Consolidated Condensed Financial Statements

March 31, 2020

This is an unofficial translation into English of the condensed consolidated financial statements as of and for the three-month periods ended March 31, 2020 and 2019 issued in the Spanish language on April 21, 2020, and, subsequently, on May 4, 2020 in order to include the eventual effects of the Subsequent. This translation is provided solely for the convenience of English-speaking readers. For any and all purposes, the condensed consolidated financial statements as of and for the three-month periods ended March 31, 2020 and 2019 issued in the Spanish language on April 21, 2020 shall be considered the only official version of the document.

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CEMEX Latam Holdings S.A. and Subsidiaries

CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Statements of Operations
(Thousands of U.S. dollars)

		(Unaudited) For the three-month periods ended	
	Notes	**March 31, 2020**	**March 31, 2019**
Revenues	4	214,225	258,224
Cost of sales	3E	(127,166)	(154,663)
Gross profit		**87,059**	**103,561**
Administrative and selling expenses		(35,355)	(42,887)
Distribution expenses		(25,173)	(26,710)
		(60,528)	(69,597)
Operating earnings before other expenses, net		**26,531**	**33,964**
Other (expenses) income, net	6	(1,711)	63
Operating earnings		**24,820**	**34,027**
Financial expense	4	(13,280)	(13,856)
Financial income and other items, net	4, 7	(229)	(303)
Foreign exchange results	3D	(38,489)	3,075
Earnings before income tax		**(27,178)**	**22,943**
Income tax	18A	3,309	(7,303)
CONSOLIDATED NET INCOME		**(30,487)**	15,640
Non-controlling interest net income (loss)		(69)	39
CONTROLLING INTEREST NET INCOME (LOSS)		**(30,418)**	**15,601**
BASIC EARNINGS (LOSS) PER SHARE	20	**(0.05)**	**0.03**
DILUTED EARNINGS (LOSS) PER SHARE	20	**(0.05)**	**0.03**

The accompanying notes are part of these consolidated condensed financial statements.

CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Statements of Comprehensive Income (Loss)
(Thousands of U.S. dollars)

			(Unaudited) For the three-month periods ended	
	Notes		**March 31, 2020**	**March 31, 2019**
CONSOLIDATED NET INCOME (LOSS)		$	**(30,487)**	**15,640**
Items that will be reclassified subsequently to profit or loss when specific conditions are met:				
Currency translation of foreign subsidiaries			(70,566)	16,007
Total other items of comprehensive income (loss) for the period			(70,566)	16,007
CONSOLIDATED COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD			(101,053)	31,647
Non-controlling interest comprehensive income			(69)	39
CONTROLLING INTEREST COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		$	**(100,984)**	**31,608**

The accompanying notes are part of these consolidated condensed financial statements.

CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Statements of Financial Position
(Thousands of U.S. dollars)

	Notes	(Unaudited) As of March 31, 2020	As of December 31, 2019
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	$ 32,151	22,606
Trade accounts receivable	9	68,872	70,650
Accounts receivable from related parties	10	35,151	34,350
Other accounts receivable	11A	10,019	13,828
Prepaid taxes		39,063	41,938
Inventories	12	73,886	77,973
Other current assets	13	19,292	22,604
Total current assets		278,434	283,949
NON-CURRENT ASSETS			
Other investments and non-current accounts receivable	11B	3,643	4,107
Property, machinery and equipment, net and assets for the right-of-use, net	14	996,151	1,131,440
Goodwill and other intangible assets, net	15	1,509,646	1,552,903
Deferred income tax assets		29,141	21,804
Total non-current assets		2,538,581	2,710,254
TOTAL ASSETS		**$ 2,817,015**	**2,994,203**
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Debt and other current financial liabilities	16	$ 8,727	10,227
Trade payables		116,722	146,538
Accounts payable to related parties	10	31,245	20,021
Taxes payable		16,618	19,804
Other accounts payable and accrued expenses	17	57,140	64,282
Total current liabilities		230,452	260,872
NON-CURRENT LIABILITIES			
Debt and other non-current financial liabilities		17,628	19,174
Long-term accounts payable to related parties	10	740,184	729,090
Employee benefits		30,198	37,855
Deferred income tax liabilities		291,435	339,048
Other liabilities	17	64,339	64,358
Total non-current liabilities		1,143,784	1,189,525
TOTAL LIABILITIES		**1,374,236**	**1,450,397**
STOCKHOLDERS' EQUITY			
Controlling interest			
Common stock and additional paid-in capital	19A	1,472,453	1,472,391
Other equity reserves	19B	(973,944)	(903,715)
Retained earnings	19C	939,461	969,879
Total controlling interest		1,437,970	1,538,555
Non-controlling interest	19E	4,809	5,251
TOTAL STOCKHOLDERS' EQUITY		**1,442,779**	**1,543,806**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**$ 2,817,015**	**2,994,203**

The accompanying notes are part of these consolidated condensed financial statements.

CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Statements of Cash Flows
(Thousands of U.S. dollars)

	Notes		(Unaudited) For the three-month periods ended March 31, 2020	March 31, 2019
OPERATING ACTIVITIES				
Consolidated net income		$	(30,487)	15,640
Non-cash items:				
Depreciation and amortization of assets	5		19,271	20,674
Provisions and other non-cash expenses (income)			(2,862)	381
Financial expense, other financial income and foreign exchange results, net			51,998	11,084
Income taxes	18		3,309	7,303
Loss on the sale of fixed assets			1,134	797
Impairment losses			–	610
Changes in working capital, excluding income taxes			(27,051)	(23,257)
Net cash flow provided by operating activities before interest and income taxes			**15,312**	**33,232**
Financial expense paid in cash			–	(22)
Income taxes paid in cash			(6,227)	(13,041)
Net cash flows provided by operating activities			**9,085**	**20,169**
ACTIVIDADES DE INVERSIÓN				
Property, machinery and equipment, net and assets for the right-of-use, net	14		(1,861)	(3,380)
Financial income	7		217	263
Intangible assets and other deferred charges			(62)	2,378
Long-term assets and others, net			463	264
Net cash flows used in investing activities			**(1,243)**	**(475)**
FINANCING ACTIVITIES				
Debt repayments to related parties			(51,889)	(111,785)
Loans from related parties			61,343	85,752
Debt repayments, net			(3,047)	(2,041)
Non-current liabilities, net			(3,020)	8,702
Net cash flows provided by (used in) financing activities			**3,387**	**(19,372)**
Increase in cash and cash equivalents			11,229	322
Cash foreign currency translation effect			(1,684)	602
Cash and cash equivalents at beginning of period			22,606	37,126
CASH AND CASH EQUIVALENTS AT END OF PERIOD	8	$	**32,151**	**38,050**
Changes in working capital, excluding income taxes:				
Trade accounts receivable		$	4,561	909
Other accounts receivable and other assets			6,752	1,339
Inventories			4,166	(3,233)
Trade accounts payable			(29,816)	(10,553)
Current related parties, net			783	(9,219)
Other accounts payable and accrued expenses			(13,497)	(2,500)
Changes in working capital, excluding income taxes		$	**(27,051)**	**(23,257)**

The accompanying notes are part of these consolidated financial statements.

CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Statements of Changes in Stockholders' Equity
(Thousands of U.S. dollars)

	Notes		Common stock	Additional paid-in capital	Other equity reserves	Retained earnings	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balances as of December 31, 2018		$	**718,124**	**751,608**	**(927,970)**	**965,231**	**1,506,993**	**5,290**	**1,512,283**
Net income for the period			–	–	–	15,601	15,601	39	15,640
Other items of comprehensive income for the period			–	–	16,007	–	16,007	–	16,007
Total other items of comprehensive income for the period			–	–	16,007	15,601	31,608	39	31,647
Changes in non-controlling interest	19E		–	–	–	–	–	(61)	(61)
Share-based compensation	19D		–	111	509	–	620	–	620
Balances as of March 31, 2019		$	**718,124**	**751,719**	**(911,454)**	**980,832**	**1,539,221**	**5,268**	**1,544,489**
Balances as of December 31, 2019			**718,124**	**754,267**	**(903,715)**	**969,879**	**1,538,555**	**5,251**	**1,543,806**
Net loss for the period			–	–	–	(30,418)	(30,418)	(69)	(30,487)
Other items of comprehensive income (loss) for the period			–	–	(70,566)	–	(70,566)	–	(70,566)
Total other items of comprehensive income (loss) for the period			–	–	(70,566)	(30,418)	(100,984)	(69)	(101,053)
Changes in non-controlling interest	19E		–	–	–	–	–	(373)	(373)
Share-based compensation	19D		–	62	337	–	399	–	399
Balances as of March 31, 2020		$	**718,124**	**754,329**	**(973,944)**	**939,461**	**1,437,970**	**4,809**	**1,442,779**

The accompanying notes are part of these consolidated condensed financial statements.

1) DESCRIPTION OF BUSINESS

CEMEX Latam Holdings, S.A., was constituted under the laws of Spain on April 17, 2012 as capital stock corporation (S.A.) for an undefined period of time. The entity is a subsidiary of CEMEX España, S.A. ("CEMEX España"), also organized under the laws of Spain, as well as an indirect subsidiary of CEMEX, S.A.B. de C.V., a public stock corporation with variable capital (S.A.B. de C.V.) organized under the laws of Mexico. The statutory purpose and main activities of CEMEX Latam Holdings, S.A. consist of the subscription, acquisition, tenure, enjoyment, management or sale of securities and share holdings, as well as the management and administration of securities representing the stockholders' equity (own funds) of non-resident entities in Spanish territory through the corresponding organization of material and human resources. Based on its statutory purpose, CEMEX Latam Holdings, S.A. is the indirect holding company (parent) of entities whose main activities located in Colombia, Panama, Costa Rica, Nicaragua, Guatemala and El Salvador, are all oriented to the construction industry through the production, marketing, distribution and sale of cement, ready-mix concrete, aggregates and other construction materials. The common shares of CEMEX Latam Holdings, S.A. are listed in the Colombian Stock Exchange (*Bolsa de Valores de Colombia, S.A.* or "BVC") under the symbol CLH.

The term the "Parent Company" used in these accompanying notes to the financial statements refers to CEMEX Latam Holdings, S.A. without its subsidiaries. The terms the "Company" or "CEMEX Latam" refer to CEMEX Latam Holdings, S.A. together with its consolidated subsidiaries. When the term "CEMEX" is used, refers to CEMEX, S.A.B. de C.V. and/or some of its subsidiaries, which are not direct or indirect subsidiaries of the Parent Company. The issuance of these consolidated financial statements was authorized by Management and the Board of Directors of the Parent Company on April 21, 2020, and, subsequently, on May 4, 2020 in order to include the eventual effects of the Subsequent Event mentioned in note 24 and the update of the Relevant Event mentioned in note 2, considering the favorable report in both dates of the Audit Commission.

2) RELEVANT EVENT DURING THE PERIOD AND UNTIL THE DATE OF APPROVAL OF THESE FINANCIAL STATEMENTS

COVID-19: International Pandemic

On March 11, 2020, the World Health Organization declared a pandemic the outbreak of Coronavirus COVID-19 (the "COVID-19 Pandemic"), due to its rapid spread throughout the world, having affected as of such date more than 150 countries. Most governments are taking several restrictive measures to contain the spread of such pandemic, which, as of the approval date of these condensed consolidated financial statements, have resulted, or may result in the following implications for the Company: (i) temporary restrictions on, suspended access to, shutdown or suspension of its operating units, personnel shortages, production slowdowns or stoppages and disruptions in the delivery systems; (ii) disruptions or delays in the supply chains, including shortages of materials, products and services on which the Company and its businesses depend; (iii) reduced availability of land and sea transport, including labor shortages, logistics constraints and increased border controls or closures; (iv) increased cost of materials, products and services utilized by the Company; (v) reduced investor confidence and consumer spending in the countries where the Company operates; (vi) a general slowdown in economic activity, including construction, and a decrease in demand for the Company's products and services and industry demand generally; or (vii) constraints on the availability of financing in the financial markets, if available at all.

These measures have adversely affected and may further adversely affect the Company's workforce and operations, as well as the operations of its customers, distributors and suppliers, and may adversely affect the financial condition and results of operations of CEMEX Latam. The Company maintains significant uncertainty regarding such measures and potential future measures, and restrictions on its access to its operating facilities, on its operations or on its workforce, or similar limitations for its distributors and suppliers, which could limit customer demand and/or the Company's capacity to meet customers demand, any of which could have a material adverse effect on CEMEX Latam's financial condition and results of operations. The degree to which the COVID-19 Pandemic affects the Company's results and operations will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume.

