Consolidated Condensed Financial Statements

December 31, 2021

This is an unofficial translation into English of the consolidated financial statements for the years ended December 31, 2021 and 2020 issued in the Spanish language on March 09, 2022. This translation is provided solely for the convenience of English-speaking readers. For any and all purposes, the consolidated financial statements for the years ended December 31, 2021 and 2020 issued in the Spanish language on March 09, 2022 shall be considered the only official version of the document.

Independent Auditor's Report on Cemex Latam Holdings, S.A. and Subsidiaries

(Together with the consolidated financial statements of Cemex Latam Holdings, S.A. and Subsidiaries for the year ended December 31, 2021)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

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CEMEX Latam Holdings S.A. and Subsidiaries

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

	Notes	Years ended December 31, 2021	2020 *
Revenues	3O, 4B	781,183	674,192
Cost of sales	3Q, 5	(478,305)	(406,167)
Gross profit		**302,878**	**268,025**
Administrative and selling expenses	3Q, 5	(116,689)	(116,669)
Distribution expenses	3Q	(89,316)	(78,487)
		(206,005)	(195,156)
Operating earnings before other expenses, net		**96,873**	**72,869**
Other expenses, net	4B, 6	(21,397)	(110,287)
Operating earnings (loss)		**75,476**	**(37,418)**
Financial expense	4C, 7A	(41,657)	(49,746)
Financial income and other items, net	4C, 7B	(1,182)	70
Foreign exchange results		245	4,764
Earnings (loss) before income tax		**32,882**	**(82,330)**
Income tax	20A	(23,905)	(27,079)
Net income (loss) from continuing operations		8,977	(109,409)
Net loss from discontinued operations		(32,203)	(12,119)
CONSOLIDATED NET LOSS		**(23,226)**	**(121,528)**
Non-controlling interest net loss		(34)	(918)
CONTROLLING INTEREST NET LOSS		**(23,192)**	**(120,610)**
Basic earnings (loss) per share	22	(0.06)	(0.02)
Basic earnings (loss) per share from continuing operations	22	0.02	(0.19)
Diluted earnings (loss) per share	22	(0.06)	(0.02)
Diluted earnings (loss) per share from continuing operations	22	0.02	(0.19)

* These financial statements were restated see note 3A.

The accompanying notes are part of these consolidated financial statements.

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

	Notes		Years ended December 31, 2021	2020
CONSOLIDATED NET LOSS		$	**(23,226)**	**(121,528)**
Items that will not be reclassified subsequently to the statement of operations:				
Remeasurements of the defined benefits obligation	19		(2,435)	(1,942)
Items that will be reclassified subsequently to the statement of operations when specific conditions are met:				
Currency translation results of foreign subsidiaries	3D		(69,245)	(82,241)
Total items of other comprehensive income (loss) for the period			(71,680)	(84,183)
CONSOLIDATED COMPREHENSIVE LOSS FOR THE PERIOD			(94,906)	(205,711)
Non-controlling interest comprehensive income			(34)	(918)
CONTROLLING INTEREST COMPREHENSIVE LOSS FOR THE PERIOD		$	**(94,872)**	**(204,793)**
Out of which**:**				
COMPREHENSIVE LOSS OF DISCONTINUED OPERATIONS		$	(32,203)	(12,119)
COMPREHENSIVE LOSS OF CONTINUING OPERATIONS		$	(62,669)	(192,674)

The accompanying notes are part of these consolidated financial statements.

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

	Notes		As of December 31, 2021	2020
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	8	$	13,621	24,437
Trade accounts receivable	9		44,953	56,600
Accounts receivable from related parties	10		18,483	13,008
Other accounts receivable	11A		6,994	8,514
Prepaid taxes			12,386	22,866
Inventories	12		69,709	74,262
Other current assets	13		9,988	15,349
Assets held for sale	4A, 13B		338,049	4,269
Total current assets			514,183	219,305
NON-CURRENT ASSETS				
Other investments and non-current accounts receivable	11B		7,711	3,882
Property, machinery and equipment and assets for the right-of-use, net	14		894,434	1,042,926
Goodwill and other intangible assets, net	15		955,551	1,381,320
Deferred income tax assets	20B		17,187	20,068
Total non-current assets			1,874,883	2,448,196
TOTAL ASSETS		$	**2,389,066**	**2,667,501**
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Current debt and other financial liabilities	16A	$	6,933	8,154
Trade payables			117,741	132,334
Accounts payable to related parties	10		66,623	14,328
Taxes payable			30,556	22,403
Other accounts payable and accrued expenses	17A		59,903	58,871
Liabilities directly related to assets held for sale	13B		36,670	–
Total current liabilities			318,426	236,090
NON-CURRENT LIABILITIES				
Non-current debt and other financial liabilities	16A		87,950	102,030
Non-current accounts payable to related parties	10		448,647	568,138
Employee benefits	19		28,157	36,731
Deferred income tax liabilities	20B		193,440	319,532
Other non-current liabilities	17B		51,212	55,531
Total non-current liabilities			809,406	1,081,962
TOTAL LIABILITIES			**1,127,832**	**1,318,052**
STOCKHOLDERS' EQUITY				
Controlling interest				
Common stock and additional paid-in capital	21A		1,486,549	1,481,730
Other equity reserves	21B		(1,056,718)	(986,380)
Retained earnings	21C		826,077	849,269
Total controlling interest			1,255,908	1,344,619
Non-controlling interest	21E		5,326	4,830
TOTAL STOCKHOLDERS' EQUITY			**1,261,234**	**1,349,449**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$	**2,389,066**	**2,667,501**

The accompanying notes are part of these consolidated financial statements.

