FOURTH QUARTER & FULL YEAR 2021 EARNINGS CONFERENCE CALL

March 3, 2022 – TECNOGLASS INC.
(NASDAQ: TGLS)



Safe Harbor

FORWARD LOOKING STATEMENTS

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding future financial performance, future growth and future acquisitions. These statements are based on Tecnoglass' current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive and/or regulatory factors, and other risks and uncertainties affecting the operation of Tecnoglass' business. These risks, uncertainties and contingencies are indicated from time to time in Tecnoglass' filings with the Securities and Exchange Commission. The information set forth herein should be read in light of such risks. Further, investors should keep in mind that Tecnoglass' financial results in any particular period may not be indicative of future results. Tecnoglass is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise.

FINANCIAL PRESENTATION

Certain of the financial information contained herein is unaudited and does not conform to SEC Regulation S-X. Furthermore, it includes EBITDA (earnings before interest, taxes, depreciation and amortization) which is a non-GAAP financial measure as defined by Regulation G promulgated by the SEC under the Securities Act of 1933, as amended. Accordingly, such information may be materially different when presented in Tecnoglass' filings with the Securities and Exchange Commission. Tecnoglass believes that the presentation of this non-GAAP financial measure provides information that is useful to investors as it indicates more clearly the ability of Tecnoglass to meet capital expenditures and working capital requirements and otherwise meet its obligations as they become due. EBITDA was derived by taking earnings before interest, taxes, depreciation and amortization as adjusted for certain one-time non-recurring items and exclusions.

NO OFFER OR SOLICITATION

This announcement is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.







165 Main Street

Massachusetts, United States

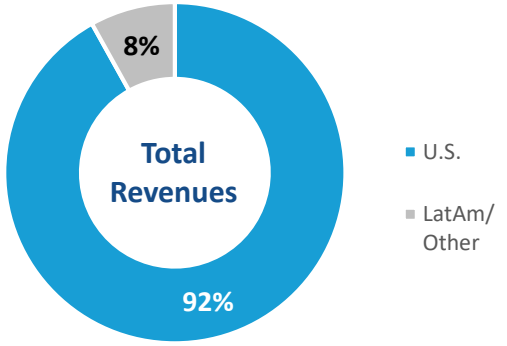
SUMMARY & HIGHLIGHTS

TECNOGLASS

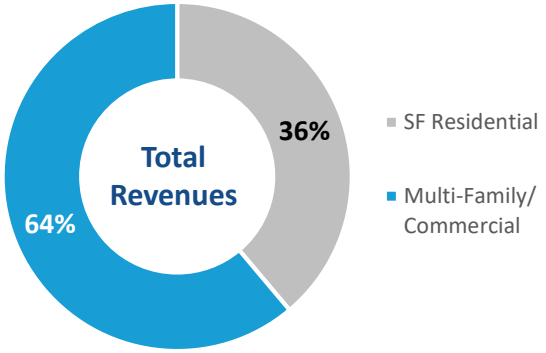
Q4 & FY 2021 Key Takeaways

- ✓ All around record results in full year revenues, gross profit, operating income, net income, Adj. EBITDA, Adj. net income, cash flow from operations and free cash flow
- ✓ Record Q4 revenues increased 28.0% to a record $131.8 mm. Growth continues to be fueled by strong US performance, which increased 41.0% to $122.4 mm on continued healthy residential activity
- ✓ Accelerated growth into the residential market, with FY21 sales up 151.1% to $177.4 mm, through dealership expansion, geographic diversification and the Multimax introduction oriented toward homebuilders
- ✓ Record Q4 gross profit increased 53.6% to $56.5 mm, with gross margin up 710 bps reaching a record 42.9% attributable to higher revenue mix from manufacturing vs installation activity and greater operating efficiencies
- ✓ Q4 Adj. EBITDA of $42.2 mm, with margins up by 730 bps to 32.0%; FY21 Adj. EBITDA grew 54.1% YoY to a record $150.3 mm at a record 30.2% margin
- ✓ Strong cash flow from operations increased to a record of $117.3 mm; producing record free cash flow of $65.7 mm for the full year
- ✓ Continued deleveraging, with all time low net debt / LTM adj. EBITDA at 0.8x
- ✓ Completed Debt refinancing which extended maturities, increased the committed revolver to $150 mm and further reduced interest
- ✓ Backlog of $584.6 mm, up ~7.2% YoY, representing ~1.2x LTM total revenues

Sales By Geography FY'21



End Market Mix FY'21



FY'21 Gross Margin	**40.8%**
FY'21 Adj. EBITDA[1] Margin	**30.2%**
FY'21 Operating Cash Flow	**$117.3 mm**
FY'21 Net Leverage	**0.8x**

