traffic ADT expressed in vehicles per day.

**CONCESIÓN TÚNEL ABURRA ORIENTE***Colombia**Estimated maturity: 2037 (based on Expected Income (EI) fulfillment)**Revenue from toll collection**FCP Odinsa Vías*

Traffic increased 21% YOY on this concession in 1Q2021, with 3.6 million vehicles in total. ADT growth from 32 thousand to 39 thousand vehicles per day compared to 3Q2021 provides evidence of recovering service levels on the concession and an evident improvement in airport traffic associated with the José María Córdoba Airport.

Revenue increased 23% and EBITDA 19% YOY while Net Income decreased 31% YOY in 3Q2022. Higher revenues are a result of increased traffic and higher fees, COP \$3.40 billion in COVID compensation (AMB 52), and accounting revenue related to \$1.88 billion in accounts receivable from the Government. The rate of the latter increased as they are indexed against the CPI, increasing their value compared to the same period the year before. However, net income was negative due to higher financial expenses due to the variable component of the bond interest rate.

COP millones	T3 2022	T3 2021	Var A/A	sep-22	sep-21	Var A/A
Tráfico Total (millones)	3.608.137	2.987.816	21%	10.118.677	7.317.642	38%
Trafico Promedio Diario TPD	39.219	32.476	21%	37.065	26.805	38%
Ingresos	59.244	48.010	23%	163.680	125.036	31%
Ebitda	43.723	36.595	19%	124.290	80.945	54%
Utilidad Neta	8.491	12.378	-31%	33.675	28.493	18%

\*Average Daily Traffic ADT expressed in vehicles per day.

**GREEN CORRIDOR***Aruba**DBFM (Design, Build, Finance & Maintain) type contract**Guaranteed quarterly compensation subject to service indicators**Odinsa Share: 100%**Construction work duration: 30 months**Maintenance: 18 years**Form of Payment: Once the works are completed, the state will make quarterly payments for 18 years. Payments equal 130 million guilders at the January 2011 exchange rate (USD 73 million)*

Revenue increased 8%, EBITDA 31%, and Net Income 51% respectively during 3Q2022 compared to the same period the previous year. Increased revenue deriving directly from the quarterly Gross Availability Payment corresponds to updates for inflation, and increased EBITDA and Net Income correspond to reduced costs and expenses.

USD millones	T3 2022	T3 2021	Var A/A	sep-22	sep-21	Var A/A
Ingresos	2,191	2,033	8%	6,664	6,158	8%
Ebitda	1,674	1,276	31%	4,579	4,052	13%
Utilidad Neta	0,382	0,253	51%	1,201	0,862	39%

**CONCESIÓN LA PINTADA***Colombia**Construction completion date 2021**Term: subject to compliance with a VPIP with a maximum term of 29 years (2043)**Present Value of Toll Revenue (VPIP, in Spanish)**FCP Odinsa Vías*

Traffic on this concession decreased 6% YOY during 3Q2022, reaching 608 thousand vehicles.

Revenue increased 8% YOY and EBITDA increased 9% YOY, due to increased accounting revenue. This project is a financial asset where its revenues are equal to costs plus an accounting margin, according to specific standards (IFRS 15). However, Net Income decreased 66% YOY as a result of higher financial expenses related to debt in USD and COP due to higher interest rates (Libor and UVR respectively).

It should be noted that, under the concession agreement, cashflow for this concession's debt in dollars is naturally covered by the payment of future terms.

COP millones	T3 2022	T3 2021	Var A/A	sep-22	sep-21	Var A/A
Tráfico Total (millones)	608.975	649.209	-6%	1.898.406	1.793.515	6%
Trafico Promedio Diario TPD	6.619	7.057	-6%	6.954	6.570	6%
Ingresos	77.107	71.925	7%	214.265	235.298	-9%
Ebitda	66.244	60.861	9%	185.869	180.940	3%
Utilidad Neta	9.902	29.227	-66%	33.492	56.304	-41%

\*Average Daily Traffic ADT expressed as vehicles per day.



## Roadway Concessions under Construction

**MALLA VIAL DEL META***Colombia**Private initiative PPP**No guaranteed traffic**FCP Odinsa Vías*

Under the concession agreement, the company continues operating and maintaining the entire corridor under the concession and, therefore, receiving 47.7% of tolls collections from UFO.

Average daily traffic on the concession was 23 thousand vehicles during 3Q2022 and total traffic was 2.1 million vehicles, a YOY increase of 8% compared to 3Q2021. Revenue increased by 43% YOY and EBITDA 2% YOY, due to construction revenue, UFO remuneration and UFO risk compensation. On the other hand, Net Income decreased 38% compared to the third quarter of the year before, given that tax losses and presumptive excess income were used in 2021 to obtain income tax in hand in 3Q2021, which no longer applies for 2022.