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

	Notes	Years ended December 31, 2021	2020
OPERATING ACTIVITIES			
Consolidated net loss		(23,226)	(121,528)
Discontinued operations net loss, after tax		(32,203)	(12,119)
Net income (loss) from continuing operations		8,977	(109,409)
Non-cash items:			
Impairment losses of long-lived assets	6	10,628	94,895
Depreciation and amortization of assets	5	69,874	71,054
Provisions and other non-cash expenses	9, 12	(4,684)	(685)
Financial expense, other financial income and foreign exchange results, net		42,594	44,912
Income taxes	20	23,905	27,079
Results on the sale of fixed assets		4,378	1,639
Changes in working capital, excluding income taxes		(8,151)	7,033
Net cash flows provided by operating activities from continuing operations before interest and income taxes		**147,521**	**136,518**
Financial expense paid in cash		(31,093)	(37,221)
Income taxes paid in cash		(20,511)	(13,281)
Net cash flows provided by operating activities from continuing operations		**95,917**	**86,016**
Net cash flows provided by operating activities from discontinued operations	4A	**17,025**	**23,682**
Net cash flows provided by operating activities		**112,942**	**109,698**
INVESTING ACTIVITIES			
Property, machinery and equipment and assets for the right-of-use, net	14A	(33,658)	(15,871)
Financial income	7	571	1,822
Intangible assets and other deferred charges		(52)	(264)
Non-current assets and others, net	11B	(3,829)	1,960
Cash flows used in investing activities from continuing operations		**(36,968)**	**(12,353)**
Net cash flows used in investing activities from discontinued operations		**(4,131)**	**(272)**
Net cash flows used in investing activities		**(41,099)**	**(12,625)**
FINANCING ACTIVITIES			
Debt repayments to related parties	10	(334,127)	(296,999)
Loans from related parties	10	270,852	136,048
Debt increases from (repayments to) third parties, net	16A	(394)	83,690
Other non-current liabilities, net		(16,220)	(17,259)
Net cash flows used in financing activities from continuing operations		**(79,889)**	**(94,520)**
Net cash flows used in financing activities from discontinued operations		**(858)**	–
Net cash flows used in financing activities		**(80,747)**	**(94,520)**
Decrease in cash and cash equivalents from continuing operations		(20,940)	(20,857)
Increase in cash and cash equivalents from discontinued operations		12,036	23,410
Foreign currency translation effect on cash		(1,912)	(722)
Cash and cash equivalents at beginning of period		24,437	22,606
CASH AND CASH EQUIVALENTS AT END OF PERIOD	8	$ **13,621**	**24,437**
Changes in working capital, excluding income taxes:			
Trade accounts receivable		16,767	14,553
Other accounts receivable and other assets		(11,807)	23,197
Inventories		4,117	3,893
Trade accounts payable		(14,593)	(14,204)
Short-term related parties, net		3,426	(13,288)
Other accounts payable and accrued expenses		(6,061)	(7,118)
Changes in working capital, excluding income taxes		$ **(8,151)**	**7,033**

The accompanying notes are part of these consolidated financial statements.

CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity
As of December 31, 2021 and 2020
(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
Balance 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		–	–	–	(120,610)	(120,610)	(718)	(121,328)
Other items of comprehensive loss for the period		–	–	(84,183)	–	(84,183)	–	(84,183)
Total other comprehensive loss for the period		–	–	(84,183)	(120,610)	(204,793)	(718)	(205,511)
Changes in non-controlling interest	21E	–	–	–	–	–	297	297
Share-based compensation	21D	–	9,339	1,518	–	10,857	–	10,857
Balance as of December 31, 2020		**$ 718,124**	**763,606**	**(986,380)**	**849,269**	**1,344,619**	**4,830**	**1,349,449**
Net loss for the period		–	–	–	(23,192)	(23,192)	(34)	(23,226)
Other items of comprehensive loss for the period		–	–	(71,680)	–	(71,680)	–	(71,680)
Total other comprehensive loss for the period		–	–	(71,680)	(23,192)	(94,872)	(34)	(94,906)
Changes in non-controlling interest	21E	–	–	–	–	–	530	530
Share-based compensation	21D	–	4,819	1,342	–	6,161	–	6,161
Balance as of December 31, 2021		**$ 718,124**	**768,425**	**(1,056,718)**	**826,077**	**1,255,908**	**5,326**	**1,261,234**

The accompanying notes are part of these consolidated 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 shares, 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 were approved by the Board of Directors of the Parent Company on March 09, 2022.

During the fourth quarter of 2020, CEMEX España conducted a Public Tender Offer (the "Tender Offer") for all the outstanding shares of the Parent Company registered in the National Registry of Securities and Issuers and the BVC. Through the Tender Offer, CEMEX España acquired 108,337,613 shares of CLH for a total of approximately 102.5 million Dollars. As of December 31, 2021, CEMEX España owns 92.26% of CLH's outstanding shares, excluding own shares held in the Parent Company´s treasury.

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

Agreement for the sale of operations in Costa Rica and El Salvador

On December 29, 2021, through its subsidiary Corporación Cementera Latinoamericana, S.L.U. ("CCL") and its indirect subsidiary CEMEX Colombia S.A. ("CEMEX Colombia"), CEMEX Latam signed agreements with Cementos Progreso Holdings, S.L. ("Cementos Progreso"), through its affiliated companies, for the sale on a joint-basis-only of its operations in Costa Rica and El Salvador for a total price of $335 million plus cash balances, subject to final adjustments. The transaction is subject to the satisfaction of closing conditions in Costa Rica and El Salvador, including approvals from competition authorities, CEMEX Latam currently expects to finalize this transaction during the first half of 2022 (notes 3A, 4A and 13B).

COVID-19: International Pandemic

As of December 31, 2021, the outbreak of the Coronavirus SARS-CoV-2 and its strains that causes the disease known as COVID-19, declared as a pandemic by the World Health Organization on March 11, 2020 (the "COVID-19 Pandemic"), affected the Company's operations in various aspects. During the year ended December 31, 2021, the restrictive and confinement measures to contain the spread of the pandemic in the countries where the Company operates were not so significant. Conversely, during 2020, mainly during the second quarter, the impact of the COVID-19 Pandemic on the Company's results was very significant, mainly caused by the restrictive and confinement measures, in effect from the third week of March 2020, much of the second quarter of 2020, and in some cases such as in Panama effective also during the third quarter of 2020. The recovery of the economic activity in general and of the construction sector in particular maintained a dynamic pace until the third quarter of 2021 and started to slowdown in the fourth quarter of the year. During 2021 there were no significant restrictions in the countries where the Company operates. Nonetheless, as of December 31, 2021, the Company continues to be affected by the COVID-19 Pandemic, mainly by the closing of several corporate offices, as well as certain production slowdowns or stoppages and disruptions in the delivery systems and supply chains, which has caused significant increases in fuel and transportation costs.

