

Welcome to the Concreto Fourth Quarter 2020 Results Teleconference. We'd like to remind you that you may ask your questions on the platform or send them to the email [ir@concreto.com](mailto:ir@concreto.com). Later, there will be a space where they will be answered. Please note that this conference call is being recorded. From this moment, I give the floor to Dr. Juan Luis Aristizábal, Constructora Concreto CEO.

Doctor Aristizábal, you may begin.

**Juan Luis Aristizábal (JLA):** Good morning everyone, and thank you very much for joining us in this presentation on the Fourth Quarter 2020 results. The year 2020 was a complex year, difficult for the global economy for all the countries of the world and for almost all economic sectors. In our case, it was a challenge. We are one of the industries that could be active since almost the beginning of the pandemic. It was a challenge for Concreto to be activating all its projects, and I believe that we have a positive balance for 2020, even with the crisis of the pandemic.

By the end of the year, in 2020 we had a Consolidated Net Profit of COP 23,503 million in Constructora Concreto, and a Net Profit of the NIT Concreto of COP 44,290 million. This represents a very positive closing, especially in light of the accumulated amount in the Third Quarter, where there were some results that were negative and that reflected the situation, a bit, of the pandemic of the first months and the slowdown in projects.

In the Fourth Quarter, we had several positive effects. The Company's large projects were consolidated and we had results that allowed the Company's results for the year to change completely.

In 2020, Commercial Management was also very important to recover the Company's Backlog. We are actively working on structuring the project without obtaining new contracts, and we closed the year with COP 2,21 million in Backlog, but, as of today, we have COP 2,59 billion in Backlog. This represents a great advance; we are recovering the Backlog that we had four years ago, and the Company is in a very strong position, especially for this year, which still shows a bit of uncertainty, and for future years.

This is basically consolidated with the following good news, which is the adjudication of the *Oriente* Two-Lane Highway (DCO, in Spanish), a two-lane road that leaves from *Alto de las Palmas*, where the current *Devimed* concession is located, and connects *Alto de las Palmas* with the San Nicolás Valley in the El Tablazo area, at the El Tablazo junction near the airport. This would become a new two-lane highway alternative from the Aburrá Valley in the San Diego sector to the San Nicolás Valley, to serve everything that is the municipalities of the San Nicolás Valley, Rionegro, La Ceja and El Retiro, and some other municipalities a little further away. This, in addition, cuts the open-sky distance from the Aburrá Valley to the José María Córdoba Airport, and it will return in an alternate connection, especially to the south of the Aburrá Valley, where it is much more expeditious and easier to go up the two-lane highway to take the other alternate route that leads directly to the airport.

This contract has an approximate value of COP 926,000 million. We are starting the pre-construction phase, which will last one year, and we expect to have the road in operation in approximately three years after the contract is signed. The contract generates a Backlog for Concreto of COP 300,000 million, and in this contract we are leaders and we have a 60% stake, both in the concessionaire and in the Engineering, Procurement and Construction (EPC) Contractor.

It is also important to note that – due to the importance of this road, which is really an urban highway – the financial sector has also expressed interest in studying the project and participating in the financing, even without having the final project numbers yet because the final designs have not been made.

The next good news is the reactivation of *Vía 40 Express*, or Bogotá-Girardot. We are currently consolidating a reactivation that took place in the Fourth Quarter of 2020. The important milestones of this project today are: The achievement of a bridge loan for approximately COP 700,000 million to support construction in the next 12 months during which we are going to centralize the final financial closure of the project, for which there is already an expression of interest from the banks that have participated in the bridge loan and from some other financial institutions that are already in the study phase of the project to participate in the financing. This is a very important milestone because, despite all the events that this project had with the investigation of the shareholders and with the suspension of the contract, today international banking has given it an endorsement of this contract. These loans are all loans from international banks, which are seeing Colombia as a possibility of generating projects and specifically infrastructure projects.

Also, an important fact of the Fourth Quarter of 2020 was the modification of the syndicated loan that we had with the banks that have supported Concreto in all its management of the business. Basically, in the Fourth Quarter of 2020, there was a re-profiling of the debt amounting to COP 546,000 million. The debt was placed on a deadline, a debt profile in accordance with Concreto's project management, which was done with the nine banks that currently participate in the financing of Concreto, and with this we have the peace of mind of complying with all financial obligations and to be able to comply with the Company's investment commitments, which have been quite high, especially in Bogotá-Girardot, on *Vía 40 Express*, but which to date – with the bridge loan – are greatly alleviated, and even the Company has received back some of the equity that was contributed through subordinated debt.