From the beginning of the COVID-19 Pandemic, CEMEX Latam has implemented strict hygiene guidelines in all its operations and modified its manufacturing, selling and distribution processes in order to implement physical distancing, so as to protect the health and safety of its employees and their families, customers and communities; in order to drastically reduce the possibility of contagion. Following the quarantine measures implemented by the local authorities, CEMEX Latam has temporarily stopped the production, distribution and commercialization of its products in certain of its operations. Specifically, in accordance to the official provisions, in the case of Colombia, operations remained suspended from March 25 until April 13, and subsequently such operations started to gradually and partially resume from April 13 through April 27, and beginning on April 27, most of the operations may resume for the supply of materials and products for the execution of infrastructure works, public works and building construction, among others; and in Panama, the suspension initially started from March 25 through April 22 and subsequently was extended until May 24. In general, as mentioned below, all CEMEX Latam's operations have been subject to measures to contain the spread of the outbreak and have begun to be affected to different degrees. In any case, CEMEX Latam has observed the requirements defined by the relevant authorities.

The International Monetary Fund recently published its World Economic Outlook report, which stated that as a result of the COVID-19 Pandemic and its effects on supply chains, global trade, mobility of persons, business continuity, lower demand for goods and services and oil prices, have significantly increased the risk of a deep global recession and projects the global economy to contract sharply by 3% in 2020, much worse than during the 2008–09 financial crisis. Even though some governments and central banks have implemented policies to curb the effects on economies and financial markets, these measures vary by country and may not be enough to deter the material adverse economic and financial effects. The Company considers that the construction activity across most of the markets in which it operates and offers its products and services will be adversely affected during few months, once that restrictive measures would be lifted, before returning to pre-COVID-19 Pandemic levels.

COVID-19: International Pandemic – continued

The consequences derived from the COVID-19 Pandemic have started to considerably affect the Company beginning in the third week of March 2020. The Company considers that, as the duration and negative impacts of such pandemic may extend, there could be significant events in the future mainly in connection with: (i) effects from increases in estimated credit losses on trade accounts receivable; (ii) effects from impairment of long-lived assets including goodwill; (iii) effects from variation in exchange rates on CEMEX Latam's obligations denominated in foreign currency; (iv) disruptions in the supply chains; and (v) liquidity risks to meet the Company's short-term obligations. As of the approval date of these condensed consolidated financial statements it is not possible to make reliable estimates of the adverse effects arising from these circumstances due to the uncertainty associated to the duration and consequences in the different markets in which the Company operates. Nonetheless, as events evolve during the year 2020 and there will be increased visibility to measure such effects, CEMEX Latam will evaluate and recognize the possible adverse effects in its financial condition, results of operations and cash flows.

CEMEX Latam expects to deal with the liquidity risks during the COVID-19 Pandemic, maintaining sufficient cash, to the extent possible, as well as financing availability through the financial intermediaries and the Company's lines of credit with entities of the CEMEX Group (see note 24 of Subsequent Events regarding the Company's availability of its lines of credit with related parties). At this respect, during April, 2020, CEMEX Colombia, S.A. negotiated new loans with local banks for an aggregate amount in pesos equivalent to approximately $24.7 million all maturing in different dates during October 2020, considering the exchange rate of 4,065 pesos per U.S. dollar as of March 31, 2020. In addition, Cemento Bayano, S.A. negotiated two loans with banks in Panama for an aggregate amount of $8 million, of which $5 million mature in July 2020 and $3 million mature in August 2020. Moreover, to reduce liquidity risks, beginning on April 8 and initially until August 8, 2020, the following measures apply: a) all capital expenditures not associated with the management of the COVID-19 Pandemic are suspended; b) budgeted operating expenses will be incurred strictly according to the Company's markets evolution and demand; c) the Company will produce, to the extent permitted by quarantine measures, only the volume of products that markets demand; and, d) all activities not related to managing the crisis and basic operations are suspended. In addition, the Parent Company's Board of Directors approved a proposal to voluntarily forgo 25% of their allowances as board members during the months of May, June and July. Moreover, CEMEX Latam has asked its senior executives to voluntarily forgo a portion of their monthly salaries of 25% for the Chief Executive Officer and of 15% for the rest of the executive level also during the months of May, June and July 2020. Finally, the Company has asked the rest of its salaried employees to voluntarily defer 10% of their monthly salary during the same three-month period, amounts that will be paid in full during December 2020. In all cases, CEMEX Latam will work to mitigate the effects on jobs derived from any operational shutdowns due to demand contraction or government measures as a consequence of the current health and economic crisis.

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied to these consolidated condensed financial statements as of March 31, 2020, are the same as those applied in the consolidated financial statements as of December 31, 2019, considering as subsequently described in note 3A.

3A) BASIS OF PRESENTATION AND DISCLOSURE

The consolidated condensed financial statements and the accompanying notes were prepared in accordance with International Financial Reporting Standards ("IFRS") effective as of March 31, 2020, as issued by the International Accounting Standards Board ("IASB"), as well as with the International Accounting Standard 34, *Interim Financial Statements*.

The consolidated condensed statements of financial position as of March 31, 2020 and as of December 31, 2019, as well as the consolidated condensed statements of operations, the consolidated condensed statements of comprehensive income (loss), the consolidated condensed statements of cash flows and the consolidated condensed statements of changes in stockholders' equity for the three-month periods ended March 31, 2020 and 2019 and their related disclosures included in the notes to the financial statements, have not been audited. These consolidated condensed financial statements under IFRS are presented quarterly to the securities and exchange authority in Colombia due to the registration of the Parent Company's shares with the aforementioned authority for their trading on the BVC.

Presentation currency and definition of terms

The presentation currency of the consolidated condensed financial statements is the dollar of the United States of America (the "United States"), which is also the functional currency of the Parent Company considering that is the main currency in which the Parent Company carries its operations and settles its obligations. The amounts in the financial statements and the accompanying notes are presented in thousands of dollars of the United States, except when specific references are made to other currency, or different measuring unit like millions, earnings per share, prices per share and/or exchange rates. For convenience of the reader, except when reference is made to other specific date, all amounts disclosed in these notes to the financial statements, mainly in connection with tax or legal proceedings (notes 18B and 22), which are originated in jurisdictions which currencies are different to the dollar, are presented in dollar equivalents as of March 31, 2020. Consequently, despite any change in the original currency, such dollar amounts will fluctuate over time due to changes in exchange rates. These dollar translations should not be construed as representations that the dollar amounts were, could have been, or could be converted at the indicated exchange rates. See table of the main exchange rates included in note 3D.

When reference is made to "$" or Dollar is to Dollars of the United States, when reference is made to "€" or Euros is to the currency in circulation in a significant number of European Union ("EU") countries. When reference is made to "¢" or Colones is to Colones of the Republic of Costa Rica ("Costa Rica"). When reference is made to "COP$" or Pesos is to Pesos of the Republic of Colombia ("Colombia"). When reference is made to "C$" or Cordobas is to Cordobas of the Republic of Nicaragua ("Nicaragua"). When reference is made to "Q$" or Quetzales is to Quetzales of the Republic of Guatemala ("Guatemala").

(Thousands of U.S. dollars)

Statements of operations

CEMEX Latam includes in the statements of operations the line item titled "Operating earnings before other (expenses) income, net" considering that it is a relevant operating measure for the Company's management. The line item "Other (expenses) income, net" consists primarily of revenues and expenses not directly related to CEMEX Latam's main activities, or that are of an unusual or non-recurring nature, including results on disposal of assets, reimbursement of damages from insurance companies, certain severance payments under restructuring, as well as for the period ended March 31, 2020, certain incremental expenses associated with the COVID-19 Pandemic, among others (note 6). Under IFRS, the inclusion of certain subtotals such as "Operating earnings before other (expenses) income, net" and the display of the statement of operations vary significantly by industry and company according to specific needs.

Considering that it is an indicator of its ability to internally fund capital expenditures and to measure its ability to service or incur debt, for purposes of note 3C, CEMEX Latam presents "Operating EBITDA" (operating earnings before other (expenses) income, net, plus depreciation and amortization). This is not an indicator of CEMEX Latam's financial performance, an alternative to cash flows, measure of liquidity or comparable to other similarly titled measures of other companies. This indicator is used by CEMEX Latam's management for decision-making purposes.

Statements of cash flows

The consolidated statements of cash flows present cash inflows and outflows, excluding unrealized foreign exchange effects, as well as the following transaction that did not represent sources or uses of cash:

Financing activities

- For the three-month periods ended March 31, 2020 and 2019, in connection with the executives' share-based compensation (note 19D), the net increase in other equity reserves of $337 and $509, respectively, and the increase in additional paid-in capital of $62 in 2020 and $111 in 2019, and,

- For the three-month periods ended March 31, 2020 and 2019, the increase in other financial obligations of $212 and $3,082 in 2019, respectively, in relation to the lease contracts negotiated during the periods (note 16).

Investing activities

- For the three-month periods ended March 31, 2020 and 2019, the increase in assets for the right-of-use of $212 and $3,082 in 2019, respectively, in relation to the lease contracts negotiated during the period (note 14B).

Newly issued IFRS with impact on the reported periods

IFRS 16, *Leases* ("IFRS 16")

Beginning January 1, 2019, IFRS 16 superseded all existing guidance related to lease accounting including IAS 17, *Leases* and introduced a single lessee accounting model that requires a lessee to recognize, for all leases, assets for the "right-of-use" the underlying asset against a corresponding financial liability, representing the net present value of the estimated fixed payments under the lease contract, allowing exemptions in case of leases with a term of less than 12 months or when the underlying asset is of low value. Under this model, the lessee recognizes in the income statement depreciation of the asset for the right-of-use and interest on the lease liability. After concluding the inventory and measurement of its leases, CEMEX Latam adopted IFRS 16 using the full retrospective approach by means of which it determined an opening cumulative effect in its statement of financial position as of January 1, 2018, representing an increase in assets for the right-of-use of $15,678, an increase in deferred income tax assets of $2,786, an increase in other financial obligations of $22,921, an increase in deferred income tax liabilities of $705 and a reduction in stockholders' equity of $5,168. The initial reduction in stockholders' equity refers to a temporary difference between the depreciation expense of the assets for the right-of-use under the straight–line method against the amortization of the liability under the effective interest rate method both measured from the beginning of the contracts, which will be reversed during the remaining life of the contracts (note 14B).

Other newly issued IFRS adopted in the reported periods

In addition, there were other new standards, interpretations and standard amendments adopted as of January 1, 2020, as correspond, which did not result in any material impact on CEMEX Latam results or financial position, and which are summarized as follows:

Standard	Main topic
Amendments to IFRS 3, *Business combinations*..	The amendments definition of a business requires that an acquisition include an input and a substantive process that together contribute significantly to the ability to create outputs. The definition of the term "outlets" is modified to focus on goods and services provided to customers, generating investment income and other income, and excludes returns in the form of lower costs and other economic benefits. The modifications are likely to result in more acquisitions being accounted for as asset acquisitions.

(Thousands of U.S. dollars)

Other newly issued IFRS adopted in the reported periods – continued

Standard	Main topic
Amendments to IAS 1, *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*...........	The amendments use a coherent definition of materiality throughout the International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 on non-material information.
Amendments to IFRS 9, IAS 39 and IFRS 7 - *The Reform of the Reference Interest Rates*..	The amendments refer to the replacement of the Interbank Reference Rates (IBOR) and provide temporary relief to continue applying hedge accounting during the period of uncertainty before its replacement by an alternate *quasi* risk-free rate.

3B) PRINCIPLES OF CONSOLIDATION

The consolidated condensed financial statements include those of CEMEX Latam Holdings, S.A. and those of the entities, including structured entities, in which the Parent Company exercises control, by means of which the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Among other factors, control is evidenced when the Parent Company: a) holds directly or through subsidiaries, more than 50% of an entity's common stock; b) has the power, directly or indirectly, to govern the administrative, financial and operating policies of an entity, or c) is the primary receptor of the risks and rewards of an structured entity. Balances and operations between related parties are eliminated in consolidation. Each subsidiary is a legally responsible separate entity and maintains custody of its own financial resources.

3C) USE OF ESTIMATES AND MANAGEMENT JUDGMENT

The preparation of the consolidated financial statement in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the reporting date, as well as the reported amounts of revenues and expenses for the period. These assumptions are continuously reviewed using available information. Actual results could differ from these estimates.