From the beginning of the COVID-19 Pandemic and attending official dispositions in the countries in which the Company operates, CEMEX Latam has implemented strict hygiene, sanitary and security protocols in all of its operations and has modified its manufacturing, selling and distribution processes in order to implement physical distancing, aiming to protect the health and safety of its employees and their families, customers and communities. During the years 2021 and 2020, the Company identified incremental costs and expenses related to implementing and maintaining these measures of $3,775 and $5,470, respectively (note 6).

According to the quarantine measures implemented by the local authorities, during 2020, CEMEX Latam temporarily suspended the production, distribution and commercialization of its products in certain operations. Specifically, in the case of Colombia, operations were suspended from March 25 until April 13, resumed activities from April 13 through April 27 for certain essential projects, and beginning on April 27 the supply of materials for the construction in general was permitted. In Panama, the Company's business most affected by the suspension of operations related to the COVID-19 Pandemic, the suspension was in effect initially from March 25 through May 24, resuming partially for the supply of prioritized public infrastructure and materials to hardware stores, and finally, on September 4, 2020, the government allowed the supply for general construction activities. There were no significant restrictions in 2021 in the countries where the Company operates. Nonetheless, the COVID-19 Pandemic continues to affect various supply chains and has caused increases in fuel and transportation costs.

COVID-19: International Pandemic – continued

In 2021, considering the reclassification of the operations in Costa Rica and El Salvador to the line item of discontinued operations (note 3A) in both periods, the Company's revenues increased approximately 15.9% compared to the previous year, considering certain economic recovery during 2021, as well as by the significant reduction in sales volumes during the comparable period in 2020 resulting from the aforementioned adverse effects of the COVID-19 Pandemic. Such positive impacts were partially offset by negative effects on sales associated with road blockades in Colombia that affected mobility, mainly throughout the month of May 2021, resulting from popular actions regarding certain proposals for legal reforms in the country. The positive impact on revenues was partially offset by increases in transportation, raw material and fuel costs in the main countries where CEMEX Latam operates, including the additional costs caused by the aforementioned blockades in Colombia. However, considering the measures implemented by the Company to rationalize and control its operating costs and expenses, as well as the reduction in asset impairment losses from continuing operations that decreased from $94,895 in 2020 to $10,628 in 2021 and which are described in following paragraph, operating income increased from an operating loss of $37,418 in 2020 to an operating profit of $75,476 in 2021. As a result of the foregoing, during the year ended December 31, 2021, Operating EBITDA (operating earnings before other expenses, net, plus depreciation and amortization) increased 16% from $143,923 in 2020 to $166,747 in 2021.

In 2020, considering the negative effects of the pandemic and its impact on the valuation of the Company's assets and the future operating plans of certain assets, during the third quarter of 2020, CEMEX Latam recognized non-cash impairment losses related to idle assets and goodwill in Panama and Costa Rica for an aggregate amount of $121,793, of which, $26,898 related to goodwill in Costa Rica were reclassified to the discontinued operations line item (notes 3A and 4A). In 2021, considering several factors, the Company recognized impairment losses of goodwill in Costa Rica of $107,596 (notes 4A and 15B), within discontinued operations, as well as impairment losses of machinery and equipment in Colombia for a total of $7,971 (note 14A). These impairment losses did not require the use of cash flows. The Company considers that, as the duration and negative impacts of such pandemic may extend and there would not be a significant economic recovery, the significant negative effects occurred during 2021 and 2020 could be repeated in the future mainly in connection with: (i) increases in estimated credit losses on trade accounts receivable (note 9); as well as (ii) impairment of long-lived assets including goodwill (note 14A and 15). The most relevant aspects regarding the potential negative effects mentioned above as of the date of approval of these consolidated financial statements as of December 31, 2021 are disclosed in the explanatory notes.

The degree to which the COVID-19 Pandemic would significantly affect again the Company's liquidity, financial situation and results of operations will depend on the evolution of future developments that are highly uncertain, including among these, the duration and spread of the pandemic, its severity, the spread of more infectious strains of the virus, the actions to contain the virus or treat its impact and how quickly and to what extent economic and operational conditions will resume, within a new normal with limited activities, while medicines and other treatments against the virus are authorized, produced, distributed and accessible to the general public in the countries in which CEMEX Latam operates and, to a certain degree, what part of the population is willing to receive the vaccines. In the countries where the Company operates, vaccination against COVID-19 generally maintained a positive rhythm during the second half of 2021 due to the availability of vaccines, which has contributed to lessen the severity of infections related to new variants of the virus, such as Omicron, predominant in the countries where the Company operates. The Company's management conducts proactive efforts with the authorities in each country to facilitate, as much as possible, the vaccination of employees and their families and thereby mitigate the potential risk in the operation of future waves of contagion. At the end of 2021, 92% of employees and contractors were fully vaccinated (two doses).

Other measures that have contributed to ease liquidity risks applied beginning on April 8, 2020 and that were maintained in 2021 are as follows: a) all non-critical capital expenditures or not associated with the management of the COVID-19 Pandemic have been streamlined; b) operating expenses have been also streamlined strictly according to the Company’s markets evolution and demand; c) the Company´s production have been adjusted, to the extent permitted by quarantine measures, only to supply the volume of products required by the markets; and, d) all activities not related to managing basic operations were suspended.

3) SIGNIFICANT ACCOUNTING POLICIES

3A) BASIS OF PRESENTATION AND DISCLOSURE

The consolidated financial statements and the accompanying notes as of December 31, 2021 and 2020 were prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board ("IASB").