The next good news is that Concreto's penetration and participation in the construction business in South Florida is consolidating. It was also consolidated in the Fourth Quarter; all approvals have been made in this quarter for the consolidation of a fund for investment in rental housing. There, we established two vehicles, one called Century Asset Management, which is a manager of construction projects for rent in South Florida. This is a fund of USD 150 million, with a term of eight years, with an expected rate of return of 12% in Dollars and, most importantly, it is with

projects that are already in a very advanced stage of designs at this moment. The land has already been obtained; the land has already been contributed to the fund, so this is a project that could possibly be starting at the end of this year.

The first fund is called Century Real State Fund I. And the most important aspect is that we have made this alliance with a local partner, Century Homebuilders, which is a company that has been in the housing market in South Florida for many years. It has a lot of experience, and with them we are going to consolidate a new fund, a rental-housing manager and an investment fund for Colombians or Latinos who want to invest in the United States in the real-estate rental business. That fund is already in the stage of obtaining or raising money for the first stage, and potential investors in the fund have shown a lot of interest.

Another very important milestone in the Fourth Quarter of 2020 is the adjudication of two patents by the Superintendency of Industry and Commerce. These patents have to do with connection devices for prefabricated elements, and columns and framed structural systems. Concreto has been actively working on industrialization, and one of the chapters is prefabrication with concrete structures. With this, we have two new patents that allow us to also pre-fabricate the columns. The Colombian Earthquake-Resistant Code is quite strict in terms of precast construction, and we obtained two patents for beam and column joining elements to be able to consolidate the construction of buildings with prefabricated structures.

For these innovations that we are making, we already have two projects that are going to be totally prefabricated in height, and with this we believe that we are going to help the transformation and efficiency of the construction industry in Colombia.

Additionally, in the Fourth Quarter of 2020, the Discovery Channel nominated us as one of the innovative companies in the construction industry, and in an alliance with them, we made a presentation of the Company through six videos that were presented throughout Latin America, about all consolidating our presence in the Latin American region, looking for potential clients and showing everything we do in terms of innovation and digital transformation, which is one of the Company's most robust pillars at this time.

Today we have a good Backlog of contracts in South Florida and we have some small contracts in Central America. Also, all are related to engineering and designs, and we are exporting knowledge to all these regions.

In terms of COVID, at the last cutoff in the second week of February, we can report that we have had an accumulated 240 cases, of which 233 have recovered. There are only six reported with the virus at this time, and unfortunately we had the death of one person who developed complications after coming out of the virus. This is an interesting exercise for Constructora Concreto, since we have been actively working since April 2020 on almost 98% of our projects. We have been very strict with compliance with all the biosecurity protocols, and this has allowed us to have the cases of contagion very controlled, especially in the projects.

In the case of Ituango, which was a fairly big crisis, with the application of very strict protocol, we have COVID under control., we have many protocols for leaving to rest and the return of workers. The number of infections is minimal; they are being detected before returning to the project, and, thus, we are avoiding a new outbreak within the project. So, in general, we are already managing COVID; we manage it, we know that it is a very high risk, and we are constantly attentive to mechanisms to mitigate this risk, but we have to work on projects and live with COVID.

In terms of the Businesses, perhaps the most important news, which I already mentioned, is the recovery of the Company's Backlog. In 2017 we closed the year with COP 2.39 billion in Backlog. Today, to date, we have COP 2.59 billion in Backlog, of which COP 876,000 million will be executed in 2021. It is also very important to note there that 86.4% of the Backlog is in Infrastructure, and only 13.6% is in Housing and other Construction Works.

We have seen much more activity in Infrastructure at the country level, and obviously with Concreto's strategy of participating in private initiatives and looking for businesses where it can participate with investment, well, the strength in the Infrastructure Area has been consolidated.

For those who have not been with us in recent years, Concreto's Infrastructure Business is normally between 50% and 60%, and it is the one that generates the greatest value in the business. Today, we have 86.4% of Infrastructure; we have not neglected construction; it is only that we have seen private investment displaced over time by the decision of businessmen, seeing what happens with COVID, so, many expansions or new constructions have been postponed over time. We hope that Construction will also reactivate dynamically from the Second Quarter of this year, and in Housing, we will also have a big reactivation because the 2020 sales were quite good for Concreto and quite good for the sector in general.