The main items subject to estimates and assumptions include, among others, the determination of fair values and the impairment tests of long-lived assets and inventories, the valuation of expected credit losses of trade accounts receivable, the recognition of deferred income tax assets, as well as the evaluation of contingencies resulting from ongoing legal and/or tax proceedings. Significant judgment by management is required to appropriately measure these items, especially in periods of uncertainty such as that resulting from the COVID-19 Pandemic.

3D) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION OF FOREIGN ENTITIES' FINANCIAL STATEMENTS

The most significant closing exchange rates per U.S. dollar as of March 31, 2020 and December 31, 2019 for purposes of the statement of financial position and the average exchange rates per U.S. dollar for purposes of the statements of operations for three-month periods ended March 31, 2020 and 2019, are as follows:

	March 31, 2020		December 31, 2019	March 31, 2019
Monedas	**Closing**	**Average**	**Closing**	**Average**
Colombian Pesos	4,064.81	3,672.04	3,277.14	3,136.75
Costa Rican Colones..	587.37	577.69	576.49	609.08
Nicaraguan Cordobas	34.09	34.00	33.83	32.59
Guatemalan Quetzales	7.68	7.68	7.69	7.72

The foreign exchange fluctuation loss of $38,489 included the statement of operations and the currency translation loss of foreign subsidiaries of $70,566 included in the statement of comprehensive income (loss) for the three-month period ended March 31, 2020 mainly refer to the devaluation of the peso against the dollar of 24% during the aforementioned period and its effect in the foreign exchange fluctuation results recognized in the statement of operations associated with CEMEX Colombia S.A.'s obligations denominated in dollars, as well as the currency translation of its net assets within equity for purposes of the statement of comprehensive income (loss).

3E) COST OF SALES, ADMINISTRATIVE AND SELLING EXPENSES AND DISTRIBUTION EXPENSES

Cost of sales represents the production cost of inventories at the moment of sale includes depreciation, amortization and depletion of assets involved in production and expenses related to storage in producing plants and the freight expenses of raw materials in the plants and the delivery expenses of the Company in the concrete business. Cost of sales excludes expenses related to personnel, equipment and services involved in sale activities and storage of product at points of sales, as well as costs related to warehousing of products at the selling points, which are included as part of administrative and selling expenses. Cost of sales includes freight expenses of raw material in plants and delivery expenses of the Company's ready-mix concrete business, but excludes freight expenses of finished products between plants and points of sale and freight expenses between points of sales and the customers' facilities, which are included as part of the distribution expenses line item.

(Thousands of U.S. dollars)

3F) NEWLY ISSUED IFRS NOT YET ADOPTED

IFRS issued as of the date of issuance of these financial statements which have not yet been adopted are described as follow:

Standard [1]	Main topic	Effective date
Amendments to IFRS 10, *Consolidated financial statements* and IAS 28	Clarify the recognition of gains or losses in the Parent's financial statements for the sale or contribution of assets between an investor and its associate or joint venture.	Has yet to be set
Amendments to IAS 1, *Presentation of Financial Statements*	Clarifies the requirements to be applied in classifying liabilities as current and non-current.	January 1, 2022
IFRS 17, *Insurance contracts*	The standard establishes the principles of recognition, valuation, presentation and disclosure of insurance contracts and replaces IFRS 4, Insurance contracts. The rule sets out a General Model, which is modified by insurance contracts with direct participation clauses, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.	January 1, 2023

1 The Company does not expect any material effect on its consolidated financial statements as a result of the adoption of these IFRS.

4) REVENUES AND SELECTED FINANCIAL INFORMATION BY REPORTABLE SEGMENT AND LINE OF BUSINESS

4A) REVENUES

CEMEX Latam's revenues are mainly originated from the sale and distribution of cement, ready-mix concrete, aggregates and other construction materials and services in the construction industry. CEMEX Latam grants credit to its customers for terms ranging from 15 to 45 days depending on the type of project and the credit risk of each customer. For the periods ended March 31, 2020 and 2019, revenues, after eliminations between related parties, are detailed as follows:

		2020	2019
From the sale of cement	$	149,823	170,562
From the sale of ready-mix concrete		45,653	67,181
From the sale of aggregates..		5,610	6,926
From the sale of other products and eliminations [1]		13,139	13,555
	$	214,225	258,224

1 Mainly refers to revenues generated by other lines of business such as diverse products for the construction industry and infrastructure and housing projects, net of the elimination of revenues between segments.

4B) SELECTED FINANCIAL INFORMATION BY REPORTABLE SEGMENTS AND LINE OF BUSINESS

The financial policies applied to elaborate the condensed financial information by reportable segments are consistent with those used in the preparation of the consolidated condensed financial statements for the three-month periods ended March 31, 2020 and 2019. The segment "Rest of CLH" refers to the Company's operations in Guatemala, Nicaragua and El Salvador. In addition, the segment "Others" relates mainly to the Parent Company, including its corporate offices in Spain and its research and development offices in Switzerland, as well as adjustments and eliminations resulting from consolidation.

Selected consolidated condensed information of the statement of operations by reportable segment for the three-month periods ended March 31, 2020 and 2019 are as follow:

2020	Revenues (including related parties)	Less: Related parties	Revenues	Operating EBITDA	Less: Depreciation and amortization	Operating earnings before other expenses, net	Other (expenses) income, net	Financial expenses	Financial income and other items, net
Colombia .... $	101,735	(31)	101,704	16,588	(6,418)	10,170	(273)	(4,485)	(296)
Panama	34,516	(1,461)	33,055	10,346	(3,852)	6,494	(355)	(2,317)	52
Costa Rica....................	25,350	(2,795)	22,555	7,845	(1,128)	6,717	(374)	(78)	425
Rest of CLH................	57,259	(348)	56,911	17,446	(2,100)	15,346	(88)	(363)	675
Others	–	–	–	(6,423)	(5,773)	(12,196)	(621)	(6,037)	(1,085)
Total	218,860	(4,635)	214,225	45,802	(19,271)	26,531	(1,711)	(13,280)	(229)

(Thousands of U.S. dollars)

Selected financial information by reportable segments and line of business – continued

2019	Revenues (including related parties)	Less: Related parties	Revenues	Operating EBITDA	Less: Depreciation and amortization	Operating earnings before other expenses, net	Other (expenses) income, net	Financial expenses	Financial income and other items, net
Colombia $	128,066	–	128,066	21,885	(6,996)	14,889	1,076	(6,056)	(341)
Panama	50,024	–	50,024	13,842	(4,675)	9,167	313	(1,878)	28
Costa Rica	27,757	(4,142)	23,615	9,880	(1,214)	8,666	18	(15)	664
Rest of CLH	56,571	(52)	56,519	17,110	(1,845)	15,265	5	(648)	1,051
Others	–	–	–	(8,079)	(5,944)	(14,023)	(1,349)	(5,259)	(1,705)
Total	262,418	(4,194)	258,224	54,638	(20,674)	33,964	63	(13,856)	(303)

Revenues by line of business and reportable segments for the three-month periods ended March 31, 2020 and 2019 are as follows:

2020	Cement	Concrete	Aggregates	Other products	Others	Revenues
Colombia $	62,057	31,766	1,040	6,872	(31)	101,704
Panama	21,179	7,643	624	5,070	(1,461)	33,055
Costa Rica	17,144	2,990	3,515	1,701	(2,795)	22,555
Rest of CLH	49,443	3,254	431	4,131	(348)	56,911
Total	149,823	45,653	5,610	17,774	(4,635)	214,225

2019	Cement	Concrete	Aggregates	Other products	Others	Revenues
Colombia $	72,028	47,244	1,615	7,179	–	128,066
Panama	31,357	12,443	820	5,404	–	50,024
Costa Rica	18,162	3,928	4,045	1,622	(4,142)	23,615
Rest of CLH	49,015	3,566	446	3,544	(52)	56,519
Total	170,562	67,181	6,926	17,749	(4,194)	258,224

As of March 31, 2020 and December 31, 2019, selected consolidated information of the statements of financial position by reportable segments, which includes the corresponding balance of goodwill that was allocated to each reportable operating segment (note 15), as well as eliminations resulting from consolidation, as applicable, is as follows:

2020	Total Assets	Total Liabilities	Net assets by segment	Capital expenditures
Colombia $	1,066,506	526,400	540,106	2,114
Panama	770,697	214,765	555,932	306
Costa Rica	415,712	26,161	389,551	116
Rest of CLH	528,304	75,106	453,198	545
Others	35,796	531,804	(496,008)	–
Total $	2,817,015	1,374,236	1,442,779	3,081

2019	Total Assets	Total Liabilities	Net assets by segment	Capital expenditures
Colombia $	1,241,523	588,138	653,385	25,936
Panama	777,141	221,429	555,712	9,538
Costa Rica	426,156	29,471	396,685	4,122
Rest of CLH	528,820	73,732	455,088	6,263
Others	20,563	537,627	(517,064)	–
Total $	2,994,203	1,450,397	1,543,806	45,859

5) DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense by main activity for the three-month periods ended March 31, 2020 and 2019 is detailed as follows:

		2020	2019
Depreciation and amortization expense of assets used in the production process	$	13,237	14,613
Depreciation and amortization expense of assets used in administrative and selling activities		6,034	6,061
	$	19,271	20,674

(Thousands of U.S. dollars)

6) OTHER (EXPENSES) INCOME, NET

The detail of other (expenses) income, net for the three-month periods ended March 31, 2020 and 2019 is as follows:

		2020	2019
Results from valuation and sale of assets, sale of scrap and other products and expenses, net	$	(1,099)	887
Assumed taxes, fines and other penalties		(437)	(161)
Incremental costs and expenses associated with the COVID-19 Pandemic [1]		(131)	–
Severance payments and other personnel costs for reorganization		(44)	(53)
Impairment losses [2]		–	(610)
	$	(1,711)	63

1 Mainly refers to expenses associated with the maintenance of sanitary and containment measures that began in March 2020 as a result of the COVID-19 Pandemic, as well as incremental costs associated with operational disruptions related to such pandemic.

2 During the three-month period ended March 31, 2029, the Company recognized impairment losses in Colombia related to certain mining equipment.

7) FINANCIAL EXPENSES, FINANCIAL INCOME AND OTHER ITEMS, NET

7A) FINANCIAL EXPENSE

Consolidated financial expense for the three-month periods ended March 31, 2020 and 2019 of $13,280 and $13,856, respectively, includes $242 in 2020 and $414 in 2019, of financial expense arising from financial liabilities related to lease agreements.

7B) FINANCIAL INCOME AND OTHER ITEMS, NET

The detail of financial income and other items, net for the three-month periods ended March 31, 2020 and 2019 is as follows:

		2020	2019
Interest cost on employee benefits	$	(446)	(566)
Financial income, net		217	263
	$	(229)	(303)

8) CASH AND CASH EQUIVALENTS

Consolidated cash and cash equivalents as of March 31, 2020 and December 31, 2019 are as follows:

		2020	2019
Cash and bank accounts	$	29,754	16,943
Fixed-income securities and other cash equivalents		2,397	5,663
	$	32,151	22,606

9) TRADE ACCOUNTS RECEIVABLE

For the reported periods, the Company does not maintain programs for the sale of trade accounts receivable. Consolidated trade accounts receivable as of March 31, 2020 and December 31, 2019 are detailed as follows:

		2020	2019
Trade accounts receivable	$	75,429	79,990
Allowances for expected credit losses		(6,557)	(9,340)
	$	68,872	70,650

Allowances for expected credit losses are measured upon origination of the trade accounts receivable based on a model that calculates the expected credit loss ("ECL") and are recognized over the tenure of the trade accounts receivable.

Under this ECL model, CEMEX Latam segments its trade accounts receivable in a matrix by country, type of client or homogeneous credit risk and days past due and determines for each segment an average rate of ECL, considering actual credit losses incurred over the last 24 months and the probability of future delinquency. These ECL rates are applied to the balances of accounts receivable of each segment. The average ECL rate increases in each segment of days past due until the rate reaches 100% for the segment of 365 days past due or more. The Company will timely reflect the effects in its PCE estimates in subsequent periods associated with the evolution observed in supply chains and the effective bad debt derived from the COVID-19 Pandemic.