The IFRS consolidated financial statements are presented to the stock exchange regulator 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 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 realizes 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, according with the following paragraph, or different measuring unit like millions, earnings per share, prices per share and/or exchange rates. For convenience of the reader, all amounts disclosed in these notes to the financial statements, mainly in connection with tax or legal proceedings (notes 20D and 24), which are originated in jurisdictions which currencies are different to the Dollar, are presented in Dollar equivalents as of December 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. Foreign currency translations as of December 31, 2021 and 2020, as well as for the years ended December 31, 2021 and 2020 were determined using the closing and average exchange rates, as correspond, presented in the table of exchange rates included in note 3D.

Presentation currency and definition of terms - continued

When reference is made to "$" or Dollars is to Dollars of the United States, when reference is made to "€" or Euros is to the currency in circulation in a considerable number of European Union ("EU") countries. When reference is made to "¢" or Colons is to Colons of the Republic of Costa Rica ("Costa Rica"). When reference is made to "COP$" 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 Quetzals is to Quetzals of the Republic of Guatemala ("Guatemala").

Discontinued Operations

Considering the agreements for the sale of the operating segments in Costa Rica and El Salvador to Cementos Progreso, the Company's statements of operations present in the single line item of "Discontinued operations", the line by line operations, net of income taxes, of such operating segments for the years ended December 31, 2021 and 2020 (notes 2 and 4A). As a result, the statement of operations and the statement of cash flows for the year ended December 31, 2020 previously issued, as well as the applicable explanatory notes, have been restated to consider the presentation of discontinued operations.

Assets held for sale are recognized at the lower between book value and fair value when an agreement has been signed before the end of the year, it is expected to be finalized in less than one year, a price has been set and no substantial changes are expected thereof (notes 4A and 13B).

Statements of operations

CEMEX Latam includes in the statements of operations the line item titled "Operating earnings before other expenses, net" considering that it is a relevant operating measure for the Company's management. The line item "Other expenses, 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 impairment of long-lived assets, results on disposal of assets, reimbursement of damages from insurance companies, certain severance payments under restructuring, as well as for the years ended December 31, 2021 and 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, net" and the display of the statement of operations vary significantly by industry and company according to specific needs.

Considering that it is an internal indicator of its ability to fund capital expenditures and to measure its ability to service or incur debt, for purposes of note 4C, CEMEX Latam presents "Operating EBITDA" (operating earnings before other expenses, 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 years ended December 31, 2021 and 2020, related to the capitalization of interest accrued on the debt with CEMEX companies, the increase in long-term accounts payable to related parties of $26,088 and $29,485, respectively,

- For the years ended December 31, 2021 and 2020, in connection with the executives' share-based compensation (note 21D), the net increase in other equity reserves of $1,342 and $1,518, respectively, and the increase in additional paid-in capital of $4,819 in 2021 and $9,339 in 2020, and

- The increase in other financial obligations of $6,684 in 2021 and in $5,133 in 2020, in relation with the lease contracts negotiated during the year (note 16).

Investing activities

- In 2021 and 2020, the increase in assets for the right-of-use of $6,684 and $5,133, respectively, in relation with the lease contracts negotiated during the year (note 14B).

Going Concern

As of December 31, 2021, current assets, which includes assets held for sale, exceeded current liabilities in $210,757, which include accounts payable to CEMEX's companies of $66,623 (note 10). Nonetheless, the Company considers using most of the $335 million of resources from the sale of the operations in Costa Rica and El Salvador to settle non-current liabilities with related parties, which will imply transfer to a negative working capital. The Parent Company's Board of Directors approved these consolidated condensed financial statements as of December 31, 2021 under the principle of going concern, considering that the Company will generate sufficient cash flows to enable it to meet any liquidity risk in the short term. In case of facing a liquidity issue, the Company considers that it would succeed in renegotiating certain current maturities with CEMEX's entities. Additionally, CEMEX, S.A.B. de C.V., indirect controlling entity of the Parent Company, has stated in writing its commitment to provide any required financial support until April 1, 2023.

(Thousands of U.S. Dollars)

Newly issued IFRS with impact on the reported periods

In addition, there were other new standards, interpretations and standard amendments adopted as of January 1, 2021, 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 9, IAS 39, IFRS 7 IFRS 4 and IFRS 16, phases 1 and 2 – *The Reform of the Reference Interest Rates* –	The amendments refer to the replacement of the Interbank Reference Rates (IBORs) and provide temporary relief in several aspects, such as hedge accounting, when an IBOR rate is replacement by an alternative nearly risk-free rate (PRF).

3B) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include those of CEMEX Latam Holdings, S.A. and those of all 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) has the power to appoint and remove the board of directors or relevant corporate governance body; b) holds directly or through subsidiaries, more than 50% of an entity's common stock; c) has the power, directly or indirectly, to govern the administrative, financial and operating policies of an entity, or d) is the primary receptor of the risks and rewards of a structured entity. Balances and operations between the Parent Company and its subsidiaries (related parties) were eliminated in consolidation. Each subsidiary is a legally responsible separate entity and maintains custody of its own financial resources.

Changes in the ownership interest of the Parent Company in a subsidiary that do not result in a loss of control are accounted for as transactions between stockholders in their capacity as owners. Therefore, adjustments to non-controlling interests, which are based on a proportional amount of the net assets of the subsidiary, do not result in adjustments to goodwill and/or the recognition of gains or losses in the statement of operations for the period.

3C) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS

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 high uncertainty such as that resulting from the COVID-19 Pandemic.

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

The transactions denominated in foreign currencies are initially recorded in the functional currency of each entity at the exchange rates prevailing on the dates of their execution. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the date of the financial statements and the resulting foreign exchange.