The Infrastructure Backlog went from COP 1.27 billion to COP 2.23 billion, and last year we executed COP 328,000 million, in 2020. And in Building – or Construction – the Backlog was COP 279,000 million. It ended at COP 352,000 million, and we had an execution of COP 179,000 million and a change in scope of COP 75,000 million, which is basically a displacement in time or cancellation of some projects that the owners or investors decided not to execute.

In terms of concessions, *Vía 40 Express*, which is one of the most important concessions in the country, is among the three largest toll stations in the country. It was quite affected by COVID, especially in those weeks in which there was a total closure of the roads because all the barriers at the toll stations in the country had been lifted, which affected revenues tremendously.

We see a decrease in revenue in traffic and in Pesos. Operating Income fell by 17.3% between December 2019 and December 2020, but in the last Quarter, we

went from COP 18,848 million to COP 19,527 million, an increase of 3.6%, which means that obviously from March and until more or less the middle of the year, the traffic was very low. In the middle of the year – when the roads began to open – traffic increased, and from then on we have had ups and downs, especially depending on the weekend closures of the main capital cities and in this case Bogotá, which has had some very important road closures.

We are optimistic about the recovery in traffic. We see figures and we study the figures permanently on what is happening, and we think that the recovery is going to be much faster or anticipated than we had foreseen, especially in the middle of last year.

In this project, as I mentioned, a loan of nearly COP 700,000 million was obtained from the French Agricultural Credit Bank, Banco Santander and MUFG, which also participated. All these three banks participated in the financing of the bridge loan. These three banks are also interested in participating in long-term credit, which we expect to be closing in approximately three to six months for the final negotiation of long-term credit.

The income for 2020 was COP 56,437 million, which represents a decrease of 17% compared to 2019, as I mentioned, and – basically – we expect it to be fully recovered between 2021 and 2022.

In the *Devimed* Concession, the figures are very optimistic, especially because I'd like you to remember that this concession has a guaranteed minimum income, but even with the pandemic, we have had several weeks and months above the guaranteed minimum income, especially in the second half of 2020. In this concession, the greatest impact was the lifting of the barriers at the toll stations for a couple of months, which was done by a decision by the National Infrastructure Agency (ANI, in Spanish). We have already signed the Memoranda of Understanding with the ANI in all the concessions to reach an agreement on the payment of the vehicles that passed through the toll stations without payment and also for the compensation for the decrease in traffic due to COVID. In the case of *Devimed*, this is a concession that is basically urban traffic between the Aburrá Valley and the San Nicolás Valley. Traffic is extremely good, especially in the corridor of the Medellín-Bogotá Highway, and in the *Las Palmas* corridor, on the road that goes from *Sancho Paisa* to El Retiro. Its traffic that is shared with the variant to the JMC Airport, and that we have never been able to reach the guaranteed minimum income in that toll station, but in the sum of the two toll stations of the concession. There we are seeing an important reactivation and a very high use of the Medellín-Bogotá Highway corridor, which is triggering some interest on the part of *Devimed* shareholders in seeking to improve that concession.

And on the road, in the *Oriente* Two-Lane Highway, which I already mentioned to you, this is a project of 13.8 kilometers in length, which will allow a saving of approximately 40% in time, in displacement between the San Nicolás Valley and the Aburrá Valley. It is a two-lane highway with average speed traffic specifications of 80 kilometers per hour, which means that between *Sancho Paisa* and the El Tablazo area of the José María Córdoba Airport in Rionegro, the route will take more or less 11 to 14 minutes to get there. This is going to cut time tremendously, it is a very comfortable road, and we hope to generate the communication that today is complex between the San Nicolás Valley and the Aburrá Valley.

The next point that we present to you there is the results of the large numbers of PACTIA, especially those that have an impact on Concreto.

PACTIA had a decrease of 3.3%, going from COP 198,000 to COP 192,000 million in Accumulated Net Income. This is a change that impacts the operation of the business, but it is extremely manageable from the point of view of the effects that the pandemic had on office closings, shopping center closings, and hotel closures.