Notes:

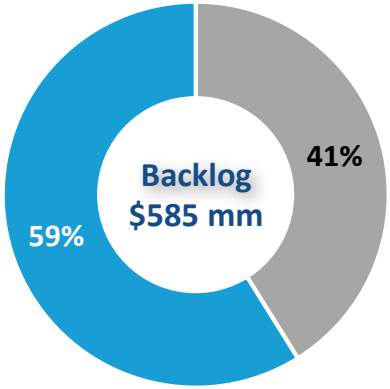
1. *Adjusted EBITDA excludes non-recurring and non-cash expenses mainly associated with our bond issuance and respective extinguishment of former debt, withholding taxes associated with payments to bondholders, acquisition related costs and other non-recurring items*

U.S. Growth Driving Resilient Backlog

Backlog Overview

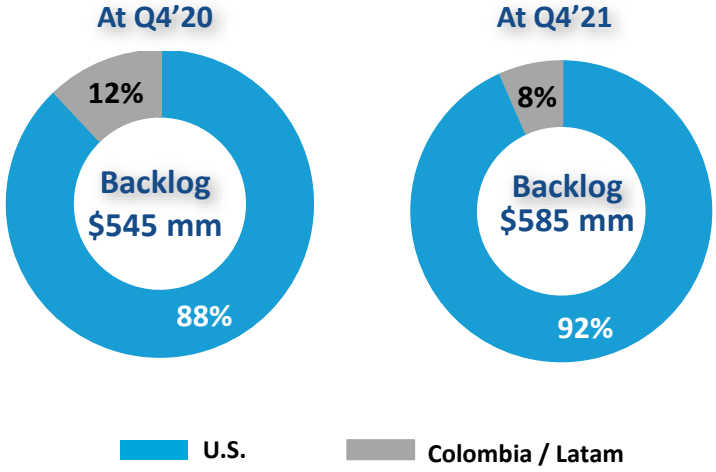
- ✓ Our track record of successfully delivering high profile projects has earned us an increasing number of opportunities across the U.S., demonstrated by expanding backlog, up 7.2% YoY to a record $585 mm, including 20 of the 22 Tallest Towers Under Planning and Construction in South Florida
- ✓ U.S. backlog of $537 mm, representing 92% of total backlog with increased geographical diversification; very strong activity in the Southeast U.S., the region with our deepest presence
- ✓ The ABI[(1)] score for December increased to 52.0, remaining in expansion territory. South region is at the highest reading since 2005 as of January 2022.
- ✓ Solid single family residential growth trajectory not fully captured in backlog given shorter term "spot" duration of projects

Backlog as of Q4'21 by End Market



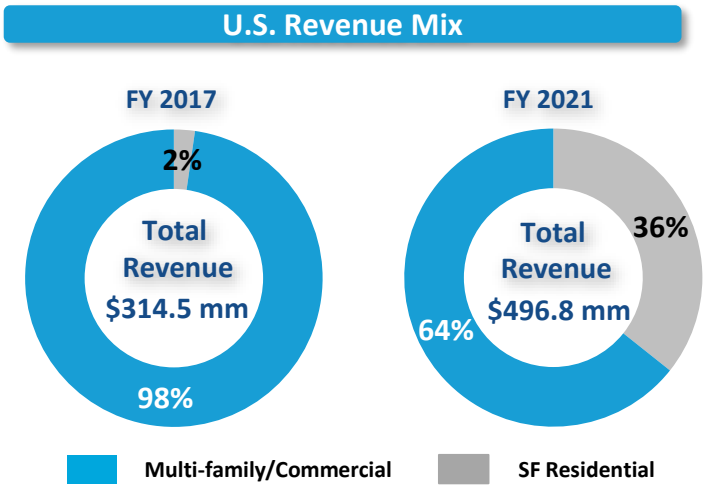
Majority of backlog weighted towards medium and high rise residential, which are outperforming most sectors

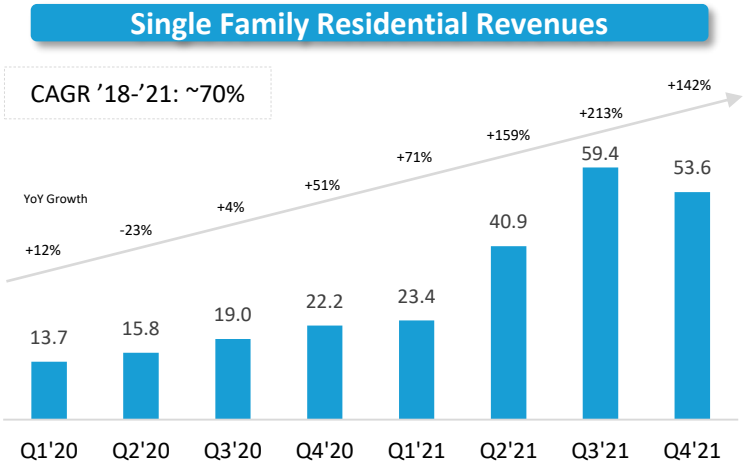
Geographic Mix



•Source:
1. The American Institute of Architects (AIA) reported the Architecture Billing Index