The financial statements of foreign subsidiaries, as determined using their respective functional currency, are translated to U.S. Dollars at the closing exchange rate for statement of financial position accounts, at the historical exchange rate for the stockholders' equity and additional paid-in capital accounts, and at the closing exchange rates of each month within the period for statement of operation's accounts. The functional currency is that in which each consolidated entity primarily generates and expends cash. The corresponding translation adjustment is included within "Other equity reserves" and is presented in the statement of other comprehensive income (loss) for the period as part of the foreign currency translation adjustment (note 21B) until the disposal of the net investment in the foreign subsidiary.

The Company's main closing exchange rates per Dollar as of December 31, 2021 and 2020 for statement of financial position and the approximated average exchange rates in 2021 and 2020 for statements of operations purposes, were as follows:

	2021		2020	
Currency	**Closing**	**Average**	**Closing**	**Average**
Colombian Pesos	3,981.16	3,782.63	3,432.50	3,729.87
Costa Rican Colons	645.25	625.65	617.30	591.41
Nicaraguan Cordobas	35.52	35.20	34.82	34.38
Guatemalan Quetzals	7.72	7.73	7.79	7.73

Foreign currency transactions and translation of foreign entities' financial Statements -- continued

The foreign exchange gains of $245 and $4,764 in the statement of operations as of December 31, 2021 and 2020, respectively, refer mainly to the cash balances net of accounts payable of each operation denominated in Dollars due to the devaluation of the relevant currencies during the periods. The foreign currency translation of subsidiaries losses of $69,245 in 2021 and $82,241 in 2020, in the statement of comprehensive loss for the period mainly refers to the devaluation of 16% and 4.7%, respectively, of the Peso against the Dollar in respect to the prior year and its effect in the translation of the Company's net assets in Colombia, effects recognized within equity.

During December 2020, in order to prospectively reduce volatility resulting from exchange rate fluctuations in the Company's statement of operations, CEMEX Colombia negotiated non-current debt in Colombian Pesos equivalent to approximately $86.2 million, proceeds that were used for the partial repayment of CEMEX Colombia's line of credit with CEMEX España, which was denominated in Dollars.

3E) CASH AND CASH EQUIVALENTS (note 8)

Includes available amounts of cash and cash equivalents, mainly represented by short-term investments, which are easily convertible into cash, and which are not subject to significant risks of changes in their values, including overnight investments, which yield fixed returns and have maturities of less than three months from the investment date. These fixed-income investments are recorded at cost plus accrued interest. Other investments which are easily convertible into cash are recorded at their market value. Gains or losses resulting from changes in market values and accrued interest are included in the statement of operations as part of "Financial income and other items, net."

CEMEX Latam has centralized cash management arrangements whereby excess cash generated by the different companies is swept into a centralized cash pool with a related party, and the Company´s cash requirements are met through withdrawals or borrowings from that pool. Deposits in related parties are considered highly liquid investments readily convertible to cash and presented as "Fixed-income securities and other cash equivalents."

3F) FINANCIAL INSTRUMENTS

Classification and measurement of financial instruments

Financial assets are classified as "Held to collect" and measured at amortized cost when they meet both of the following conditions and are not designated as at fair value through profit or loss: a) are held within a business model whose objective is to hold assets to collect contractual cash flows; and b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortized cost represents the net present value ("NPV") of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents (note 8).
- Trade accounts receivable, other current accounts receivable and other current assets (notes 9 and 11A). Considering the short-term nature of these assets, CEMEX Latam initially recognizes these assets at the original invoiced or transaction amount less any expected credit losses, as explained below.
- Investments and non-current accounts receivable (note 11B). Subsequent changes in amortized cost are recognized in the statement of operations as part of "Financial income and other items, net."

Investments which business model consists in receiving contractual cash flows and subsequently selling such financial assets are defined as "held to collect and sale" instruments. During the reported years, CEMEX Latam did not maintain financial assets "held to collect and trade."

The financial assets that are not classified as "Held to collect" or that do not have strategic characteristics fall into the residual category of held at fair value through the statement of operations as part of "Financial income and other items, net" (note 7).

Debt instruments and other financial obligations are classified as "Loans" and measured at amortized cost (notes 16). Interest accrued on financial instruments is recognized as financial expense in the statement of operations against "Other accounts payable and accrued expenses." During the reported periods, CEMEX Latam did not have financial liabilities voluntarily recognized at fair value or associated with fair value hedge strategies with derivative financial instruments.

Impairment of financial assets

Impairment losses of financial assets, including trade accounts receivable, are recognized using the expected credit loss model ("ECL") for the entire lifetime of such financial assets on initial recognition and during the tenure of such trade accounts receivable. For purposes of the ECL model, CEMEX Latam segments its accounts receivable in a matrix by country, type of client or homogeneous credit risk and days past due and determines for each basket an average rate of ECL, considering actual credit losses experienced over the last 24 months and analyses of future delinquency. This ECL rate is applied to the balance of the accounts receivable. The average ECL rate increases in each basket of days past due until the rate is 100% for the basket of 365 days or more past due.

Costs incurred in the issuance of debt or borrowings

Direct costs incurred in debt issuances or borrowings, as well as debt refinancing or non-substantial modifications to debt agreements that did not represent an extinguishment of debt by considering that the holders and the relevant economic terms of the new instrument are not substantially different to the replaced instrument, adjust the carrying amount of the related debt and are amortized as interest expense as part of the effective interest rate of each instrument over its maturity. These costs include commissions and professional fees. Costs incurred in the extinguishment of debt, as well as debt refinancing or modifications to debt agreements, when the new instrument is substantially different from the old instrument according to a qualitative and quantitative analysis, are recognized in the statement of operations as incurred.

Leases (14B and 16A)

At the inception of a contract, CEMEX Latam assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. CEMEX Latam uses the definition of a lease in IFRS 16, *Leases* ("IFRS 16") to assess whether a contract conveys the right to control the use of an identified asset.