In the Logistics and Self-Storage area, the figures are important as they continue to grow. This is a very dynamic business, and PACTIA has also defended itself in offices, but in terms of shopping centers, there has been an impact on new shopping centers and in hotels – as in any country in the world and in all hotel chains in the world – the impact that COVID has had on hotels has been significant.

PACTIA's GLA went from 806,000 square meters to 849,000 square meters in the Fourth Quarter of 2020, and basically Concreto's share value, which is very important, went from COP 870,000 million to COP 879,000 million. That is an increase of 1%, that is, I'd like to remind you, with appraisals that are made permanently of all PACTIA assets to reflect the value of each one of them and to be able to put it in the value of the unit. This means that, despite the contingency and the COVID, the value of the appraisals is still being defended, and the unit has grown by 1%, despite the occupancy rates that have occurred, especially in hotels. There, in the lower right part of the table, the occupancy of hotels appears, which fell to 25.8%. But, if you see, in terms of Commerce, Logistics and Offices, we are above 90% in occupancy, which gives us peace of mind that the business had an impact, but it has been mitigated.

And in the International Area, it is basically a project that exists in Panama, which has office shops. Panama is a country with a more accentuated crisis than that of Colombia, and COVID has had a much greater impact, and for this reason there has been a higher occupation or unemployment there than in Colombia.

In the Housing Business, today we have three projects under construction, nine projects in pre-sale; that's a total of 12 projects. I have always mentioned to you in this meeting that Housing is a market niche where Concreto is looking for alternatives, especially in what is the future of the Real-Estate Business, what consumer preferences are going to be. We are very sustainability oriented, very

project-carbon-footprint oriented and very oriented towards lifestyle changes of homeowners. We are working with environmental certifications; we have chosen the Colombian CASA certification for sustainable construction, and we are very focused on ensuring that all our projects comply with the standard and are certified in this standard.

The accumulated sales of 2020 were COP 178,000 million. These sales will be deduced in approximately two years, with which the sales of 2019 and 2020 and those of 2021 will give us a little projection of Housing into the future in the next three or four years. We are optimistic about these types of projects that have very specific niche markets. In the city of Medellin, for example, in the upper stratum we had the project with the highest sales in the city in 2020, and this was because it was a project that has quite high sustainability specifications compared to the rest of the market.

Regarding the Financial Figures, in the Consolidated Financial Statement we closed December 2020 with Ordinary Activity Income of COP 574,000 million and a Gross Profit of COP 82,292 million, which represents a 40.7% drop compared to December 2019, which was COP 138,779 million. The Company's Gross Margin was 14.32%. This basically reflects a drop, due to the displacement of some COVID construction projects and a recovery of the Backlog that comes from 2019 in projects that require quite long pre-construction stages, such as the three *Transmilenio* projects that were adjudicated to us in the city of Bogotá, as well as the reactivation of *Ruta 40 Bogotá-Girardot*, the EPC contract that still required stages of land and design completion. So, during 2020 the execution was very low. These projects, the three tranches of *Transmilenio* and *Vía 40 Express*, through the EPC *Ruta 40 Consortium* will be running during 2021 in full swing, with which Infrastructure Billing will be greatly reactivated.

Also, here it is important to note that, despite the fact that these three projects were slowed down a bit because they were in the pre-construction stage, we were quite active in the progress in Hidroituango. Today, we end the year with a significant turnover, and we hope that in the extension of the contract in 2020, we can have a very good execution to comply with the energy-generation commitments of 2022 that our client EPM has imposed.

In terms of Operating Profit, Operating Profit was COP 54,989 million; which is 51% less than in December 2019, and – basically – this is also due to the effect of increases in some costs and expenses and the decrease in the Company's operation. The EBITDA was COP 102,449 million, which is 39% less than the COP 170,307 million in December 2019. The EBITDA margin is 17.83%; it is similar to that of 2019, and here basically what we need is for the Company to have higher Income of Ordinary Activity to improve the Gross Margin, Operating Margin and EBITDA indicators. The before-tax profit was COP 42,229 million, which is 54% less than in December 2019, and the Net Profit Attributable to the Parent Company was COP 23,125 million, which is 63% less than that of 2019.

So, basically, you see a drop in the Company's top numbers. In general, it is due to the decline in the Business Operation; however, the margins are preserved and are quite similar to those of 2019, and, basically, in view of the fact that the Company's Backlog has already recovered and that for 2019 We already started the year with an activity of close to COP 820,000 million plus other projects that are being worked on at the moment, we hope that in 2021 there will be a very good recovery of these financial figures of the Company.