Continued Expansion In Single-Family Residential





- ✓ Q4 and FYE 2021 single family residential sales up 142% and 151% YoY respectively
- ✓ Single family sales segment accounts for 36% of FY 2021 revenues respectively, compared to 2% in 2017
- ✓ Biggest revenue upside to the business through dealer network expansion, geographic diversification in the southeast and southcentral U.S., and new product introductions specifically catering to untapped opportunity with production homebuilders
- ✓ LTM housing starts up 14% YoY to 1.6 mm as of January 2022, with single family starts up 11% to 1.1 mm units[(1)]
- ✓ Residential revenue growth in the U.S. supported by strong housing starts, attractive mortgage rates and a migration from cities in search of spacious accommodation on increase in work-from-home opportunities as a result of the pandemic

•*Source:*
1. *Thousand of Units. U.S. Census Bureau*

Vertically-Integrated & Well-Situated Operations Driving Step-Change in Results



Tecnoglass integration across the architectural glass and window value chain provides significant control over a substantial portion of costs and structural advantages relative to industry peers

Raw Materials

- ✓ Stable glass supply and costs resulting from JV with St. Gobain
- ✓ Majority of aluminum costs hedged through fixed price contracts

Labor

- ✓ Investments in automation initiatives and commitment to workforce providing production efficiency and low turnover
- ✓ Stable and efficient access to talented workers minimizing wage inflation

Transportation

- ✓ U.S./Colombia trade imbalance mitigates marine transportation costs
- ✓ Connected supply chain keeps intercompany transport costs <5% of revenues

Energy

- ✓ 15% energy savings from prior investments in renewables (solar panels)
- ✓ Utilizing co-generation through on-site natural gas emissions

Structural advantages resulting in substantially shorter lead times than industry, unlocking opportunities for continued expansion and market share gains