COP millones	T3 2022	T3 2021	Var A/A	sep-22	sep-21	Var A/A
Tráfico Total (millones)	2.088.673	1.939.106	8%	6.179.546	5.356.161	15%
Trafico Promedio Diario TPD	22.703	21.077	8%	22.636	19.620	15%
Ingresos	25.445	17.847	43%	98.280	57.860	70%
Ebitda	6.611	6.505	2%	27.153	16.472	65%
Utilidad Neta	4.530	7.289	-38%	17.580	13.863	27%

\*Average Daily Traffic ADT expressed as vehicles per day.

## Airport Concessions

### OPAIN

Colombia

Term: 20 years (2007 - 2027\*)

Royalty (% total revenue): 46.2%

Odinsa + GA Share: 65%

Airport results continued to improve during the third quarter of 2022. Results have improved gradually as domestic and international passenger traffic continues to grow. A total of 9.5 million (+51% YOY) passengers were reported in 3Q2022, 6.4 million of which were domestic passengers (+33% YOY) and 3.1 million of which were international (+112% YOY).

Revenues were COP 399 billion (+78% YOY), EBITDA COP 141 billion (+103% YOY), and Net Income was positive, equal to approximately COP 37 billion (+56% YOY). These results reflect the airport's positive recovery thanks to an evident increase in airport traffic, as a result of both an increasing number of passengers boarded and of airport tax payments related to route reorganizations and the commercial strategies of new airlines entering the market, including Ultra Air, JetSmart, Sky Airline, Volaris, and Plus Ultra with the new Bogotá-Madrid route.

Variations in regulated revenues are explained by passenger traffic dynamics. International and national airport tax revenues, and parking and boarding bridge rights are highlights. Growth is less accelerated in unregulated revenues. However, Duty Free, Food and Beverages, and commercial premises have made a significant recovery in line with the recovery in airport traffic, and this is reflected by EBITDA and Net Income.

	T3 2022	T3 2021	Var A/A	sep-22	sep-21	Var A/A
<b>Pasajeros:</b>	<b>9.542.751</b>	<b>6.307.094</b>	<b>51%</b>	<b>26.551.195</b>	<b>14.557.613</b>	<b>82%</b>
Domésticos	6.438.036	4.843.733	33%	18.122.646	11.448.759	58%
Internacionales	3.104.714	1.463.361	112%	8.428.549	3.108.854	171%
<b>Ingresos (COP millones) 2</b>	<b>398.736</b>	<b>223.908</b>	<b>78%</b>	<b>1.076.462</b>	<b>525.882</b>	<b>105%</b>
Regulados	294.234	156.865	88%	786.066	356.785	120%
No Regulados	104.502	67.042	56%	290.396	169.097	72%
<b>Ebitda (COP millones)</b>	<b>140.869</b>	<b>69.525</b>	<b>103%</b>	<b>379.037</b>	<b>127.301</b>	<b>198%</b>
<b>Utilidad Neta (COP millones)</b>	<b>36.889</b>	<b>23.621</b>	<b>56%</b>	<b>92.175</b>	<b>-26.872</b>	<b>443%</b>

<sup>2</sup> Revenue includes regulated, unregulated, and construction revenue and other operational concepts associated with the concession. Reported figures may vary as regards those presented previously due to differences in results presentation timetables.

**QUIPORT***Ecuador**Term: 35 years (2006 – 2041)**Royalty (% regulated income): 11%**Odinsa Share: 46.5%*

Total passengers increased 69% YOY in 3Q2022 compared to the same period the year before, reaching 1.26 million passengers. Domestic passengers increased by 109% YOY and international passengers by 35% YOY. Increased Revenue (+31% YOY), Ebitda (+34% YOY), and Net Income (+124% YOY) for the quarter is due to increased passenger numbers, especially domestic passengers, resulting from the recovery of internal traffic and the commercial operations of the airport team that have opened new routes to the country's interior.

	T3 2022	T3 2021	Var A/A	sep-22	sep-21	Var A/A
<b>Pasajeros:</b>	<b>1.258.618</b>	<b>742.925</b>	<b>69%</b>	<b>3.145.802</b>	<b>1.549.641</b>	<b>103%</b>
Domésticos	722.396	345.732	109%	1.799.170	717.700	151%
Internacionales	536.222	397.193	35%	1.346.632	831.941	62%
<b>Ingresos (miles USD)</b>	<b>41.414</b>	<b>31.497</b>	<b>31%</b>	<b>111.371</b>	<b>77.566</b>	<b>44%</b>
Regulados	28.925	20.944	38%	76.600	52.045	47%
No Regulados	10.656	8.442	26%	28.643	19.120	50%
Otros Ingresos	1.832	2.111	-13%	6.128	6.401	-4%
<b>Ebitda (miles USD)</b>	<b>30.529</b>	<b>22.841</b>	<b>34%</b>	<b>81.053</b>	<b>51.869</b>	<b>56%</b>
<b>Utilidad Neta (miles USD)</b>	<b>11.962</b>	<b>5.329</b>	<b>124%</b>	<b>28.506</b>	<b>3.067</b>	<b>829%</b>