The Company's Consolidated Income had a drop of 39.2%, and basically you see that there, a large part of this drop is in Construction Income, and basically it is what I already mentioned: it is the decrease in the execution of construction contracts or the displacement of some of them or that we were in contracts that are basically in the pre-construction stage.

And in terms of EBITDA generation, we went from COP 101,000 million to COP 49,000 million in the Investment Business in 2020. Basically, this is because we had the sale of a concession in 2019, the Fontibón-Faca-Los Alpes corridor, which – within the Company's Divestment and Liability-Reduction Strategy – was selling non-strategic assets that were already mature, and this had a significant impact on Investment Businesses. Additionally, such as the drop in some of the investments we have in subsidiaries, which also had a complex year due to the pandemic, this has to do with Concreto Internacional in Panama, with Industrial Concreto and with some other Investment Businesses, which had a drop in their operation.

And in Construction, we went from COP 108,000 million of EBITDA in the 2019 to COP 65,000 million of EBITDA, and this is basically the pure generation of income through the Operating Profit of the contracts. If the Business Operation drops, it is directly reflected in the decline in EBITDA.

In terms of the Company's Consolidated Balance Sheet, Current Assets were basically located at COP 992,000 million, a 13% decrease compared to 2019, and Total Non-Current Assets amounted to COP 1.8 billion, an increase of 7.8% over the previous year. There was basically a change in the composition of Assets, going from a Total Assets amounting to COP 2.82 billion, a decrease of 0.8% compared to the previous year.

And in terms of Liabilities, there was a consolidation, going from Short-Term Liability to Long-Term Liability, but the Total Liability, basically, is reflected in exchange of Current Financial Obligations and change of Non-Current Obligations, and this is due to the renegotiation of the Company's syndicated loan. Liabilities went from COP 709,000 million to COP 850,000 million in 2020, and yet the figures are quite reasonable for the Company. Today, we are in the process of having a debt profile that can be paid with all these large investments that we are making, and we are also in a strategy of divesting Non-Strategic Assets, which is progressing quite well despite the pandemic.



Equity grew 1.9%. It is closely aligned with inflation, and at least there we are preserving the Company's value in equity terms.

From the Divestment point of view, I would also like to mention that in the last Quarter of last year, the sale of an important real-estate asset in the south of Bogotá was legalized. It is a land that had been acquired to execute more or less 10,000 homes, it is a plot of land that we have processed a license, but in view of the concentration of the business in concession investments, such as DCO and Vía 40, the Company made the decision to divest this large real-estate project to focus more on the Infrastructure Business, which is the one we know best. We are also disinvesting other assets, and we are quite proactive in obtaining disinvestment clients. There are investors looking for important assets, and I think this year is going to be a good time for us to drop some divestments and consolidate more in the Infrastructure Business.

And just to close, I must tell you that – as I have definitely mentioned to you a lot – the impact of the Company's Innovation and Digital Transformation. Today, we have many business opportunities through this entire process of digital transformation and innovation. The United States market is becoming quite important for Concreto and – in the local market – we are already venturing into large infrastructure businesses through the digitization of Building Information Modeling (BIM) models for Infrastructure Construction.

We are well aware that construction is currently in a time of transition, where knowledge is going to be one of the variables of value added<sup>1</sup> and I believe that at Concreto we are leading the change and digital transformation of the entire construction industry in Colombia and possibly in countries of the region.

We are consolidating the launch of the **bimbau.co** platform, which is basically a BIM library that will allow designers, builders and asset owners to integrate into an environment in which we have all the information and traceability of everything that has to do with materials, carbon emissions, operation and maintenance of assets and execution of construction projects through the supply chain. This a platform that is going to become a standard in the market. BIM is an international standard, and we think it will be a good contribution to the construction industry, and it is also greatly facilitating the Company's operation in terms of the design process, design integration and supply chain.

So, we are very active, like all companies, thinking about what the new business model will be like after the pandemic. We believe that digital transformation is very important in the construction industry as well, and we are actively participating in it.

With this I have finished the presentation and we will open the question-and-answer session. We will give five minutes for the questions and then we will go on to answer them.

---

We return again to the presentation of Concreto Fourth Quarter 2020 Results.

