



CEMEX LATAM HOLDINGS, S.A.
INFORMS

BOGOTA, D.C. COLOMBIA. APRIL 20, 2020.- CEMEX Latam Holdings, S.A. ("CLH" or the "Company") (BVC: CLH), in response to the request made by the "Superintendencia Financiera de Colombia", informs the possible risks resulting from the Pandemic caused by COVID-19, as well as the measures adopted as risks mitigation.

- **Background:**

In accordance with the most recent disposals, in the case of Colombia, operations were initially suspended from March 25 to April 13, subsequently and resulting from the new disposals adopted by the Government of Colombia, and only to supply the works that are in the exceptions of the decree, operations were partially resumed from April 13 to April 27 according to needs; and in Panama, the suspension began from March 25 to April 22 and was subsequently extended until April 30. In general, various measures have been applied to all of the Company's operations and we have started to experience different levels of impacts. At all times, CLH has adhered to all the requirements defined by the authorities.

- **Local Rapid Response Teams ("RRT"):**

From the start of the COVID-19 Pandemic, CEMEX, S.A.B. de C.V. and CLH have established RRTs, which remain active in all their global operations and preventive measures continue to be implemented.

In particular, the main objective of the RRT team is to mitigate the risks identified as a consequence of COVID-19, for business continuity, carrying out the following activities: (i) monitoring global health guidelines and best practices of other companies in relation to COVID-19; (ii) consolidating the information of interest related to COVID-19 and updating it continuously, monitoring any quarantine case and providing the necessary support; (iii) helping to protect employees, trying to reduce the risk of COVID-19 spread; (iv) improving the frequency and cleaning procedures in different facilities; (v) applying different schemes of remote work; (vi) implementing quarantine detection and enforcement measures; (vii) creating and communicating biohealth and safety protocols for interaction in the different pandemic phases; (viii) ensuring that inventories of individual protection elements are available; (ix) improving the commitment with our communities, unions and local authorities and designing plans to strengthen the Company's business continuity and financial stability.

- **Operational Risks:**

As of the date of this press release, the following possible operational risks for CLH have been identified resulting from the pandemic: (i) temporary restrictions, suspended access, closure or suspension of operating units, personnel shortages, production slowdowns or stoppages and interruptions in delivery systems; (ii) interruptions or delays in supply chains, including shortage of materials, products and services on which the Company depends in its business; (iii) less availability of land and sea transport, including labor shortages, logistical limitations, and greater border controls or closings; (iv) higher costs of the materials, products and services that the Company uses.

- **Financial Risks**

The Company considers that, as long as the pandemic effects and impacts extend, significant financial events could occur, such as: (i) effects due to an increase in loss estimates of expected credit from accounts receivable from customers; (ii) impairment effects of long-lived assets including goodwill; (iii) effects due to changes in exchange rates on the obligations of CLH entities denominated in foreign currency; (iv) liquidity effects to handle its short-term operating commitments; (v) reduced investor confidence and consumer spending in the countries where it operates; (vi) a general slowdown of the economic activity, including construction, and a decrease for the demand of products and services of the Company and for the demand of the industry in general; or (vii) restrictions on the availability of financing or liquidity in the financial markets, if available.

- **Mitigation Measures:**

CLH has developed plans to deal with the contingency in a safe and responsible manner, while maintaining its plants and equipment in appropriate technical condition, as well as plans and protocols to resume our operations when permitted in each country where it operates; it has also negotiated with suppliers to meet the Company's need of critical resources. CLH is cooperating with its clients and suppliers to apply measures aimed to comply with biosafety protocols in accordance with state requirements, trying to reduce the risks caused by the pandemic.

The Company will deal with the liquidity risk during the COVID-19 Pandemic by maintaining enough cash as possible and the financing accessibility through financial intermediaries and the credit lines of the Company with the CEMEX Group. In this regard, on April 14, 2020, CEMEX Colombia S.A. contracted loans with local banks for an amount in pesos equivalent to approximately US \$17.5 million at the exchange rate of COP \$4,065 pesos per dollar as of March 31, 2020, for a term of 180 days. In addition, to reduce liquidity risks, starting April 8 and initially until August 8: (i) all capital investments not related to the management of the Pandemic are suspended; (ii) operating expenses will be strictly incurred in accordance with the evolution and demand of the market; (iii) production will be limited to, as long as the quarantine measures allow it, to the volume of products required by the market; and (iv) all activities that are not focused on crisis management and basic operations are suspended. At all times, the Company will seek to mitigate the impact on job positions resulting from operational closings, either due to demand contraction or due to government requirements resulting from the current health and economic crisis.

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- **Social Responsibility:**

During the contingency stage, as part of CLH's social commitment, humanitarian aid was activated. Pursuant to the social strategy aiming to safeguard the common welfare, provide a comprehensive response in the communities and contribute to business continuity, the following actions are being carried out, which have had the voluntary support of the Company's employees and municipal, departmental and national authorities:

Colombia:

- ✓ Food has been delivered to 3,700 families and 500 liters of antibacterial gel have been donated, benefiting nearly 2,500 people.
- ✓ Drinking water has been supplied in the municipalities of San Luis, Maceo and Clemencia, benefiting more than 3,000 families.
- ✓ CEMEX Colombia S.A. has mobilized more than 100 mixers with a soap and water solution, disinfecting almost 306 thousand square meters in 48 areas of the main cities of the country. In addition, CEMEX Colombia S.A. has supported the disinfection of strategic sites in Bogotá such as Corferias, which is being adapted as the largest provisional hospital in Colombia, the Corabastos food wholesale market, Transmilenio portals and the surroundings of the Antonio Nariño cemetery, in a joint work with the Mayor's Office of Bogotá, the Special Unit of Public Services UAESP and private companies, among other allies. The same task was developed in 6 prisons in coordination with the corresponding authorities.
- ✓ These activities and humanitarian aid have benefited around 6,800 families in a vulnerable state. 13 cities and municipalities in Colombia have benefited from the actions of CEMEX Colombia S.A.

Panama:

- ✓ A donation to the Ministry of Public Works of 1.3 tons of cement was made for the construction of a temporary hospital for the care of COVID-19 cases.
- ✓ Cemento Bayano, S.A. has mobilized around 16 mixers with a soap and water solution, disinfecting almost 35,000 square meters in 3 areas of Panama City. This initiative was welcomed by the National Government and since April 5 it has been carried out every Sunday, in coordination with other ready-mix companies.
- ✓ The cleaning of more than 35,000 square meters of sidewalks and stops in the communities of northern Panama area was initiated with local authorities, benefiting more than 10,000 people. This activity was carried out in coordination with other companies, using water tankers.
- ✓ More than 3,000 families in a vulnerable state in 13 communities in the surroundings of the cement plant have benefited from the Company's actions in Panama.

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In conclusion, CLH expects to be able to resume all of its operations on a regular basis, supplying its products and services to all its clients when government regulations allow, for which each country where CLH operates is designing the necessary protocols to adapt the operation to the new reality, complying with the guidelines issued by local governments regarding the health and safety of employees and in accordance with the internal protocols that govern these matters.

As of the date of this press release, it is not possible to make a reliable estimate of the effects derived from these circumstances given the existing uncertainty about the duration and consequences in the different markets where the Company operates. However, as events evolve throughout the fiscal year 2020 and CLH has more visibility in order to quantify the effects, the Company will evaluate and record the possible impacts on its financial situation, operation results and cash flows.

Note: Unofficial translation for information purposes only. The original document filed in Spanish is the official version, therefore in case of any discrepancy between the Spanish version and this version, the Spanish version shall prevail.