Leases are recognized as financial liabilities against assets for the right-of-use, if the contract conveys the right to control the use of an identified asset for a period in exchange for payment, measured at their commencement date by the net present value ("NPV") of the future contractual fixed payments, using the interest rate implicit in the lease or, if that rate cannot be readily determined, CEMEX Latam's incremental borrowing rate. CEMEX Latam determines its incremental borrowing rate by obtaining interest rates from its external financing sources and makes certain adjustments to reflect the term of the lease, the type of the asset leased and the economic environment in which the asset is leased.

CEMEX Latam does not separate the non-lease component from the lease component included in the same contract. Lease payments included in the measurement of the lease liability comprise contractual fixed payments, less incentives and/or the value of a bargain purchase option. Interest incurred under the financial obligations related to lease contracts is recognized as part of the "Interest expense" line item in the statement of operations.

At commencement date or on modification of a contract that contains a lease component, CEMEX Latam allocates the consideration in the contract to each lease component based on their relative stand-alone prices. CEMEX Latam applies the recognition exception for lease terms of 12 months or less and contracts of low-value assets and recognizes the lease payment of these leases as rental expense in the statement of operations over the lease term. CEMEX Latam defined the lease contracts related to office and computer equipment as low-value assets.

The lease liability is amortized using the effective interest method as payments are incurred and is remeasured when: a) there is a change in future lease payments arising from a change in an index or rate, b) if there is a change in the amount expected to be payable under a residual guarantee, c) if the Company changes its assessment of whether it will exercise a purchase, extension or termination option, or d) if there is a revised in-substance fixed lease payment. When the lease liability is remeasured, an adjustment is made to the carrying amount of the asset for the right-of-use or is recognized within "Financial income and other items, net" if such asset has been reduced to zero.

Hedging instruments (note 23A)

In cash flow hedges, the effective portion of changes in fair value of derivative instruments are recognized in stockholders' equity within other equity reserves and are reclassified to the statement of operations the underlying products are consumed in the case of contracts for the purchase of supplies. During the reported years, CEMEX Latam did not have derivative financial instruments for trading purposes, hedges designated as fair value, or derivative instruments associated with the net investment in a subsidiary.

Fair value measurements

Under IFRS, fair value represents an "Exit Value" which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, considering the counterparty's credit risk in the valuation. The concept of Exit Value is premised on the existence of a market and market participants for the specific asset or liability. When there are no market and/or market participants willing to make a market, IFRS establishes a fair value hierarchy that gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements), data different to quoted prices in active markets that are directly or indirectly observable for the asset or liability (level 2 measurement), and the lowest priority to measurements involving significant unobservable inputs (level 3 measurements).

3G) INVENTORIES (note 12)

Inventories are valued using the lower of cost and net realizable value. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The Company analyzes its inventory balances to determine if, as a result of internal events, such as physical damage, or external events, such as technological changes or market conditions, certain portions of such balances have become obsolete or impaired. When an impairment situation arises, the inventory balance is adjusted to its net realizable value. The positive and negative adjustments related with the valuation of inventory are recognized against the results of the period. Advances to suppliers of inventory are presented as part of other short-term accounts receivable.

(Thousands of U.S. Dollars)

3H) PROPERTY, MACHINERY AND EQUIPMENT AND ASSETS FOR THE RIGHT-OF-USE (note 14)

Property, machinery and equipment are recognized at their acquisition or construction cost, as applicable, less accumulated depreciation and accumulated impairment losses. Depreciation of fixed assets is recognized as part of cost of sales and operating expenses (note 5) and is calculated using the straight-line method over the estimated useful lives of the assets, except for mineral reserves, which are depleted using the units-of-production method. Impairment losses of property, machinery and equipment are recognized in the period in which they are determined within the line item "Other expenses, net" (notes 3J and 6).

As of December 31, 2021, the average useful lives by category of fixed assets, which are reviewed on each reporting date, were as follows:

	Years
Administrative buildings	30
Industrial buildings	35
Machinery and equipment	14
Ready-mix trucks and motor vehicles	10
Office equipment and other assets	5

Assets for the right-of-use related to leases are initially measured at cost, which comprises the initial amount of the lease liability adjusted by any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle, remove or restore the underlaying asset, less any lease incentives received. The asset for the right-of-use is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlaying asset to CEMEX Latam by the end of the lease term or if the cost of the asset for the right-of-use reflects that CEMEX Latam will exercise a purchase option. In that case the asset for the right-of-use would be depreciated over the useful life of the underlying asset. In addition, assets for the right-of-use may be reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. As of December 31, 2021, the average term of the current contracts is four years.

CEMEX Latam capitalizes, as part of the related cost of fixed assets, interest expense from existing debt during the construction or installation period of significant fixed assets, considering CEMEX Latam corporate average interest rate and the average balance of investments in process for the period.

All waste removal costs or stripping costs incurred in the operative phase of a surface mine in order to access the mineral reserves are recognized as part of the carrying amount of the related quarries. The capitalized amounts are further amortized over the expected useful life of exposed ore body based on the units of production method.

Costs incurred in respect of operating fixed assets that result in future economic benefits, such as an extension in their useful lives, an increase in their production capacity or in safety, as well as those costs incurred to mitigate or prevent environmental damage, are capitalized as part of the carrying amount of the related assets. Likewise, improvements in third-party properties, such as some access roads to operating units, are capitalized when the Company will obtain and have control over future economic benefits associated with said improvements. during the period in which the benefits are expected to be obtained, which is determined on a case-by-case basis considering the contractual agreements in other factors. The periodic maintenance of fixed assets is recognized in income as incurred. The capitalized costs are depreciated over the remaining useful lives of such fixed assets. Periodic maintenance of fixed assets is expensed as incurred. Advances to suppliers of fixed assets are presented as part of other long-term accounts receivable

3I) BUSSINES COMBINATIONS, GOODWILL AND OTHER INTANGIBLE ASSETS (note 15)

Business combinations are recognized using the purchase method, by allocating the consideration transferred to assume control of the entity to all assets acquired and liabilities assumed, based on their estimated fair values as of the acquisition date. Intangible assets acquired are identified and recognized at fair value. Any unallocated portion of the purchase price represents goodwill, which is not amortized and is subject to periodic impairment tests (note 3J), can be adjusted for any correction to the preliminary assessment given to the assets acquired and/or liabilities assumed within the twelve-month period after purchase. Costs associated with the acquisition are expensed in the statement of operations as incurred.