(Thousands of U.S. dollars)

Trade accounts receivable – continued

As of March 31, 2020 and December 31, 2019, balances of trade accounts receivable and the allowances for ECL were as follows:

		As of March 31, 2020			As of December 31, 2019		
		Accounts receivable	ECL allowance	ECL average rate	Accounts receivable	ECL allowance	ECL average rate
Colombia	$	26,785	1,685	6.29%	32,257	1,948	6.04%
Panama		24,596	2,301	9.36%	22,489	2,132	9.48%
Costa Rica [1]		9,686	1,596	16.48%	10,788	3,928	36.41%
Rest of CLH		14,362	975	6.79%	14,456	1,332	9.21%
	$	75,429	6,557		79,990	9,340	

1 As of March 31, 2020 and December 31, 2019, the balances of trade accounts receivable and the estimate ECL include approximately $1.5 million and $3.8 million, respectively, of trade accounts receivable in process of legal recovery that were fully provisioned.

10) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Balances receivable from and payable to related parties as of March 31, 2020 and December 31, 2019 are detailed as follows:

Current accounts receivable		**2020**	**2019**
Balboa Investments B.V. [1]	$	17,842	17,842
Torino RE Limited		15,334	14,165
CEMEX Operaciones México, S.A. de C.V.		774	200
CEMEX España, S.A.		675	915
CEMEX Research Group A.G.		176	176
Materiales Express Colombia S.A.S.		113	206
Trinidad Cement Limited		89	156
Lomez International B.V.		59	–
CEMEX Dominicana, S.A.		11	127
CEMEX, S.A.B. de C.V.		–	457
Others		78	106
Total assets with related parties	$	35,151	34,350

Current accounts payable		**2020**	**2019**
Lomez International B.V. [2]	$	8,370	–
CEMEX Holdings Inc. y Subsidiarias [3]		8,247	9,037
CEMEX Research Group A.G. [4]		6,435	535
CEMEX Operaciones México, S.A. de C.V. [4]		3,161	5,215
CEMEX, S.A.B. de C.V. [4]		1,829	3,237
CEMEX España, S.A. [5]		1,771	137
CEMEX Internacional, S.A. de C.V.		922	855
Macoris Investment Ltd y Subsidiarias		148	148
Beijing Import & Export Co., Ltd		129	276
CEMEX Denmark ApS		61	62
Torino RE Limited		47	241
Pro Ambiente, S.A. de C.V.		13	106
Others		112	172
	$	31,245	20,021

Non-current accounts payable		**2020**	**2019**
Lomez International B.V. [2]	$	575,091	586,914
CEMEX España, S.A. [5]		165,093	142,176
		740,184	729,090
Total liabilities with related parties	$	771,429	749,111

1 On November 15, 2019, as described in note 17B, Cemento Bayano, S.A. ("Cemento Bayano") and Balboa Investments B.V. ("Balboa") entered into an indemnity agreement generating this account receivable from Balboa of $17,842 as well as deferred revenue with related parties of $49,686 (note 17B).

(Thousands of U.S. dollars)

Balances and transactions with related parties – continued

2 On December 20, 2019, Cemento Bayano renegotiated its revolving line of credit with Lomez with a new maturity in December 2022 at a variable market rate plus 360 basis points which as of March 31, 2020 represented 4.67%. Balances as of March 31, 2020 and December 31, 2019, include amounts payable to Lomez by: a) CCL of $288,159 in 2020 and $285,517 in 2019; b) the Parent Company of $209,980 in 2020 and $217,269 in 2019, and c) Cemento Bayano of $85,322 in 2020 and $84,128 in 2019**.**

3 Balances generated by imports of clinker and grey cement.

4 Balances related to royalties resulting from technical assistance agreements, use of licenses and brands, software and administrative processes.

5 Loan negotiated by CEMEX Colombia with CEMEX España originally in 2010, which has been subsequently renegotiated several occasions. On December 20, 2019, CEMEX Colombia renegotiated this loan with CEMEX España until December 2024 at variable market rate plus 277 basis points that as of March 31, 2020 represented 4.69%.

The maturities of non-current accounts payable to related parties as of March 31, 2020 are as follows:

Debtor		2022	2023	2024	Total
Cemento Bayano (6M Libor + 360 bps) [1]	$	84,148	–	–	84,148
CEMEX Latam Holdings, S.A. (5.65% annual)		–	283,923	–	283,923
Corporación Cementera Latinoamericana, S.L.U. (5.65% annual)		–	207,020	–	207,020
CEMEX Colombia S.A (6M Libor + 277 bps) [1]		–	–	165,093	165,093
	$	84,148	490,943	165,093	740,184

1 The *London Inter-Bank Offered Rate*, or LIBOR, is the variable rate used in international markets for debt denominated in Dollars. As of march 31, 2020, the six-month LIBOR rate was 1.07%. The contraction “bps" means basis points. One hundred bps equals 1%.

The Company’s main transactions entered into with related parties for the three-month periods ended March 31, 2020 and 2019 are as follows:

Indemnity revenue and others		2020	2019
Balboa Investments B.V. [1]		1,710	–
Others		31	–
		1,741	–

Purchases of raw materials		2020	2019
CEMEX Holdings Inc.	$	2,889	9,915
CEMEX Internacional, S.A. de C.V.		2,192	1,888
Others		5	–
	$	5,086	11,803

Administrative and selling expenses		2020	2019
Neoris de México, S.A. de C.V.	$		–

Royalties and technical assistance		2020	2019
CEMEX Research Group, AG.	$	6,563	6,426
CEMEX Operaciones México, S.A. de C.V. [2]		3,097	5,316
CEMEX, S.A.B. de C.V.		1,051	1,169
	$	10,711	12,911

Financial expenses		2020	2019
Lomez International B.V.	$	8,870	9,558
CEMEX España, S.A.		1,882	2,630
Balboa Investments B.V. [1]		1,035	–
	$	11,787	12,188

1 The indemnity revenue of Cemento Bayano with Balboa is accrued from the date of the indemnity agreement and for a period of 10 years as the conditions set forth in the clinker supply agreement with Cemento Interoceánico, S.A. are fulfilled (note 21B). For the period ended March 31, 2020, of the balance of deferred income with related parties mentioned above, a total of $675 has been amortized, through the recognition in the statement of operations of revenue for $1,710 and financial expenses for $1,035, considering the implicit interest rate of 8.4% (note 17B).

2 On August 1, 2019, CEMEX Operaciones México, S.A. merged and absorbed CEMEX Central, S.A. de C.V.

Pursuant to the services and the rights of use, operation and enjoyment of CEMEX brands, names and intellectual property assets, under the agreement of non-exclusive use, enjoyment and exploitation of license asset, management services agreement and business support and licensing agreement, the Parent Company has agreed to pay CEMEX (which includes CEMEX, S.A.B. de C.V., CEMEX Research Group, A.G. as well as CEMEX Operaciones México, S.A. de C.V.), consistent with the market practices and principles of unrelated parties, a fee equivalent to 5% of consolidated revenues. The aforementioned fee cannot be increased without the consent of the independent directors of CEMEX Latam Holdings expressed during a meeting of the board of directors.

(Thousands of U.S. dollars)

Balances and transactions with related parties – continued

During the three-month periods ended March 31, 2020 and 2019, the independent directors and the chairman of the Parent Company's Board of Directors, in fulfillment of their functions, accrued compensation including remuneration and allowances, for a total of approximately $129 and $98, respectively. The Parent Company's independent directors have not received advances or loans and the Company has not provided guarantees or assumed any pension obligations on behalf of such independent directors and except for the civil liability insurance contracted by CEMEX, S.A.B. de C.V., the Company has not provided insurance for such independent directors. In addition, the Parent Company's proprietary directors, in their capacity as members of its Board of Directors do not receive compensation for their services. The Parent Company has no members of the Company's senior management among its employees.

In addition, for the three-month periods ended March 31, 2020 and 2019, the aggregate compensation amounts accrued by members of the top management, which was recognized in the Company's subsidiaries, were approximately $1,321 and $1,270, respectively, out of which, $1,153 in 2020 and $1,120 in 2019, corresponded to base remuneration plus performance bonuses including pensions and other postretirement benefits. In addition, approximately $168 in 2020 and $150 in 2019 out of the aggregate compensation corresponded to allocations of shares under the executive stock-based compensation programs.

In its cement operations in Panama, which represented approximately 10% and 12% of the consolidated sales for the three-month periods ended March 31, 2020 and 2019, the Company carried out transactions with Cemento Interoceánico, S.A. ("Cemento Interoceánico"), customer, competitor and local producer of cement, which were incurred under the framework of the outstanding clinker supply agreements at such dates and for amounts not deemed significant. Until November 15, 2019, Balboa held a non-controlling interest of 25% in the common stock of Cemento Interoceánico, S.A. which was sold to a Subsidiary of Cemento Progreso S.A. on the aforementioned date (note 17B).

11) OTHER ACCOUNTS RECEIVABLE

11A) OTHER CURRENT ACCOUNTS RECEIVABLE

Consolidated other accounts receivable as of March 31, 2020 and December 31, 2019 consisted of:

		2020	2019
Rights in trust [1]	$	3,790	4,703
From sales of assets and scrap		2,625	4,513
From other diverse activities		2,409	2,674
Loans to employees		925	1,038
Work-in progress provisions		270	900
	$	10,019	13,828

1 Includes in both periods CEMEX Colombia's residual interest in a trust oriented to promote housing projects, which only asset is a claim on land in the municipality of Zipaquirá, Colombia and its only liability is a bank loan in pesos equivalent to $3,790 as of march 31, 2020 and $4,703 as of December 31, 2019, obtained for the purchase of such land and which is guaranteed by CEMEX Colombia. In connection with this structure, on July 25, 2019, CEMEX Colombia and the other partner in the project agreed with a Colombian construction firm ("the Acquirer") the transfer of the aforementioned land to a new trust incorporated by the Acquirer, by means of the repayment of the credit guaranteed by CEMEX Colombia. During 2019, according to the agreements, the Acquirer amortized a portion of the credit for an aggregate amount in Pesos equivalent to approximately $1.8 million. During the period ended March 31, 2020, CEMEX Colombia and the Acquirer negotiated a 90-day extension on the amortization of the loan that was due on February 28, 2020, in order to allow the Acquirer to conclude certain negotiations with the bank. It is expected that the Acquirer will finish paying off the entire loan in November 2020.

11B) OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

Consolidated balances of other assets and non-current accounts receivable as of March 31, 2020 and December 31, 2019 are detailed as follows:

		2020	2019
Loans and notes receivable [1]	$	3,352	3,666
Other non-current assets		291	441
	$	3,643	4,107

1 As of March 31, 2020 and December 31, 2019 this line item mainly includes a fund of Cemento Bayano to secure seniority premium payments for $2,828 and $2,885, respectively.

12) INVENTORIES

Consolidated balances of inventories as of March 31, 2020 and December 31, 2019 are summarized as follows:

		2020	2019
Materials	$	24,446	22,738
Finished goods		9,991	11,918
Work-in-process		15,101	15,308
Raw materials		19,675	23,143
Inventory in transit		4,234	4,608
Other inventories		439	258
	$	73,886	77,973

(Thousands of U.S. dollars)

13) OTHER CURRENT ASSETS

As of March 31, 2020, and December 31, 2019 consolidated other current assets consisted of:

		2020	2019
Advance payments [1]	$	16,656	19,922
Assets held for sale [2]		2,444	2,438
Restricted cash [3]		192	244
	$	19,292	22,604

1 As of March 31, 2020 and December 31, 2019, advance payments include $16,255 and $19,912, respectively, associated with insurance premiums and advance to inventory suppliers.

2 Assets held for sale are stated at their estimated realizable value and include mainly properties received in payment of trade accounts receivable.

3 Refers to CEMEX Colombia cash temporarily restricted in relation to legal processes associated with commercial disputes.