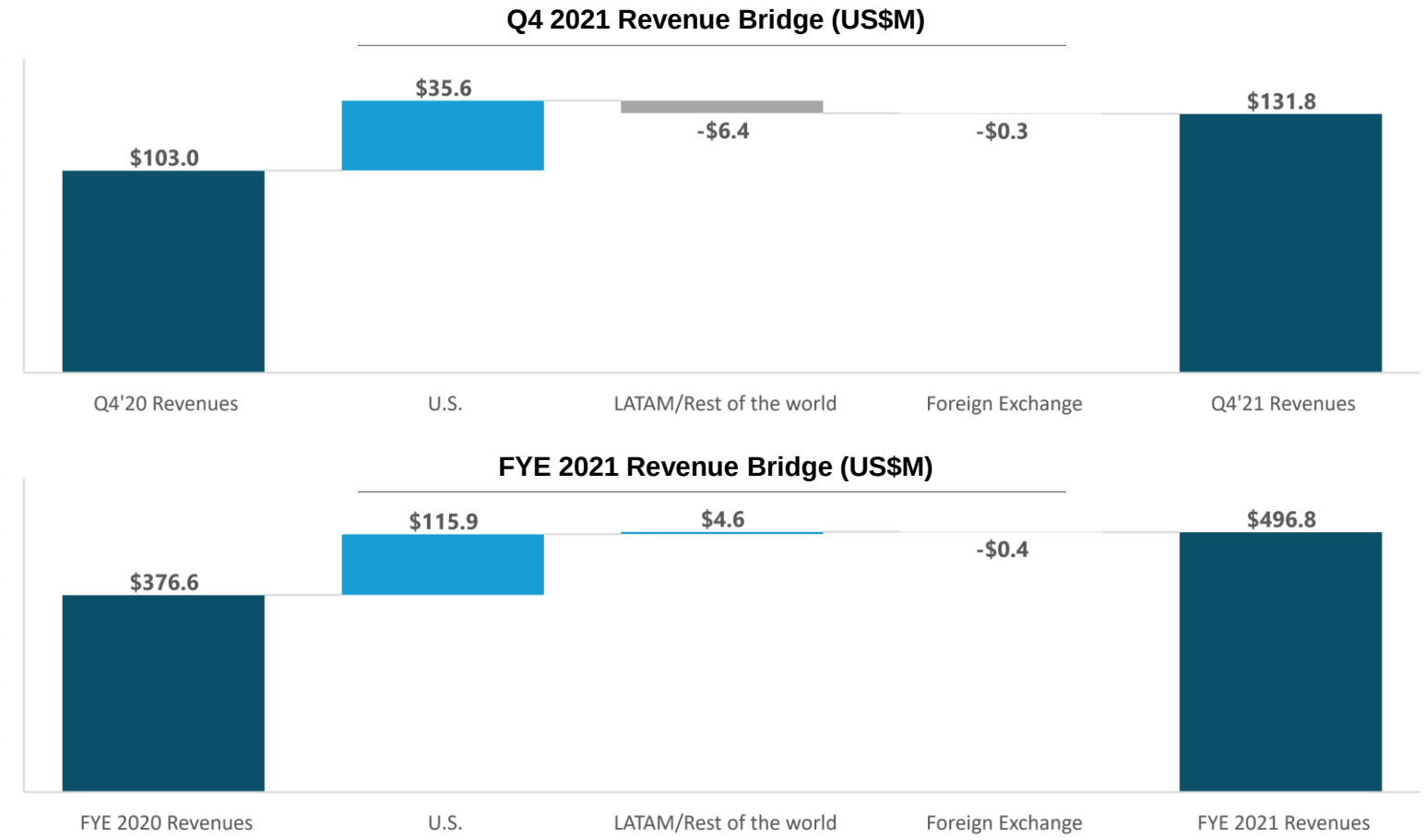
Paramount Miami Worlcenter

Florida, United States

FINANCIAL UPDATE

TECNOGLASS

Revenue Bridge 2021 vs 2020

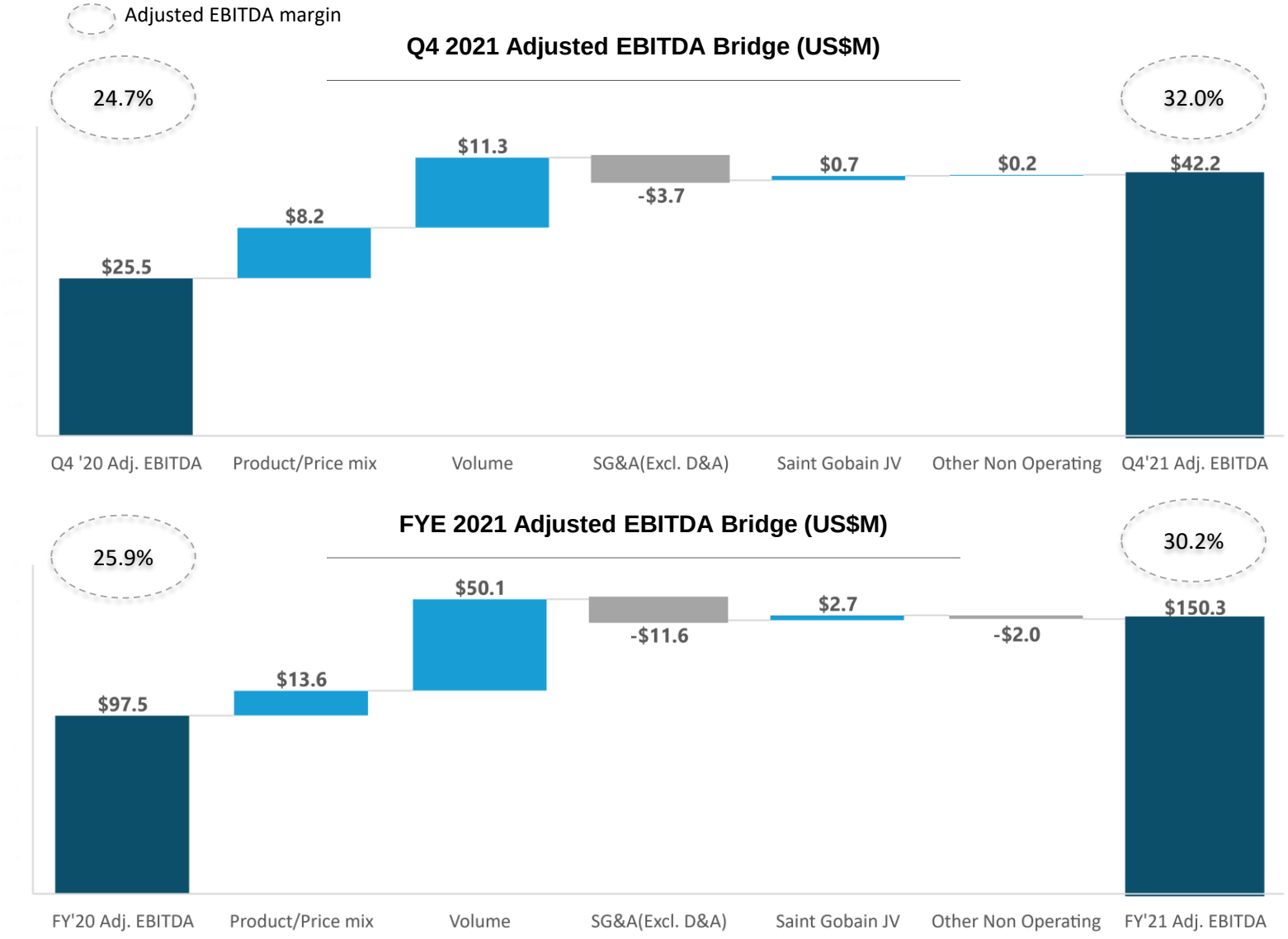


TGLS LTM revenue mix from U.S. +90%, higher than average of 78% for U.S.-based building product peers[1]

Notes:

1. *Peer average includes AFI, APOG, AWI, DOOR, FBHS, FRTA, JELD, MAS, MHK, OC, PGTI, ROCK, SSD, TILE, WMS, as of latest annual SEC filings; Sourced from FactSet*

Adjusted EBITDA Bridge 2021 vs 2020[1]

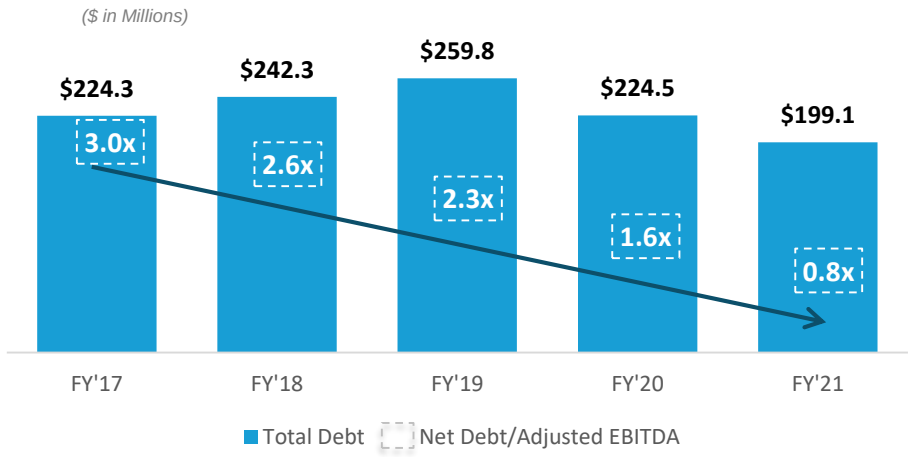


Notes:

1. *Adjusted EBITDA excludes non-recurring and non-cash expenses mainly associated with our bond issuance and