The Company capitalizes intangible assets acquired, as well as costs incurred in the development of intangible assets, when future economic benefits associated are identified and there is evidence of control over such benefits. Intangible assets are presented at their acquisition or development cost. Indefinite life intangible assets are not amortized since the period in which the benefits associated with such intangibles will terminate cannot be accurately established. Definite life intangible assets are amortized on straight-line basis as part of operating costs and expenses (note 5).

Costs incurred in exploration activities such as payments for rights to explore, topographical and geological studies, as well as trenching, among other items incurred to assess the technical and commercial feasibility of extracting a mineral resource, which are not significant to CEMEX Latam, are capitalized when future economic benefits associated with such activities are identified. When extraction begins, these costs are amortized during the useful life of the quarry based on the estimated tons of material to be extracted. When future economic benefits are not achieved, any capitalized costs are subject to impairment.

The Company's rights, licenses and other intangible assets are generally amortized on a straight-line basis over their useful lives that range on average from approximately 5 to 40 years. At expiration, certain permits can be extended for new periods of up to 40 years.

3J) IMPAIRMENT OF LONG-LIVED ASSETS (notes 14 and 15B)

Impairment of property, machinery and equipment, assets for the right-of-use and intangible assets of definite life

Property, machinery and equipment, assets for the right-of–use and intangible assets of definite life, are tested for impairment upon the occurrence of a significant adverse event, changes in the Company's operating environment, changes in projected use or in technology, as well as expectations of lower operating results for each cash generating unit, in order to determine whether their carrying amounts may not be recovered.

Impairment of long-lived assets – continued

In which case an impairment loss is recorded in the statement of operations for the period when such determination is made within "Other (expenses) income, net." The impairment loss of an asset results from the excess of the asset's carrying amount over its recoverable amount, corresponding to the higher between the fair value of the asset, less costs to sell such asset, the latter represented by the net present value of estimated cash flows related to the use and eventual disposal of the asset. Significant judgment by management is required to appropriately assess the fair values and values in use of these assets. The main assumptions utilized to develop these estimates are a discount rate that reflects the risk of the cash flows associated with the assets evaluated and the estimations of generation of future income. Those assumptions are evaluated for reasonableness by comparing such discount rates to market information available and by comparing to third-party expectations of industry growth, such as governmental agencies or industry chambers of commerce.

Goodwill

Goodwill is tested for impairment due to significant adverse changes or at least once a year, during the last quarter, determining the recoverable amount of the group of cash-generating units ("CGUs") to which goodwill balances were allocated, which consists of the higher of such group of CGUs fair value less cost to sell and its value in use, the later represented by the NPV of estimated future cash flows to be generated by the CGUs to which goodwill was allocated, which are generally determined over periods of 5 years. If the value in use of a group of CGUs to which goodwill has been allocated is lower than its corresponding carrying amount, the Company determines the fair value of such group of CGUs using methodologies generally accepted in the market to determine the value of entities, such as multiples of Operating EBITDA and by reference to other market transactions, among others. An impairment loss is recognized within "Other expenses, net," if the recoverable amount is lower than the net book value of the group of CGUs to which goodwill has been allocated. Impairment charges recognized on goodwill are not reversed in subsequent periods.

The reportable segments disclosed by the Company (note 4B), represent the lowest level at which management internally monitors goodwill for impairment testing purposes, considering that: a) after the acquisition, goodwill was allocated at the level of the reportable segment; b) the operating components that comprise the reported segment have similar economic characteristics; c) that the reported segments are used in CEMEX Latam to organize and evaluate its activities in its internal information system; d) the homogeneous nature of the items produced and traded in each operative component, which are all used by the construction industry; e) the vertical integration in the value chain of the products comprising each component; f) the type of clients, which are substantially similar in all components; g) the operative integration among components; and h) the compensation is based on the consolidated results of the geographic operating segment.

Impairment tests are significantly sensitive to, among other factors, the estimation of future prices of the products, the development of operating expenses, local and international economic trends in the construction industry, the long-term growth expectations in the different markets, as well as the discount rates and the growth rates in perpetuity applied. For purposes of estimating future prices, CEMEX Latam uses, to the extent available, historical data plus the expected increase or decrease according to information issued by trusted external sources, such as national construction or cement producer chambers and/or in governmental economic expectations. Operating expenses are normally measured as a constant proportion of revenues, following past experience. However, such operating expenses are also reviewed considering external information sources in respect to inputs that behave according to international prices, such as gas and oil. The amounts of estimated undiscounted cash flows are significantly sensitive to the growth rate in perpetuity applied. The higher the growth rate in perpetuity applied, the higher the amount of undiscounted future cash flows by group of CGUs obtained. Moreover, the amounts of discounted estimated future cash flows are significantly sensitive to the discount rate applied. The higher the discount rate applied, the lower the amount obtained of discounted estimated future cash flows by group of CGUs. CEMEX Latam uses specific pre-tax discount rates for each group of CGUs to which goodwill is allocated, which are applied to discount pre-tax cash flows.

3K) PROVISIONS

The Company recognizes provisions for diverse items, including environmental remediation such as quarries reforestation when it has a legal or constructive present obligation resulting from past events, whose resolution would imply cash outflows or the delivery of other resources. These provisions reflect the estimate disbursement's future cost and are generally recognized at its net present value, except when there is not clarity when disbursed or when the economic effect for time passing is not significant. Reimbursements from insurance companies are recognized as an asset only when the recovery is practically certain, and if necessary, such asset is not offset by the recognized cost provision. The entity does not have an obligation to pay levies imposed by governments that will be triggered by operating in a future period; consequently, provisions for such levies imposed by governments are recognized until the critical event or the activity that triggers the payment of the levy has occurred, as defined in the legislation.