14) PROPERTY, MACHINERY AND EQUIPMENT, NET AND ASSETS FOR THE RIGHT-OF-USE, NET

As of March 31, 2020 and December 31, 2019, the consolidated balances of this caption consisted of:

		2020	2019
Property, machinery and equipment, net	$	980,592	1,113,858
Assets for the right-of-use, net		15,559	17,582
	$	996,151	1,131,440

14A) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of March 31, 2020 and December 31, 2019, the consolidated balances of property, machinery and equipment, net consisted of:

		2020				
		Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress [1]	Total
Cost at end of the period		200,216	185,422	641,817	209,086	1,236,541
Accumulated depreciation and depletion		(37,172)	(47,008)	(171,769)	–	(255,949)
Net book value at end of the period	$	163,044	138,414	470,048	209,086	980,592

		2019				
		Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress	Total
Cost at end of the period		219,301	201,740	703,668	260,510	1,385,219
Accumulated depreciation and depletion		(41,498)	(48,416)	(181,447)	–	(271,361)
Net book value at end of the period	$	177,803	153,324	522,221	260,510	1,113,858

In 2017, CEMEX Colombia concluded almost entirely the construction of a cement plant in the Colombian municipality of Maceo in the Antioquia department with an annual capacity of approximately 1.3 million tons. The plant has not initiated commercial operations. As of the reporting date, the development of the access road to the plant remains suspended and the beginning of commercial operations is subject to the successful conclusion of several ongoing processes for the use of the plant's assets and other legal proceedings (note 22C). As of March 31, 2020 and December 31, 2019, the aggregate book value of the plant, net of impairment adjustments of certain advance payments recognized in 2016 of $23 million, the latter amount considering the exchange rate of December 2016 of 3,000.71 pesos per dollar, is for amounts in Pesos equivalent to approximately $225 million and $278 million, respectively. Changes in the plant's book value expressed in dollars as of March 31, 2020 as compared to December 31,2019 was mainly due to the variation in exchange rates. The portion of cement milling assets of the plant was reclassified in 2017 from investments in progress to the specific items of buildings and machinery and equipment. Of the aforementioned book value of $225 million, a portion equivalent to approximately $64 million is recognized in the books of the entity Zona Franca Especial Cementera del Magdalena Medio S.A.S. ("Zomam"), subsidiary of CEMEX Colombia and holder of the free zone declaration. Of these $64 million, approximately $40 million correspond to equipments contributed to Zomam by CEMEX Colombia as equity contribution and the complement of $24 million corresponded to investments made directly by Zomam, mainly through a loan granted by CCL amounting to approximately $42 million including capitalized interest. The rest of Maceo's carrying amount is held directly in the books of CEMEX Colombia. These amounts translated at the exchange rate as of March 31, 2020. As mentioned in note 22C, the shares of Zomam and Maceo's land are subject to an expiration of property process carried by the Colombian authorities. As part of the annual procedures, as of December 31, 2019 and 2018, immediate annual periods prior to those reported, the Company analyzed for impairment its investment in the Maceo plant by determining, with the advisory of external appraisers, the fair value of the assets less estimated costs to sell, which exceeded the corresponding net book value in both periods.

(Thousands of U.S. dollars)

14B) ASSETS FOR THE RIGHT-OF-USE, NET

As of March 31, 2020 and December 31, 2019, the consolidated balances of the assets for the right-of-use associated with the recognition of IFRS 16 refer to the following underlying concepts in the contracts:

		2020		
		Land and buildings	Machinery and equipment	Total
Assets for the right-of-use at end of the period		20,952	16,914	37,866
Accumulated depreciation [1]		(11,045)	(11,262)	(22,307)
Net book value at end of the period	$	9,907	5,652	15,559

		2019		
		Land and buildings	Machinery and equipment	Total
Assets for the right-of-use at end of the period		21,898	17,803	39,701
Accumulated depreciation [1]		(10,716)	(11,403)	(22,119)
Net book value at end of the period	$	11,182	6,400	17,582

1 These assets are depreciated over the term of the related lease agreements which have an average duration of 4 years as of March 31, 2020.

15) GOODWILL AND INTANGIBLE ASSETS

As of March 31, 2020 and December 31, 2019, consolidated balances are summarized as follows:

		2020			2019		
		Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Intangible assets of indefinite useful life							
Goodwill	$	1,465,381	–	1,465,381	1,503,970	–	1,503,970
Intangible assets of definite useful life							
Customer relations		192,040	(149,285)	42,755	191,851	(144,484)	47,367
Industrial property and trademarks		600	(600)	–	600	(600)	–
Mining projects		1,701	(261)	1,440	1,797	(323)	1,474
Other intangibles		70	–	70	92	–	92
	$	1,659,792	(150,146)	1,509,646	1,698,310	(145,407)	1,552,903

As of March 31, 2020 and December 31, 2019, goodwill balances allocated by reportable segment are as follows:

		2020	2019
Costa Rica	$	417,484	425,363
Panama		344,703	344,703
Colombia		267,952	297,740
Guatemala		236,391	235,957
Nicaragua		183,763	185,119
El Salvador		15,088	15,088
	$	1,465,381	1,503,970

Intangible assets are analyzed for impairment when impairment indicators exist, and in the case of goodwill, at least once a year. For these purposes, CEMEX Latam determines discounted cash flows projections attributable to such assets or groups of cash generating units to which goodwill balances have been allocated, using risk adjusted discount rates. Significant judgment by management is necessary to reasonably select the significant and appropriate economic assumptions. These assumptions used in the determination of cash flow projections are consistent with internal forecasts and industry practices.

As of March 31, 2020, due to the COVID-19 Pandemic (note 2), the management of CEMEX Latam considers that it is necessary to obtain certain degree of normalization of the production, distribution and marketing processes once the quarantine measures originated by such pandemic are overcome, in order to evaluate if the negative economic effects in each country are temporary and do not significantly affect the projections of future cash flows that are relative to each operating segment to which goodwill balances have been allocated, or if such negative economic effects will prevail in the long term and, consequently, could significantly reduce the projections of future cash flows, which could result in impairment losses of goodwill in some operating segment whereas its net book value would exceed its value in use.

Goodwill – continued

As of March 31, 2020, assuming a hypothetical stress scenario where the value in use of each operating segment determined in the last impairment analysis performed by the Company as of December 31, 2019 would be suddenly 20% lower, as a result of a reasonably possible combination of reduction in expectations of future cash flow generation, increase in discount rates and/or reduction in the applicable long-term growth rates, the countries that could represent impairment charges would be as follows:

Operating segment (millions)		Recognized impairment charges	Value in use –20%
Costa Rica	$	–	28
Nicaragua		–	35

16) DEBT AND OTHER FINANCIAL LIABILITIES

As of March 31, 2020 and December 31, 2019, consolidated debt by type of financial instruments is summarized as follows:

		2020	2019
Financial liabilities related to lease agreements (notes 3A and 14B) [1]	$	22,565	24,698
Trust guarantee for the development of housing projects [2]		3,790	4,703
Total debt and other financial liabilities	$	26,355	29,401
Out of which:			
Current portion	$	8,727	10,227
Non-current portion		17,628	19,174

1 As of March 31, 2020 and December 31, 2019, the aggregate financial liability from lease contracts of $22,565 and $24,698, respectively, includes $262 in 2020 and $281 in 2019 related to lease contracts with CEMEX companies. As of March 31, 2020, the average discount rate was 5.19%.

2 The loan guaranteed by CEMEX Colombia that is described in note 11A, was renewed during 2019 with new maturity in November 2020 to align the amortization of this liability with the payments of the Acquirer, whom assumes the payment of principal and interest. The loan accrues interest at DTF rate plus 4.60%.

17) OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES AND OTHER LIABILITIES

17A) CURRENT OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of March 31, 2020 and December 31, 2019 consolidated other current accounts payable and accrued expenses were as follows:

		2020	2019
Others provisions and liabilities [1]	$	29,518	31,055
Accrued expenses		13,981	18,052
Contract liabilities with customers [2]		9,753	11,273
Deferred revenue [3]		3,312	3,517
Others		576	385
	$	57,140	64,282

1 Includes, among others, provisions for: a) insurance and services of $19,072 in 2020 and $17,978 in 2019; b) employee' compensation of $7,371 in 2020 and $5,195 in 2019, as well as legal expenses and other commitments of $3,075 in 2020 and $3,815 in 2019.

2 Includes advance payments from customers of $9,280 in 2020 and $11,008 in 2019.

3 Refers to the current portion of the indemnity agreement between Cemento Bayano and Balboa described in notes 10 and 17B.

The items included in the table above arise in the ordinary course of business, are of recurring nature and are expected to be settled and replaced for similar amounts within the next 12 months.

17B) NON-CURRENT OTHER LIABILITIES

As of March 31, 2020 and December 31, 2019, consolidated other non-current liabilities were as follows:

		2020	2019
Deferred revenue [1]	$	52,596	54,107
Provision for asset retirement obligations [2]		6,483	4,371
Other provisions and liabilities		3,953	3,838
Other taxes		1,307	2,042
	$	64,339	64,358

(Thousands of U.S. dollars)

Non-current other liabilities – continued

1 On November 15, 2019, through its subsidiary Balboa, CEMEX sold its 25% equity interest in Cemento Interoceánico to a subsidiary of Cementos Progreso, S.A. (the "Purchaser") for approximately $44 million, plus an additional consideration ("earn-out") for up to $20 million to be collected in 2020. As condition precedent for the acquisition of such 25% equity interest of Balboa in Cemento Interoceánico, the Purchaser required Balboa's intermediation with Cemento Bayano, with the purpose of negotiating a new clinker supply agreement between Cemento Bayano and Cemento Interoceánico including certain commercial conditions as well as a guaranteed installed capacity reserve of its plant in Panama for a period of 10 years beginning on November 15, 2019 (note 21B). Cemento Bayano accepted these conditions in exchange of a compensation from Balboa for an amount of up to $52 million during the aforementioned period of 10 years in order to compensate Cemento Bayano's decrease in operating earnings resulting from the new clinker supply agreement (the "Indemnity Contract"). The Company's statement of financial position includes deferred revenue as of march 31, 2020 of $3,312 and $49,012 and as of December 31, 2019 of $3,517 and $46,169 within current other accounts payable and non-current other liabilities, respectively, related to the best estimate of the amounts that will be generated under the Indemnity Contract, as well as an account receivable from Balboa of $17,842 as of March 31, 2020 and as of December 31, 2019 (note 10). Out of this aggregate compensation, on November 15, 2019, Balboa made an advance payment to the Company of $32,398. This deferred revenue will be recognized in CEMEX Latam's statement of operations over the 10 years term of the new clinker supply agreement with Cemento Interoceánico as conditions agreed upon are fulfilled by Cemento Bayano, considering an implicit financing cost of 8.4% equivalent to the stand-alone borrowing rate that Cemento Bayano would obtain as of the date of the agreements from a bank for a similar amount and term.

2 Asset retirement obligations include future estimated costs for demolition, dismantling and cleaning of production sites at the end of their operation, which are initially recognized against the related assets and are depreciated over their estimated useful life.

18) INCOME TAXES

18A) INCOME TAXES FOR THE PERIOD

The recognition of income taxes during interim periods is based on the best estimate of the expected income tax rate for the entire year, applied to earnings before income taxes. For the three-month periods ended March 31, 2020 and 2019, income tax expense recognized in the condensed consolidated statements of operations was as follows:

		2020	2019
Current income taxes	$	8,915	9,105
Deferred income taxes		(5,606)	(1,802)
	$	3,309	7,303
Out of which:			
Colombia [1]	$	(7,468)	3,398
Costa Rica		1,716	759
Panama		(571)	(1,074)
Rest of CLH and others [2]		9,632	4,220
	$	3,309	7,303

1 As part of a tax modifications package effective beginning January 1, 2019, the income tax rate was modified to 33% in 2019, 32% in 2020, 31% in 2021 and 30% in 2022 onwards.

2 Includes the Company's operations in Nicaragua, Guatemala and El Salvador, as well as the income tax effects of the Parent Company, other sub-holding companies and other consolidation adjustments.

18B) SIGNIFICANT TAX PROCEEDINGS

CEMEX Latam is involved in several ongoing tax proceedings which have not required the recognition of accruals since the Company does not consider probable an adverse resolution considering the evidence at its disposal. Nonetheless, the Company cannot assure to obtain a favorable resolution. As of March 31, 2020, a summary of relevant facts of the most significant proceedings in progress, were as follows:

Colombia

- On April 6, 2018, CEMEX Colombia received a special proceeding from the Colombian Tax Authority (the "Tax Authority"), where certain deductions included in the 2012 income tax return were rejected. The Tax Authority assessed an increase in the income tax payable by CEMEX Colombia and imposed an inaccuracy penalty for amounts in Pesos equivalent to approximately $31 million of income tax and $31 million of penalty. On December 28, 2018, CEMEX Colombia received an official review settlement ratifying the rejected deductible items and amounts. On February 21, 2019 CEMEX Colombia filed an appeal for reconsideration, which was rejected by the Tax authority on January 8, 2020. CEMEX Colombia has a period of fourth months to appeal this resolution before the administrative courts. In the event of an adverse final resolution, the aforementioned amounts include, in the income tax payable, the amount required to reimburse the Tax Authority, income tax receivable for the period credited against income tax payable of subsequent years. If the proceeding would be adversely resolved in the final stage, CEMEX Colombia must pay the amounts determined in the official settlement plus interest accrued on the amount of the income tax adjustment until the payment date. As of March 31, 2020, in this stage of the proceeding, CEMEX Latam considers that it is not probable an adverse resolution in this proceeding after conclusion of all available defense procedures, however, it is difficult to assess with certainty the likelihood of an adverse resolution in the proceeding; but if adversely resolved, CEMEX Latam considers that this proceeding could have a material adverse impact on its operating results, liquidity or financial position.