respective extinguishment of former debt, withholding taxes associated with payments to bondholders, acquisition related costs and other non-recurring items*

Improved Balance Sheet & Leverage Profile

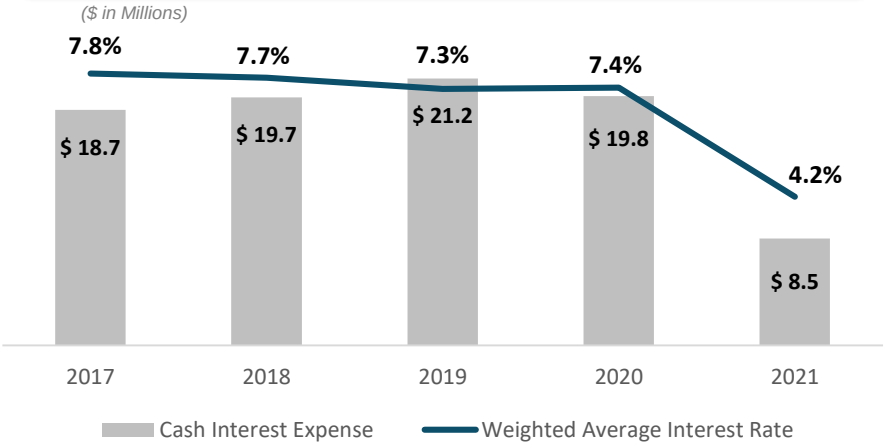
Improved Leverage



- ✓In October 2020, entered into $300 mm credit facility consisting of a $250 mm term loan plus $50 mm revolver
- ✓In November 2021, upsized revolver from $50 mm to $150 mm, extended initial maturity by one year to the end of 2026 and reduced borrowing costs by ~130 bps
- ✓Weighted average interest continues to be low, equivalent to Libor with no floor + 1.75% in Dec' 21, based on Tecnoglass' leverage ratio