We have quite a few questions. The first is from Julián Aguilar: *“Have you restarted the works on Vía 40 Express? If not yet, when do you expect them to restart?”*

**JLA:** The works were restarted from approximately the Third Quarter of last year, in 2020, with the remobilization of all the personnel, the construction of the Consortium's offices and the purchase of machinery and equipment, which has already been completed. We have had teams already available to start working since January of this year. In 2021 we expect to have more or less COP 400,000 million in execution, while in 2020 it was only COP 36,000 million; that is, the EPC *Ruta 40* will be in full operation in 2021.

Another question from Julián Aguilar: *“Do you believe that in Vía 40 Express an extension of the contract can be given to compensate for the lower traffic due to COVID, taking into account that it is a private initiative (PI) that does not have guaranteed income?”*

**JLA:** This contract is a contract under the Expected Income Modality, which means that the term is flexible until the expected income is reached. Due to COVID and mainly due to the fact that the ANI raised the barriers at the toll stations, the ANI is compensating all concessionaires in the country with an additional term for the time that the toll barriers were raised. It is paying in money the estimate of the drop in traffic due to the impact of COVID, and from then on, basically, the concessions have to find how to recover the income as soon as possible because in such a long-term concession, there is an impact on the Internal Rate of Return (IRR) if traffic moves forward in the concession. So, more than compensating us with deadlines, we must make great commercial efforts to increase traffic, to maximize income from traffic, and thus sustain the IRR of the project, which – to date – we have not seen major impacts.

Another question from Julián Aguilar: *“What was the reason for the increase in EBITDA investment in the Fourth Quarter? It tripled compared to the Fourth Quarter of 2019. Were there divestitures in the last quarter?”*

**JLA:** Basically, in the last quarter there was a valuation of the PACTIA unit. As I already mentioned, PACTIA performs appraisals every month, and there is a process that is repeated, and possibly some logistics assets or high-value assets occurred in the Fourth Quarter, which improved the value of the unit. In addition, as the effect of the pandemic in the Second and Third Quarters also ended, and in the Fourth Quarter the shopping centers were returning to normal traffic, obviously the appraisals reflect the reactivation of revenues. This had an impact on the unit – together with the registration of the value of the land that was sold in the south, in Soacha, in the south of Bogotá – because there was a firm purchase offer, with which we had to reflect the real value in appraisals even though the business had not been closed. It coincided that the business of the land in the south of Bogotá was carried

out in the same quarter in which the revaluation of the land was due to be carried out each year.

*"With TransMilenio and Ruta 40 in full swing," also from Julián Aguilar, "should the revenues of 2021 be very similar to those of 2019?"*

**JLA:** Well, we hope to exceed those of 2019 and that is the goal we have as an administration. What is very important is that we already have a base of COP 820,000 million for contracts being executed, and obviously we could obtain new contracts or generate additional income as the other business lines are reactivated. Today, we are very optimistic and we have had approval of three new housing loans that reached the breakeven point of important and large projects, with which Housing will also be reactivated, and we hope to exceed the income of 2019.

Germán Darío Fajardo: *"In the Backlog of COP 2.59 billion reported by the Company, is the entire balance for the Hidroituango contract already included or is it still expected to readjust a value to be executed for said project?"*

**JLA:** We are very disciplined and strict in accounting for the Backlog. I'd like to remind you that the CCC Ituango construction consortium had its contract extended for 12 months to December 2021, and we are only consolidating 35% of our participation in the adaptation of that contract, which will have an estimated value of approximately COP 500,000 million by 2021.

The second question is: *"In what other projects is the Company participating in tenders in Colombia?"*

**JLA:** At this moment we are participating in all *Invías* tenders. *Invías* is making two important packages, one is in the *Ruta del Sol* concession, and the other is in the concession of road connections that are missing to adjust the entire network at the national level, and some of them are roads in remote municipalities of the country. We are doing a pre-selection of the contracts that interest us due to Concreto's operating capacity and the potential we have to generate value from those contracts. We have actively participated in tenders in this quarter for about COP 1.5 billion, and we hope to be adjudicated some of them.

We are also working on the *Ruta del Agua* private initiative, which is the section, one of the two sections of the two-lane highway that is missing between Medellín and Bogotá. It would be the continuation of the road that connects these two cities between the municipality of Santuario, in eastern Antioquia, and Puerto Triunfo and the connection on the Magdalena River to the *Ruta del Sol*. This section is a section of about 140 kilometers that is missing to complete the two-lane highway, and a private initiative is being presented to connect these two municipalities.