Significant tax proceedings – continued

- In September 2012, the Tax Authority requested CEMEX Colombia to amend its income tax return for the year 2011 in connection with several deductible expenses including the amortization of goodwill. CEMEX Colombia rejected the arguments of the ordinary request and filed a motion requesting the case to be closed. The tax return was under audit by the Tax Authority from August 2013 until September, 2018, when CEMEX Colombia was notified of a special requirement in which the Tax Authority rejects certain deductions included in such income tax return of the year 2011 and determined an increase in the income tax payable and imposed a penalty for amounts in Pesos equivalent to approximately $21 million of income tax and $21 million of penalty. CEMEX Colombia filed a response to the special requirement on November 30, 2018 and the tax authority notified the official review liquidation on May 15, 2019, maintaining the claims of the special requirement and CEMEX Colombia filed the appeal for reconsideration within the legal term on July 11, 2019. In the event of an adverse final resolution, the aforementioned amounts include, in the income tax payable, the amount required to reimburse the Tax Authority, income tax receivable for the period credited against income tax payable of subsequent years. If the proceeding would be adversely resolved in its final stage, CEMEX Colombia would have to pay the amounts determined in the official settlement plus interest accrued on the amount of the income tax adjustment until the date of payment. As of March 31, 2020, in this stage of the proceeding, CEMEX Latam considers that it is not probable an adverse resolution in this proceeding after conclusion of all available defense procedures, however, it is difficult to assess with certainty the likelihood of an adverse result in the proceeding; but if adversely resolved, CEMEX Latam considers that this proceeding could have a material adverse impact on its operating results, liquidity or financial position.

- In April, 2011, the Tax Authority notified CEMEX Colombia of a special proceeding rejecting certain deductions included in the 2009 tax return considering they were not linked to direct revenues recorded in the same tax year, and assessed an increase in the income tax payable by CEMEX Colombia and imposed a penalty for amounts in Pesos equivalent to approximately $22 million of income tax and approximately $22 million of penalty, considering changes in the law that reduced the original sanction. After several appeals of CEMEX Colombia to the Colombian Tax Authority's special proceeding over the years in the applicable courts in which CEMEX Colombia obtained negative resolutions in each case, in July 2014, CEMEX Colombia filed an appeal against this resolution before the Colombian State Council (*Consejo de Estado*). If the proceeding would be adversely resolved in the final stage, CEMEX Colombia must pay the amounts determined in the official settlement plus interest accrued on the amount of the income tax adjustment until the payment date. As of March 31, 2020, in this stage of the proceeding, CEMEX Latam considers that it is not probable an adverse resolution in this proceeding after conclusion of all available defense procedures, however, it is difficult to assess with certainty the likelihood of an adverse resolution in the proceeding; but if adversely resolved, CEMEX Latam considers that this proceeding could have a material adverse impact on its operating results, liquidity or financial position.

- The municipality of San Luis (the "Municipality") has issued requirements to CEMEX Colombia related with the payment of the industry and commerce tax (*impuesto de industria y comercio*) in such municipality for the tax years from 1999 to 2013 and 2016. The Municipality argues that the tax is generated as a result of CEMEX Colombia's industrial activities in such jurisdiction. CEMEX Colombia considers that its activity in this municipality is strictly mining and therefore pays royalties for mineral extraction in this jurisdiction, based on the applicable law, which bans municipalities from collecting the industry and commerce tax, when the amount payable of royalties is equal or exceeds to the amount of such tax. CEMEX Colombia has duly submitted legal resources appealing these requirements. The processes from 1999 to 2012 have finalized without disbursements for CEMEX Colombia. In relation to the tax year 2013, there is a requirement from the Municipality, appealed by CEMEX Colombia, for amounts in Pesos equivalent to approximately $4 million of purported tax and $6 million of penalties, and in connection with this requirement. With respect to the 2016 tax year, on January 14, 2020, the Municipality notified CEMEX Colombia of the resolution that resolves the reconsideration appeal, in which the Municipality confirms the claims of the official liquidation the official settlement for amounts in Pesos equivalent to approximately $4 million of tax and $7 million of penalties. CEMEX Colombia appealed the resolution before the Administrative Court of Tolima on January 16, 2020 within the legal term. CEMEX Colombia actively defends its position in these proceedings. If these proceedings would be adversely resolved in the final stage, CEMEX Colombia must pay the amounts determined in the official settlement plus interest accrued on the tax adjustments until the payment date. As of March 31, 2020, in this stage of the proceedings, CEMEX Latam considers that it is not probable an adverse resolution in this proceeding after conclusion of all available defense procedures.

Costa Rica

- In August 2013, the Costa Rican Tax Department (*Dirección General de Tributación* or the "Tax Department") submitted to CEMEX Costa Rica, S.A. ("CEMEX Costa Rica") a provisional regularization proposal related to income tax in connection with the 2008 tax year. After several resolutions and appeals thereof, motions of unconstitutionality, cancellation and replenishment of the processes over the years, in July 2017, the Tax Department confirmed by means of notification the sanctions imposed and required amounts in Colons equivalent to approximately $6 million of income tax plus accrued interest and approximately $0.8 million of penalty. In April, 2018, the Administrative Tax Court issued an adverse resolution to the appeal filed by CEMEX Costa Rica in all its aspects. In September, 2018, the Tax Department notified a request for payment for amounts in Colons equivalent to approximately $3 million of purported tax, allowing CEMEX Costa Rica to decide regarding the settlement of accrued interest. In November 2018, CEMEX Costa Rica proceeded with the payments of the income tax adjustment plus accrued interest for an amount in Colons equivalent to approximately $6 million. In respect to the penalty, CEMEX Costa Rica has not received a payment request. In December, 2018, CEMEX Costa Rica filed a claim against the Costa Rican State before the Administrative Contentious Court (the "Court"). On March 15, 2019, the Court notified CEMEX Costa Rica that the Attorney General Office (the "Attorney General") did not agree with its defense arguments. The hearing was held on November 12, 2019 and subsequently the proceeding was remitted to receive sentence. As of March 31, 2020, at this stage of the proceeding, CEMEX Latam considers that it is not probable an adverse resolution in this proceeding after conclusion of all available defense procedures. Nonetheless, it is difficult to assess with certainty the likelihood of an adverse result in the proceeding; but if adversely resolved, CEMEX Latam considers this proceeding could not have a material adverse impact on its operating results, liquidity or financial position.

(Thousands of U.S. dollars)

Significant tax proceedings – continued

Nicaragua

- On July 26, 2019, the Nicaraguan Tax Authority notified CEMEX Nicaragua S.A. of an Act of Charges in connection with the review of the income tax of the taxable year 2015, in which mainly the deductibility of royalty payments and administrative services is rejected, and determined an increase in the income tax payable and a penalty for amounts in Cordobas equivalent to approximately $3.5 million of income tax plus $0.9 million of penalty. On August 16, 2019, CEMEX Nicaragua S.A. submitted its response to the Act of Charges including its rebuttal evidence. After various resolutions of the Tax Authority confirming its arguments, and the respective defense remedies filed by CEMEX Nicaragua in each case. On January 30, 2020, the Nicaraguan Tax Authority issued a resolution regarding the last appeal presented by CEMEX Nicaragua, ratifying its claims and ignoring the arguments and evidence provided. CEMEX Nicaragua appealed such resolution before the head of the Tax Administration. If the proceeding would be ultimately adversely resolved, CEMEX Nicaragua S.A. must pay the amounts determined in the Act of Charges plus interest accrued on the amount of the income tax adjustment until the payment date plus an adjustment for changes in the exchange rate against the Dollar. As of March 31, 2020, in this stage of the proceeding, CEMEX Latam considers that it is not probable an adverse resolution in this proceeding at the end of all instances. Nonetheless, it is difficult to assess with certainty the likelihood of an adverse result in the proceeding; but if adversely resolved, CEMEX Latam considers this proceeding could not have a material adverse impact on its operating results, liquidity or financial position.

19) STOCKHOLDERS' EQUITY

19A) COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL

As of March 31, 2020 and December 31, 2019, the line item common stock and additional paid-in capital was detailed as follows:

		2020			2019		
		Authorized	Treasury shares	Total	Authorized	Treasury shares	Total
Common stock	$	718,124	–	718,124	718,124	–	718,124
Additional paid-in capital		894,701	(140,372)	754,329	894,701	(140,434)	754,267
	$	1,612,825	(140,372)	1,472,453	1,612,825	(140,434)	1,472,391

During the three-month periods ended March 31 , 2020 and 2019 the Parent Company made physical deliveries of its own shares to the executives subject to the stock-based long-term incentive plan benefits, which increased additional paid-in capital in the amount of $62 and $111, respectively, as result of the decrease in treasury shares, which were delivered to these executives.

As of March 31, 2020 and December 31, 2019, the Parent Company's subscribed and paid shares by owner were as follows:

Stocks	2020	2019
Owned by CEMEX España	407,890,342	407,890,342
Owned by third-party investors	149,591,903	149,582,742
Total subscribed and paid shares	557,482,245	557,473,084

As of March 31, 2020 and December 31, 2019, the Parent Company's common stock was represented by 578,278,342 ordinary shares with a nominal value of 1 Euro per share. The number of subscribed and paid shares of CEMEX Latam Holdings presented in the table above excludes 20,796,097 in 2020 and 20,805,258 shares in 2019 held in the Company's treasury (treasury shares).

As of March 31, 2020, CEMEX España owned approximately 73.17% of the Parent Company's common shares, excluding shares held in treasury.

19B) OTHER EQUITY RESERVES

As of March 31, 2020 and December 31, 2019, the balances of other equity reserves are summarized as follows:

		2020	2019
Reorganization of entities under common control and other effects [1]	$	(300,422)	(300,422)
Translation effects of foreign subsidiaries [2]		(687,816)	(617,525)
Share-based payments [3]		14,294	14,232
	$	(973,944)	(903,715)

1 Effects resulting mainly from the difference between the amount of compensation determined in the reorganization of entities effective as of July 1, 2012, by means of which the Parent Company acquired its consolidated subsidiaries, and the value of the net assets acquired of such subsidiaries, net of other purchase adjustments.

2 Represents the balance of the cumulative effects for the translation of foreign subsidiaries and which are included for each period in the statements of comprehensive income.

Other equity reserves – continued

3 Includes effects associated with the stock-based executive compensation programs (nota 19D), which costs are recognized in the operating results of each subsidiary during the vesting period of the awards against other equity reserves. Upon physical delivery of the Parent Company's shares, the amounts accrued in other equity reserves are reclassified to additional paid-in capital.

19C) RETAINED EARNINGS

In accordance with the provisions of the Corporations Law in Spain, the Parent Company must allocate 10% of its profit for the year, determined individually, to a legal reserve until it reaches at least an amount equivalent to 20% of the share capital. As of March 31, 2020 and December 31, 2019, the Parent Company's legal reserve amounted to $22,339.

19D) EXECUTIVE' SHARE-BASED COMPENSATION

Based on IFRS 2, *Stock-based compensation*, awards granted to executives of CEMEX Latam are defined as equity instruments, considering that the services received from employees are settled by delivering shares. The cost of these equity instruments represent their estimated fair value at the grant date of each plan and is recognized in the income statement during the periods in which the executives render services and vest the exercise rights.

The Parent Company's Board of Directors, considering the favorable report of its Nominations and Remuneration Commission, approved, effective since 2013, long-term incentives program for certain executives of CEMEX Latam, consisting of an annual compensation plan based on the delivery of shares of the Parent Company. The cost associated with this long-term incentives plan is recognized in the operating results of the subsidiaries of CEMEX Latam in which the executives subject to the benefits of such plan render their services. The underlying shares in the aforementioned long-term incentives plan, which are held in the Company's treasury, are delivered fully vested during a 4-year period under each annual program.

All executives eligible to the benefits of the share-based long-term incentives program that join CEMEX Latam's operations from CEMEX, stop receiving shares of CEMEX, S.A.B. de C.V. and start receiving shares of the Parent Company in the following grant date after their entry.