- ✓Solid cash conversion of adj. EBITDA[1] driving $117.3 mm of cash flow from operations in 2021
- ✓Continued deleveraging, with lowest net debt / LTM adj. EBITDA[1] in the Company's history at 0.8x
- ✓Liquidity of ~$250 mm[2], including cash of $84.9 mm and $163 mm availability under new credit revolver facility and working capital lines
- ✓Significant financial flexibility to execute growth

Weighted Average Interest Rate [3]

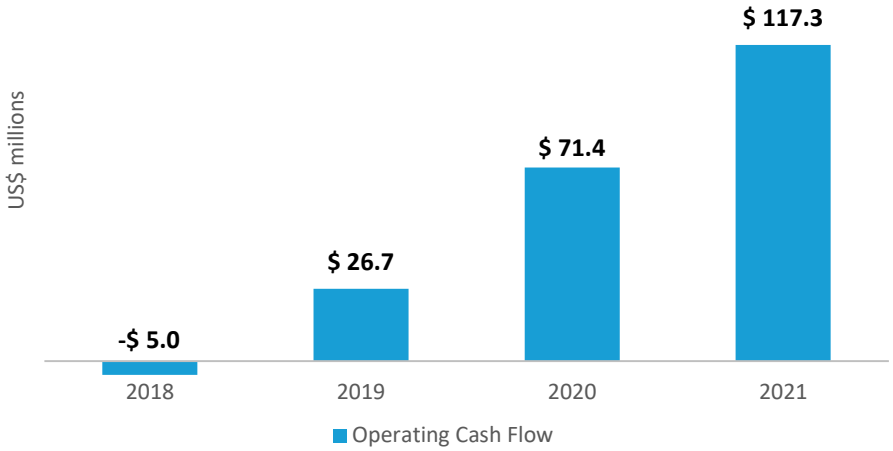


Notes:

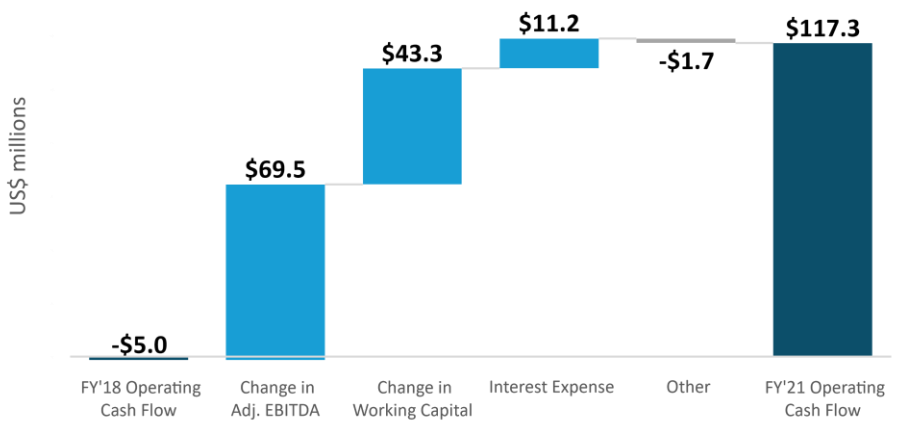
1. *Adjusted EBITDA excludes non-recurring and non-cash expenses mainly associated with our bond issuance and respective extinguishment of former debt, acquisition related costs and other non-recurring items*
2. *On a pro forma basis as of December 31, 2021 giving effect to the addition of the new $350 mm senior secured facility and pay down of previous facilities*
3. *Calculated based on current nominal amount of financial debt and assuming a Libor + 1.75% interest rate based on projected leverage profile*

Structurally Improved Cash Flow Generation

Improved Cash Flow Generation



Operating Cash Flow Bridge (2018 – 2021)



- ✓ Tecnoglass has established a strong record of cash flow generation as a result of higher profitability, better working capital management, operating efficiencies and reduced interest costs
- ✓ Significant DSO improvement driven by improved collection efforts and further penetration into single family residential which includes up front payments, shorter sales cycles and no retainage. Company allows for 10-15 day transit times depending on the project destination in the U.S.
- ✓ Days of inventory on hand has significantly decreased 21.4% to 104 days, compared to 132 days in 2018, driven by improved inventory control in conjunction with streamlining aluminum operations
- ✓ Interest expense savings achieved through reduction in both debt outstanding and weighted average interest rate