We are also working on all the 5G contracts of the ANI and in tenders such as, for example, Ecopetrol and other institutions that are quite active in infrastructure investments.

Rodrigo Sánchez, of *Davivienda Corredores*: *“Could you explain to us the impact on Profits and Losses (P&L) of the divestment of the Soacha lot? If profit was generated by asset goal, how much was it?”*

**JLA:** Basically, we had a binding proposal in the Third Quarter of 2020 that had an impact on the revaluation of the asset, because – as I already told you – it coincided with the appraisal that had to be made in the Fourth Quarter. The business has not been executed; that is, the revaluation of the asset went through P&L, but, to date, we have not yet received the income from the sale of this property.

Also, from Rodrigo Sánchez: *“What is the DCO's expected schedule and how much is Conconcreto's equity effort expected to be?”*

**JLA:** The DCO's schedule is one year of preconstruction and approximately 24-30 months of construction. We have a commitment with our grantor, which is the Office of the Governor of Antioquia, and collaborative work between them – as grantors – and us, as licensees, to speed up the pre-construction period as much as possible. This is a contract that when the PI was filed and which had a lot of displacement over time due to the pandemic, we were able to accelerate everything that had to do with environmental, property and social management, with which a period of one year for pre-construction is loose; we believe it can be sped up, and then we'll start construction as soon as possible. This is an open-air road; it does not pass through any community, it has no environmental restrictions and we hope that there will not be any archaeological heritage that could delay us over time; that is, we hope to be able to meet the construction period between 24 and 30 months.

The equity that Conconcreto will require in this project is around COP 60,000 million, of which we have already made an important contribution in everything that has to do with designs and structuring, as considered by the PPP law in Colombia. In other words, we are contributing all these designs as part of the equity, and I'd like to remind you that Conconcreto has a 60% stake in this private initiative.

*“Could you explain to me if Conconcreto would have a stake in the fund on the issue of housing rea-estate funds in the United States or would it only be contracted to carry out the projects?”*

**JLA:** Conconcreto will participate in the fund as a General Partner (GP), which means that we are the leaders of the projects in consortium with our partner Century Homebuilders and that we have an alignment of interests with all investors. This stake is minority; however, we are also committed to the project. But, in turn, Conconcreto also has all the design work and design integration and is going to execute the construction as a general contractor. So, we are fully committed to the projects that are developed in this first fund and that have also been developed by Conconcreto in association with our partner.

*"Could you please confirm whether Concreto has presented a tender for the Valle del Cauca road network?"*

**JLA:** Concreto did not appear in the bidding for the Valle del Cauca road network, as I told you, because eventually one does not have strategic advantages. This is a first tender that were roads with a lot of urban character. They had a lot of resurfacing and there were very important competitors who have great local strengths in Valle del Cauca and who have a very high operational capacity in terms of resurfacing. So, we weren't competitive there.

*"What expectations do you have in terms of profitability margins and the amount of divestments in 2021?"*

**JLA:** We are very careful about divesting. Obviously we have to prioritize investment commitments in Infrastructure projects and commitments with the financial sector, but we are not in the process of divesting, differentiating margins. We are working at market prices; we know that some assets have been punished by the market and others have even been valued, such as the lot in the south of Bogotá for low-income housing. So, we are always working with market prices favoring, yes, the availability of cash for Company commitments. We are going with a divestment plan in which we expect that in 2021 we will reach between COP 70,000 and 80,000 million.

With this we end the question-and-answer segment. We thank all of you for attending. I'd like to remind you that you can contact [ir@concreto.com](mailto:ir@concreto.com) with any questions, Alejandro Villegas is also available to answer any questions you have regarding Concreto.

We also invite those Shareholders to participate in Concreto's General Shareholders' Assembly. All the information is on the Concreto Webpage. It will be a virtual assembly, as the Chamber of Commerce and the Financial Superintendency have arranged to avoid the risks of COVID. We hope that all the results will be delivered and that it is complete for you, and, also at this time, we are available for any information request, since all investors have the right to inspect all the Company's information; that is those who have questions are welcome. This is a very appropriate time for you to spend a little time with the Company.

Thanks a lot for your time.