During the three-month periods ended March 31, 2020 and 2019, total compensation expense related to the share-based long-term incentive programs described above amounted to $337 and $509, respectively, which was recognized in the operating results of each subsidiary against other equity reserves.

19E) NON-CONTROLLING INTERESTS

Non-controlling interest represents the share of non-controlling stockholders in the results and equity of consolidated entities. As of March 31, 2020 and December 31, 2019, non-controlling interest in equity amounted to approximately $4,809 and $5,251, respectively.

20) BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share shall be calculated by dividing earnings attributable to shareholders of the parent entity (the numerator) by the weighted average number of shares outstanding during the period (the denominator). Shares that would be issued depending only on the passage of time should be included in the determination of the basic weighted average number of shares outstanding. Diluted earnings per share should reflect in both, the numerator and denominator, the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions, to the extent that such assumption would lead to a reduction in basic earnings per share or an increase in basic loss per share, otherwise, the effects of potential shares are not considered because they generate anti-dilution.

The amounts considered for calculations of earnings (loss) per share ("EPS") for the three-month periods ended March 31, 2020 and 2019 are as follows:

Denominator (thousands of shares)		**2020**	**2019**
Weighted average number of shares outstanding – Basic EPS		557,479	557,092
Effect of dilutive instruments – share-based compensation		1,576	1,146
Weighted average number of shares outstanding – Diluted EPS		559,055	558,238
Numerator			
Consolidated net income (loss)	$	(30,487)	15,640
Less: non-controlling interest net income (loss)		69	(39)
Controlling interest net income (loss)	$	(30,418)	15,601
Controlling interest basic earnings (loss) per share ($ per share)	$	(0.05)	0.03
Controlling interest diluted earnings (loss) per share ($ per share)	$	(0.05)	0.03

21) COMMITMENTS

21A) CONTRACTUAL OBLIGATIONS

As of March 31, 2020, the Company had the following contractual obligations:

(Thousands of Dollars)		2020				
Obligations		Less than 1 year	1–3 years	3–5 years	More than 5 years	Total
Long-term debt with related parties [1]	$	31,245	84,148	656,036	–	771,429
Interest payments on debt [2]		38,230	84,963	12,686	–	135,879
Leases [3]		5,943	9,945	7,084	3,096	26,068
Pension plans and other benefits [4]		3,381	6,724	6,579	15,126	31,810
Purchases of raw materials, fuel and energy		35,249	52,045	18,070	43,000	148,364
Investments in property, machinery and equipment		5,021	–	–	–	5,021
Total contractual obligations	$	119,069	237,825	700,455	61,222	1,118,571

1 This line item refers entirely to the Company's liabilities with related parties described in note 10.

2 Includes future interest payments under debt owed to third-party creditors and to related parties as well as lease contracts using the current interest rates on the contracts as of March 31, 2020.

3 The amounts of payments under leases are presented on the basis of nominal cash flows. This line item includes the lease contract with maturity in January 2026 with the Government of the Republic of Nicaragua covering the operative and administrative assets, trademark rights, quarry extraction rights and other assets of Compañía Nacional Productora de Cemento, S.A. In addition, includes leases negotiated by the Parent Company with CEMEX España and CEMEX Research Group A.G. for its corporate offices in Spain and the research and development offices in Switzerland.

4 Represents the estimated annual payments under defined benefit plans over the next 10 years.

As of March 31, 2020, the summary of certain concepts related to the contracts for the purchase of raw materials, inputs and others presented in the previous table, which are negotiated in the local currency of each subsidiary, is as follows:

		(U.S. Dollars millions)				
Counterpart	Country	Concept	Start date	Term		Annual amount
General de Maquinaria y Excavación Colombia S.A.S.	Colombia	Quarry exploitation	July 2018	4 years	$	2
Turgas S.A. E.S.P.	Colombia	Natural gas	October 2017	4 years		10
Exxonmobil Colombia S.A.	Colombia	Fuels	June 2017	4 years		8
Excavaciones y Proyectos de Colombia S.A.S.	Colombia	Raw materials	May 2017	5 years		6
IBM	Various subsidiaries	Administrative services	July 2012	10 years		4
AES Panamá, S.R.L	Panamá.	Energy	January 2020	10 years		9
Wärtsilä Colombia S.A	Colombia	Energy	December 2019	4 years		7
South32 Energy S.A.S. ESP	Colombia	Energy	March 2020	2 years		16

In addition, on November 15, 2019, as part of the agreements entered into simultaneously in the transaction where Balboa sold 25% of Cemento Interoceánico (note 17B), CEMEX Guatemala, S.A. ("CEMEX Guatemala") entered into a supply contract for clinker as a buyer with Cementos Progreso, S.A., to acquire, for a term of ten years, an estimated volume of 400 thousand metric tons of clinker per year. The annual amount of the contract will vary depending on the annual consumption of clinker by CEMEX Guatemala.

Hedge of fuel prices

As of March 31, 2020 and December 31, 2019, CEMEX Colombia maintained call option contracts negotiated with CEMEX to hedge the price of diesel fuel for an aggregate nominal amount of $1,485 and $4,378, respectively, with an estimated fair value representing a liability of $1,861 as of March 31, 2020 and an asset of $132 as of December 31, 2019. By means of these contracts, for own consumption, CEMEX Colombia fixed the price of this fuel over certain volume that represents a portion of the estimated consumption of this fuel in the applicable operations. The contracts have been designated as cash flow hedges of such diesel consumption; therefore, changes in fair value are recognized through other comprehensive income (loss) and are recycled to operating costs when the related fuel volumes are consumed. During the periods ended March 31, 2020 and 2019, changes in fair value of these contracts recognized in comprehensive income represented losses of $1,992 and gains of $71, respectively.

21B) OTHER COMMITMENTS

As of March 31, 2020, the Parent Company had the following relevant contracts with entities of CEMEX for several concepts, the amounts of which, are based on fixed percentages over the life of the contracts on consolidated net sales based on market conditions, which are summarized below:

		(Millions of dollars)			
Counterpart	**Contractor**	**Concept**	**Start / renewal date**	**Term**	**Annual amount**
CEMEX, S.A.B de C.V.	Parent Company	Use of trademarks	July 2017	5 years	$ 4
CEMEX Research Group, A.G.	Parent Company	Use, operation and enjoyment of assets	January 2019	5 years	33
CEMEX Operaciones México, S.A. de C.V.	Parent Company	Administrative services	July 2017	5 years	13

The relationship between the Parent Company and CEMEX S.A.B. de C.V, CEMEX España and their subsidiaries, is regulated by a Framework Agreement effective since November 2012, which includes limits and restrictions for the Parent Company, entity that needs the previous authorization of CEMEX S.A.B. de C.V. and CEMEX España, in connection with: a) any consolidation, merger or partnership with a third party; b) any sale, lease, exchange or other disposition, acquisition to any person other than CEMEX; c) the issuance of shares and equity securities; d) the declaration, decree or payment of dividends or other distribution by the Parent Company in connection with its shares; e) grant or guarantee any type of debt, and/or the creation of liens outside the ordinary business course; and f) take any action that could result on default for CEMEX S.A.B. de C.V. breach any contract or agreement. Moreover, beginning March 28, 2017, the Framework Agreement includes a principle of common interest and reciprocity between the three companies in connection with the management and responses related to legal proceedings, administrative matters and investigations by authorities or governmental regulators. In addition, the Framework Agreement will cease to have effect if the Parent Company ceases to be a subsidiary of CEMEX, S.A.B. de C.V. or if CEMEX, S.A.B. de C.V. no longer has to account for its investment in the Parent Company on a consolidated basis or under the equity method for accounting purposes (or any other method that applies similar principles).

On November 15, 2019, as part of the conditions precedent required by the Purchaser for the sale of the 25% equity interest in Cemento Interoceánico held by Balboa (notes 10 and 17B), Cemento Bayano and Cemento Interoceánico early terminated the clinker supply contract that was set to expire in 2025 and entered into a new 10-year Clinker Supply Contract (the “New Supply Contract”) that guarantees to this competitor a reserve of installed capacity of approximately 2.4 million metric tons of clinker over the duration of the contract as well as certain commercial conditions. The compensation received by the Company from Balboa under the Indemnity Contract is linked to the fulfillment of the commitments agreed during the term of this New Supply Contract.

In addition, Cemento Bayano, as operator of the only kiln in the country, maintains contracts for the supply of clinker to its competitors in Panama. Considering the nature of the related supply, these agreements are renewed at maturity for similar terms and new volumes are adjusted to market conditions.

22) LEGAL PROCEEDINGS, CONTINGENCIES AND OTHER SIGNIFICANT PROCESSES

22A) LIABILITIES RESULTING FROM LEGAL PROCEEDINGS

CEMEX Latam is involved in various non-significant legal proceedings, different than those associated with taxes detailed in note 18B, that arise in the ordinary course of business, and that involve: 1) claims for product guarantees; 2) claims for environmental damage; and 3) other similar claims associated with the business, the resolutions of which are deemed probable and imply cash outflows or the delivery of other resources owned by CEMEX Latam. As a result, certain provisions or losses have been recorded in the financial statements, representing the best estimate of payments or impairment of assets thereof. As a result, CEMEX Latam considers that there will not be significant payments or additional losses in excess of the amounts already recognized. As of March 31, 2020, no proceeding is significant to be disclosed individually.

22B) CONTINGENCIES FROM LEGAL PROCEEDINGS

As of March 31, 2010, CEMEX Latam is involved in various legal proceedings, in addition to those related to tax matters (note 18B), which have not required the recognition of accruals considering the likelihood of an adverse resolution to be low, although a favorable resolution cannot be assured based on the evidence at the Company’s disposal. In addition, CEMEX Latam describes other significant processes. The disclosure of facts of the most significant proceedings with a quantification of the potential amount in dispute when such amount can be reasonably determined is as follows:

Contingencies from market related proceedings

- In June 2018, the Consumer Protection and Defense of Competition Authority in Panama initiated an administrative investigation to Cemento Bayano and other local producers for the presumed commission of practices against free competition in the market of gray concrete and ready-mix concrete. As a result of the investigation, the authority considered the possible existence of absolute monopolistic practice, such as: (i) price fixing and/or restriction of production in the gray cement market sold to ready-mix concrete producers in Panama, (ii) unilateral or joint predatory acts and/or exchange of subsidies in the concrete market. In October 2018, the Authority requested additional information to Cemento Bayano to continue such investigation and confirm if there were violations to the law. In December 2018, two executives of Cemento Bayano provided an affidavit. In February 2019, Cemento Bayano finalized the delivery to the Panamanian Authority of the required information and documentation. Cemento Bayano considers it did not committed improper acts and is fully cooperating with the Panamanian Authority. As of March 31, 2020, Cemento Bayano has provided all the requested information and the authority is in the analysis period of the collected evidence. With the elements of judgment available. CEMEX Latam cannot determine if the investigation would result in a fine, penalization or remediation, or if such fine, penalization or remediation, should any exist, could have a material adverse effect on its operating results, liquidity or financial position.

Environmental Contingencies

In addition, in the ordinary course of business, the Company is subject to extensive laws and regulations on environmental issues in each of the jurisdictions in which it operates. These laws and regulations impose increasingly stringent environmental protection standards regarding air pollutant emissions, wastewater discharges, the use and handling of hazardous materials or waste disposal practices and the remediation of pollution or environmental damage. Among other things, these laws and regulations expose the Company to a risk of substantial environmental costs and responsibilities, including responsibilities associated with divested assets and past activities and, in some cases, to the acts and omissions of prior owners or operators of a property or plant. Also, in some jurisdictions, certain environmental laws and regulations impose obligations without regard the fault or the legality of the original activity at the moment of the actions which gave rise to the responsibility.

Contingencies due to commercial demands

- In September 2018, CEMEX Colombia received an arbitrage claim filed by a constructor who seeks for the payment of damages caused by a purported breach of the contract for the supply of ready-mix concrete for the construction of the civil works called "Túnel de Crespo" located in the city of Cartagena, for an amount in Pesos equivalent to approximately $9 million. CEMEX Colombia considers that it has the legal and technical arguments that prove full compliance with the supply contract and will apply the corresponding actions at each stage of the process. In October 2018, simultaneously after responding the arbitrage claim, CEMEX Colombia filed a counterclaim against the aforementioned constructor seeking the recognition of amounts owed to CEMEX Colombia for an amount in Pesos equivalent to approximately $5 million related to repairs to such civil works paid by CEMEX Colombia during the years 2014 and 2015 by causes allegedly imputable to the constructor. The probationary period within the process began the last week of September 2019. As of March 31, 2020, at this stage of the proceeding, CEMEX Latam considers that with the judgment elements available it is necessary to move along the phases of this proceeding in order to measure the probability of an adverse resolution. Nonetheless, if the claim would be adversely resolved in the final stage, an adverse resolution in this case could have a material adverse impact on CEMEX Latam's results of operations, liquidity or financial position.