Stronger profitability and significant improvement in working capital metrics driving record cashflow generation and lowest net leverage (Net Debt / Adjusted EBITDA) levels in Company history

Notes:

1. *Prior periods retroactively adjusted to include the historical financial results of Ventanas Solar, given the acquisition of VS was deemed to be a transaction between entities under common control.*



Residential Project,
Florida, United States

OUTLOOK UPDATE

2022 Double-Digit Growth Outlook

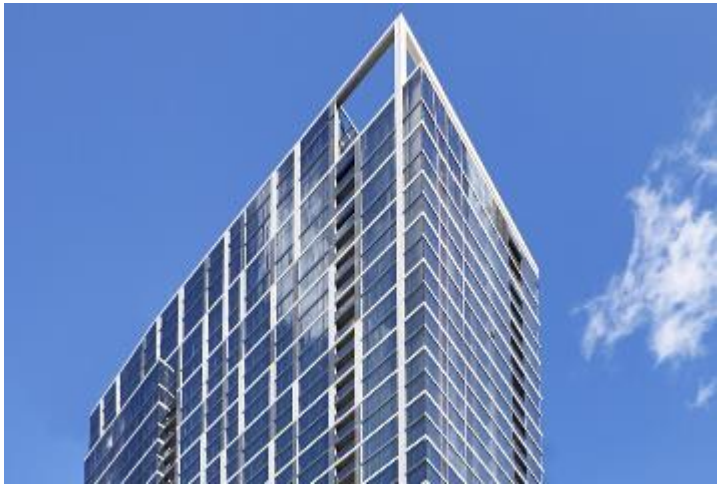
- Continued revenue growth led by continued expansion in single family residential end market and backlog of commercial projects
- Adjusted EBITDA outlook incorporates full year gross margin in the ~40% range, mainly attributable to structural advantages, vertically-integrated operations, and a higher mix of product versus installation revenue
- Strong start to Q1 2022 invoicing as construction activity in the U.S. remains robust, especially in the Southeast region where Tecnoglass maintains a significant presence

Revenue
$575-$600 MM
+16-21% YoY

Adj. EBITDA
$170-$190 MM
+13-26% YoY







APPENDIX

Hub50House
Massachusetts, United States

TECNOGLASS

ESG Strategy

Outstanding Achievements

Environmental

Leading Eco-Efficiency and Innovation

- National Carbon Neutrality Program
- +15,000 Solar Panels Installed Generating Over 32.443,19 MWh
- Waste Management and Utilization
- Container and Packaging Environmental Management Plan
- Automation and Innovation

Social

Enhancing Our Environment

- Employee Training and Education Programs
- Program for Prevention and Care of COVID-19
- Occupational Health and Safety
- Tecnoglass ESWindows Foundation
- Social Intervention Campaigns

Governance

Promoting Continuous, Ethical and Responsible Growth

- Ethics and Compliance Program
- Efficient Supply Chain Security Management
- Continuous Improvement of Our Products Through Our Quality Management System “QMS”
- Communication Strategies In-Line With the Company’s Objectives and Specially Designed for Each Audience

ESG Strategy

Our Sustainability Strategy contains the Company's guidelines and value propositions to meet the expectations of our stakeholders

Environmental

Leading Eco-Efficiency and Innovation

- Encourage the energy efficiency of the operation and the products
- Prevent, mitigate and compensate environmental impacts of the business
- Promote the efficient use of materials and technologies, respectful with the environment
- Responsible management of the value chain and the product cycle
- Position an innovation and quality approach within all of the Company`s processes

Social

Enhancing Our Environment

- Generate quality work opportunities
- Promote and adopt the best labor and Human Rights
- Build and develop a comprehensive teamwork with innovating mentality
- Achieve an accident-free labor environment, supported by culture of health and safety
- Generate value for the communities in the areas of influence

Governance

Promoting Continuous, Ethical and Responsible Growth

- Adapt our offer and operation to new markets
- Conduct our business with integrity, ethical and transparency
- Adopt best corporate governance practices that facilitate decision making and accountability
- Consolidate and protect our brand
- Strengthen risk management as strategic factor for the organization

Non-GAAP Reconciliation[(1)]

Adjusted EBITDA and adjusted net (loss) income attributable to parent reconciliation

Figures in U.S. $k

	Three months ended Dec 31,		Twelve months ended Dec 31,	
	2021	2020	2021	2020
Net (loss) income	**19.788**	**18.267**	**68.428**	**23.836**
Less: Income (loss) attributable to non-controlling interest	(117)	(62)	(277)	39
(Loss) Income attributable to parent	**19.671**	**18.205**	**68.151**	**23.875**
Foreign currency transactions losses (gains)	4.641	(13.585)	4.308	8.638
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	1.671	882	5.933	6.014
Extinguishment of debt - Call Option Premium	-	-	8.610	-
Extinguishment of debt - Deferred Costs	(104)	-	2.089	-
Joint Venture VA (Saint Gobain) adjustments	(45)	615	57	1.943
Change in FV of Hedging Derivatives	-	23	(176)	1.995
Tax impact of adjustments at statutory rate	(1.849)	3.861	(6.246)	(5.949)
Adjusted net (loss) income	**23.985**	**10.001**	**82.726**	**36.516**
Basic income (loss) per share	0,41	0,39	1,43	0,51
Diluted income (loss) per share	0,41	0,39	1,43	0,51
Diluted Adjusted net income (loss) per share	0,50	0,21	1,74	0,79
Diluted Weighted Average Common Shares Outstanding in thousands	**47.675**	**47.235**	**47.675**	**46.398**
Basic weighted average common shares outstanding in thousands	47.675	47.235	47.675	46.398
Diluted weighted average common shares outstanding in thousands	47.675	47.235	47.675	46.398

	Three months ended Dec 31,		Twelve months ended Dec 31,	
	2021	2020	2021	2020
Net (loss) income	**19.788**	**18.267**	**68.428**	**23.836**
Less: Income (loss) attributable to non-controlling interest	(117)	(62)	(277)	39
(Loss) Income attributable to parent	**19.671**	**18.205**	**68.151**	**23.875**
Interest expense and deferred cost of financing	1.730	4.435	9.850	21.671
Income tax (benefit) provision	8.330	8.990	28.485	13.033
Depreciation & amortization	5.318	5.203	20.923	20.623
Foreign currency transactions losses (gains)	4.641	(13.585)	4.308	8.638
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	1.297	1.215	4.564	4.114
Extinguishment of debt - Call Option Premium	-	-	8.610	-
Extinguishment of debt - Deferred Costs	(104)	-	2.089	-
Joint Venture VA (Saint Gobain) EBITDA adjustments	1.294	966	3.448	3.576
Change in FV of Hedging Derivatives	-	23	(176)	1.995
Adjusted EBITDA	**42.177**	**25.452**	**150.252**	**97.525**

Notes:

1. Adjusted EBITDA, Adjusted EBIT and Adjusted Net Income are not measures of financial performance under generally accepted accounting principles ("GAAP"). Management believes Adjusted EBITDA, Adjusted EBIT and Adjusted Net Income, in addition to operating profit, net income and other GAAP measures, is useful to investors to evaluate the Company's results because it excludes certain items that are not directly related to the Company's core operating performance. Investors should recognize that Adjusted EBITDA, Adjusted EBIT and Adjusted Net Income might not be comparable to similarly-titled measures of other companies. These measures should be considered in addition to, and not as a substitute for or superior to, any measure of performance prepared in accordance with GAAP. Because GAAP financial measures on a forward-looking basis are not accessible, and reconciling information is not available without unreasonable effort, we have not provided reconciliations for forward-looking non-GAAP measures.

Non-GAAP Reconciliation[(1)]

Net Debt, Leverage and Total Investment Reconciliations
Figures in U.S. $k

	As of December 31,	
	2020	**2021**
Short Term Debt and Current Portion of Long Term Debt	1.764	10.700
Long Term Debt	15.055	188.418
Corporate Bond	207.667	-
Gross Debt	**224.486**	**199.118**
Cash at the end of the period	67.669	85.011
Net Debt	**156.817**	**114.107**
LTM Adjusted EBITDA	97.525	150.252
Net Debt / LTM Adjusted EBITDA	**1,61x**	**0,76x**

Notes:

1. *Total Investment and Free Cash Flow are not financial measures under generally accepted accounting principles ("GAAP"). Management believes this measurements are useful to investors to evaluate the Company's performance. Total Investment includes Capex or cash acquisition of property and equipment, assets acquired under capital lease and assets acquired with debt. Free Cash flow is calculated as cash (used in) provided by operating activities (-) Capex or cash acquisition of property and equipment. Free Cash Flow do not include assets acquired under capital lease or debt. Investors should recognize Total Investment and Free Cash Flow might not be comparable to similarly-titled measures of other companies. These measures should be considered in addition to, and not as a substitute for or superior to, any measure prepared in accordance with GAAP. Because GAAP financial measures on a forward-looking basis are not accessible, and reconciling information is not available without unreasonable effort, we have not provided reconciliations for forward-looking non-GAAP measures.*