- As a result of the premature damages presented in the Transmilenio slabs - North Highway, six popular actions were filed against CEMEX Colombia. The Administrative Litigation Court decided to declare the nullity of five lawsuits and, currently, the lawsuit is filed by a citizen. On June 17, 2019, a judgment of first instance was issued, and CEMEX Colombia and other concrete suppliers were held liable for the violation of consumer rights, due to alleged technical deficiencies in the landfill fluid that was provided. In the aforementioned ruling, a publication was ordered in which the responsibility for deficiencies in the product was acknowledged and it was committed not to incur again in similar situations. The judgment of first instance had no economic implications for the Company. CEMEX Colombia jointly with thirteen of the defendants filed an appeal before the Administrative Tribunal of Cundinamarca**.** As of March 31, 2020, CEMEX Latam considers remote the probability of an adverse result in this proceeding after conclusion of all available defense procedures. Nonetheless, an adverse resolution in this case could have a material adverse impact on CEMEX Latam's results of operations, liquidity or financial condition**.**

In addition, as of March 31, 2020, the Company is involved in various legal proceedings of minor impact that have arisen in the ordinary course of business. These proceedings involve: 1) product warranty claims; 2) claims for environmental damages; 3) diverse civil, administrative, commercial or legal claims.

22C) OTHER SIGNIFICANT PROCESSES

In connection with the cement plant located in the municipality of Maceo in Colombia (the "Maceo Plant"), as described in note 14A, as of March 31, 2020, the plant has not initiated commercial operations considering several significant processes for the return of the investment. The evolution and status of the main issues related to such plant are described as follows:

Memorandums of understanding

- In August 2012, in relation to the cement plant in the municipality of Maceo in Colombia, CEMEX Colombia signed a memorandum of understanding (the "MOU") with the representative of the entity CI Calizas y Minerales S.A. ("CI Calizas"), for the acquisition and transfer of assets mainly comprising land, the mining concession and the shares of Zomam (holder of the free trade zone concession). In addition, in December 2013, CEMEX Colombia engaged the same representative of CI Calizas to also represent in the name and on behalf of CEMEX Colombia in the acquisition of certain land adjacent to the plant, signing a new memorandum of understanding (the "Land MOU"). Under the MOU and the Land MOU, CEMEX Colombia made cash advances to this representative for amounts in Pesos equivalent to approximately $13.4 million of a total of approximately $22.5 million, and paid interest accrued over the unpaid committed amount for approximately $1.2 million. These amounts considering the Colombian Peso to U.S. Dollar exchange rate as of December 31, 2016 of 3,000.71 Colombian pesos per U.S. Dollar. In September 2016, after confirming irregularities in the acquisition processes by means of investigations and internal audits initiated in response to complaints received, which were reported to Colombia's Attorney General (the "Attorney General"), providing the findings obtained, and considering that such payments were made in breach of CEMEX and CEMEX Latam policies, the Company decided to terminate the employment relationship with then those responsible for the Planning and Legal areas and accepted the resignation of the then Chief Executive Officer. Moreover, as a result of the findings and considering the available legal opinions as well as the low likelihood of recovering those advances, in December 2016, CEMEX Colombia write off such advances from its investments in progress (note 14A) and cancelled the remaining advance payable.

Expiration of property process and other related matters

- After the signing of the MOU, in December 2012, a former shareholder of CI Calizas, who presumptively transferred its shares of CI Calizas two years before the signing of the MOU, was linked to a process of expiration of property initiated by the Attorney General. Amongst other measures, the Attorney General ordered the seizure and consequent suspension of the right to dispose the assets subject to the MOU, including the shares of Zomam acquired by CEMEX Colombia before the beginning of such process. As a third party acting in good faith and free of guilt, CEMEX Colombia joined the expiration of property process fully cooperating with the Attorney General. As of March 31, 2020, it is estimated that a final resolution in the ongoing expiration of property process, under which is about to begin the evidentiary phase, may take between 10 and 15 years from its beginning. As of March 31, 2020, pursuant to the expiration of property process of the assets subject to the MOU and the failures to legally formalize the purchases under the Land MOU, CEMEX Colombia does not have the legal representation of Zomam, is not the rightful owner of the land and is not the assigned entity of the mining concession.

  In addition, there is an ongoing criminal investigation under which one former officer of the Company was sentenced and another former officer and CI Calizas' representative were indicted. CEMEX Latam is not able to anticipate the actions that criminal judges may impose against these people.

Lease contract, mandate agreement and operation contract

- In July 2013, CEMEX Colombia signed with the provisional depository designated by the former Drugs National Department (then depository of the assets subject to the expiration of property process), which functions after its liquidation were assumed by the Administrator of Special Assets (*Sociedad de Activos Especiales S.A.S.* or the "SAE"), a lease contract for a period of five years by means of which CEMEX Colombia was duly authorized to build and operate the plant (the "Lease Contract"). Moreover, in 2014, the provisional depository granted a mandate (the "Mandate") to CEMEX Colombia for an indefinite period for the same purpose of continuing the construction and operation of the plant. On July 15, 2018, the aforementioned Lease Contract expired.

  On April 12, 2019, CEMEX Colombia, CCL and another of its subsidiaries reached a conciliatory agreement with the SAE and CI Calizas before the Attorney General's Office and signed a contract of Mining Operation, Manufacturing and Delivery Services and Leasing of Properties for Cement Production (the "Operation Contract"), which will allow CEMEX Colombia to continue using the assets subject to the aforementioned expiration of property process for an initial term of 21 years that can be renewed for 10 additional years, provided that the extension of the mining concession is obtained. The Operation Contract was signed by CI Calizas and Zomam with the authorization of the SAE as delegate of these last two companies, considering the following terms:

  - As consideration for entering into the agreement, CEMEX Colombia and/or a subsidiary accepted to pay CI Calizas and Zomam the following amounts in Pesos: a) an annual payment to CI Calizas for the use of land that will be adjusted annually for changes in the Consumer Price Index of approximately COP$50.4 million, updated as of March 31, 2020; b) a single payment made in April 2019 of approximately COP$253 million for the rental of the aforementioned land from July 2013 until the signing date, based on the agreed upon rental amounts, reducing the lease payments made by CEMEX Colombia prior to the signing of the Operation Contract; c) an additional single payment of approximately COP$1,000 million made in April 2019 for consideration not received by the SAE during the negotiation of the Operation Contract; and d) a retroactive payment for the limestone extracted from the beginning of the contract until the date of the Operation Contract of approximately COP$3,750 million, of which, 50% was paid upon signing of the Operation Contract and the other 50% was paid on the first anniversary of the agreement on April 12, 2020.

  - Once the Maceo Plant begins commercial operations, CEMEX Colombia and/or a subsidiary will pay on a quarterly basis: a) 0.9% of the net sales resulting from the cement produced in the plant as compensation to CI Calizas for the right of CEMEX Colombia to extract and use the mineral reserves; and b) 0.8% of the net sales resulting from the cement produced in the plant as payment to Zomam for cement manufacturing and delivery services, as long as Zomam maintains the Free Zone benefit, or,0.3% of the aforementioned net sales exclusively for the use of equipments, in case that Zomam losses the benefits as Free Trade Zone.

  - The Operation Contract will continue in force regardless of the result in the expiration of property process, except that the applicable criminal judge would recognize ownership rights of the assets under expiration of property to CEMEX Colombia and its subsidiary, in which case the Operation Contract would no longer be needed and would be early terminated.

- Under the presumption that CEMEX Colombia conducted itself in good faith, CEMEX Latam considers that it will be able to keep ownership of the plant, and that the rest of its investments are protected by Colombian law, under which, if a person builds on the property of a third party, with full knowledge of such third party, this third party may: a) take ownership of the plant, provided a corresponding indemnity to CEMEX Colombia, or otherwise, b) oblige CEMEX Colombia to purchase the land. Nonetheless, had this not be the case, CEMEX Colombia would take all necessary actions to safeguard its rights. In the event that the expiration of property over the assets subject to the MOU is ordered in favor of the State, if the assets were adjudicated to a third party in a public tender offer, considering the signing of the Operation Contract, such third party would have to subrogate to the Operation Contract. As of March 31, 2020, CEMEX Latam is not able to estimate whether the expiration of property over the assets subject to the MOU will be ordered in favor of the State, or, if applicable, if the assets would be adjudicated to a third party in a public tender offer.

(Thousands of U.S. dollars)

Status in connection with the commissioning of the plant

- On September 3, 2019, CEMEX Colombia was notified of the resolution issued by Corantioquia's Directive Council, the regional environmental authority, regarding to the approval for the subtraction from the Integrated Management District ("IMD") of the Canyon of the Alicante River of 169.2 hectares corresponding to the surface of the Maceo Plant. As of March 31, 2020, after the signing of the Operation Contract and the subtraction of the plant's surface from the IMD, the commissioning of the Maceo plant and the conclusion of the access road remain suspended until favorable resolutions would be obtained in other significant ongoing procedures with the respective authorities to guarantee the start-up of the project, such as: a) modify the permitted land use where the project is located to harmonize it with industrial and mining use; b) modify the environmental license to expand production at least up to 990 thousand tons per year; and c) obtaining several permits for the conclusion of the access road. CEMEX Colombia continues to address these issues as soon as possible. Meanwhile, CEMEX Colombia will limit its activities to those on which it has the relevant authorizations. As of March 31, 2020, CEMEX Latam continues working intensively on the processes necessary for the start-up of the plant, but as of this date, the Company cannot give an exact date when it would start operation.

23) MAIN SUBSIDIARIES

The Parent Company's main direct and indirect subsidiaries as of March 31, 2020 and December 31, 2019 are as follows:

			% of interest	
Subsidiary	**Country**	**Activity**	**2020**	**2019**
Corporación Cementera Latinoamericana, S.L.U. [1]	Spain	Parent	100	100
CEMEX Colombia S.A.	Colombia	Operating	99.7	99.7
Zona Franca Especial Cementera del Magdalena Medio S.A.S. [2]	Colombia	Operating	100	100
CEMEX (Costa Rica), S.A.	Costa Rica	Operating	99.2	99.2
CEMEX Nicaragua, S.A.	Nicaragua	Operating	100	100
Cemento Bayano, S.A.	Panama	Operating	99.5	99.5
CEMEX Guatemala, S.A.	Guatemala	Operating	100	100
Cementos de Centroamérica, S.A. [3]	Guatemala	Operating	100	100
CEMEX Lan Trading Corporation	Barbados	Trading	100	100
CEMEX El Salvador, S.A.	El Salvador	Operating	100	100
Inversiones SECOYA, S.A.	Nicaragua	Operating	100	100
Apollo RE, Ltd.	Barbados	Reinsurance	100	100
CEMEX Finance Latam B.V.	Holland	Finance	100	100

1 CEMEX Latam Holdings, S.A. indirectly controls through CCL, the Parent Company's operations in Colombia, Costa Rica, Panama, Nicaragua, Guatemala and El Salvador.

2 The shares of this entity are included in the expiration of property process (note 22C).

24) SUBSEQUENT EVENT

On April 29, 2020, CEMEX, S.A.B. de C.V. communicated to regulatory entities in Mexico and the United States in its annual report for the year 2019, that the expected adverse impact on its business and operations during 2020 caused by the COVID-19 Pandemic could affect its compliance with the financial covenants committed under CEMEX, S.A.B. de C.V.'s financial agreement. In these circumstances, on April 23, 2020, CEMEX, S.A.B. de C.V. formally requested its relevant creditors to modify the financial covenants contained in such contract, including their limits, in order to avoid a possible event of default and its related consequences. The Company's ability to access the credit lines in force with CEMEX Group companies, an important aspect to face its possible liquidity risks in the normal course of operations and especially during the COVID-19 Pandemic, could be affected in the case that CEMEX, SAB de C.V. would not be successful in obtaining the aforementioned modifications and the aforementioned event of default would materialize, in which case, could have a material adverse impact on CEMEX Latam's results of operations, liquidity or financial condition.