Restructuring

CEMEX Latam recognizes provisions for restructuring costs only when there structuring plans have been properly finalized and authorized by management and have been communicated to the third parties involved and/or affected by the restructuring prior to the statement of financial position date. These provisions may include costs not associated with CEMEX Latam on going activities.

Asset retirement obligations (note 17)

Unavoidable obligations, legal or constructive, to restore operating sites upon retirement of long-lived assets at the end of their useful lives are measured at the net present value of estimated future cash flows to be incurred in the restoration process and are initially recognized against the related assets' book value. The increase to the assets' book value is depreciated during its remaining useful life. The increase in the liability related to the passage of time is charged to "Financial income and other items, net" in the statement of operations. Adjustments to the liability for changes in estimations are recognized against fixed assets, and depreciation is modified prospectively. These liabilities relate mainly to the future costs of demolition, cleaning and reforestation, to leave under certain conditions the quarries, the maritime terminals, as well as other productive sites.

Commitments and contingencies (notes 23 and 24)

Obligations or losses related to contingencies are recognized as liabilities in the consolidated statement of financial position when present obligations exist resulting from past events that are expected to result in an outflow of resources and the amount can be measured reliably; otherwise, a qualitative disclosure is included in the notes to the consolidated financial statement. The effects of long-term commitments established with third parties, such as supply contracts with suppliers or customers, are recognized in the financial statements considering the substance of the agreements based on an incurred or accrued basis. Relevant commitments are disclosed in the notes to the financial statement. The company does not recognize contingent revenues, income or assets, unless their realization is virtually certain.

3L) PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (note 19)

Defined contributions pension plans

The costs of defined contribution pension plans are recognized in the operating results as they are incurred. Liabilities arising from such plans are settled through cash transfers to the employees' retirement accounts, without generating prospective obligations.

Defined benefit pension plans and other post-employment benefits

Considering that there are no active employees subject to pension benefits from the Company, the costs associated with post-employment benefits are recognized during the period of payment of the benefits, based on actuarial estimates of the present value of the obligations with the assistance of external actuaries. Actuarial assumptions consider the use of nominal rates. Actuarial gains or losses for the period, resulting from differences between projected and real actuarial assumptions at the end of the period are recognized within "Other equity reserves" in stockholders' equity. The financial expense is recognized within "Financial income and other items, net." As of December 31, 2021 and 2020 there are no defined benefit pension plans for active employees.

The effects from modifications to the pension plans that affect the cost of past services are recognized within operating costs and expenses during the period in which such modifications become effective with respect to the employees or without delay if changes are effective immediately. The effects from curtailments and/or settlements of obligations occurring during the period, associated with events that significantly reduce the cost of future services and/or significantly reduce the population subject to pension benefits, respectively, are recognized within operating costs and expenses.

Termination benefits

Termination benefits, not associated with a restructuring event, which mainly represent severance payments by law, are recognized in the operating results for the period in which they are incurred.

3M) INCOME TAXES (note 20)

The effects reflected in the statement of operations for income taxes include the amounts incurred during the period and the amounts of deferred income taxes, determined according to the income tax law applicable to each entity. consolidated deferred income taxes represent the addition of the amounts determined in each entity by applying the enacted statutory income tax rate to the total temporary differences resulting from comparing the book and taxable values of assets and liabilities, considering tax loss carryforwards as well as other recoverable taxes and tax credits, to the extent that it is probable that future taxable profits will be available against which they can be utilized. The measurement of deferred income taxes reflects the tax consequences that follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred income taxes for the period represent the difference between balances of deferred income taxes at the beginning and the end of the period. Deferred income tax assets and liabilities relating to different tax jurisdictions are not offset. All items charged or credited directly in stockholders' equity or as part of other comprehensive income for the period under IFRS are recognized net of their current and deferred income tax effects. The effect of a change in enacted statutory tax rates is recognized in the period in which the change is officially enacted.

Deferred tax assets are reviewed at each reporting date and are reduced when it is considered that it would not be possible to obtain the related tax benefits, considering the aggregate amount of self-determined tax loss carryforwards that the Company believes the tax authorities would not reject based on available evidence, and the likelihood of the recoverability of such tax loss carryforwards prior to their expiration through the generation of future taxable income. When it is considered highly probable that the tax authorities would reject a deferred tax asset, the Company decreases such asset. When it is considered not possible to use a deferred tax asset before its expiration, the Company would not recognize such asset. Both situations would result in additional income tax expense for the period in which such determination is made. In order to determine whether it is probable that deferred tax assets will ultimately be realized, the Company considers all available positive and negative evidence, including factors such as market conditions, industry analysis, expansion plans, projected taxable income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, tax planning strategies, future reversals of existing temporary differences. Likewise, CEMEX Latam analyzes its actual results versus the Company's estimates, and adjusts, as necessary, its tax asset valuations. If actual results vary from its estimates, the deferred tax asset and/or valuations may be affected, and necessary adjustments will be made based on relevant information in the statement of operations for such period.

Based on IFRIC 23, *Uncertainty over income tax treatments* ("IFRIC 23"), the income tax effects from an uncertain tax position are recognized when is probable that the position will be sustained based on its technical merits and assuming that the tax authorities will examine each position and have full knowledge of all relevant information. For each position is considered individually its probability, regardless of its relation to any other broader tax settlement. The probability threshold represents a positive assertion by management that the Company is entitled to the economic benefits of a tax position. If a tax position is considered not probable of being sustained, no benefits of the position are recognized. Interest and penalties related to unrecognized tax benefits are recorded as part of the income tax in the consolidated statements of operations.

Income taxes – continued

The amounts of current and deferred income tax included in the statements of operations for the period are highly variable, and are subject among other factors, to the amount of taxable income determined in each jurisdiction in which CEMEX Latam operates. The amounts of taxable income depend on variables such as volumes and selling prices, costs and expenses, fluctuations in exchange rates and interest on debt, among others, as well as the amount of tax assets estimated at the end of the period based on the expected generation of future taxable income in each jurisdiction.

3N) STOCKHOLDERS EQUITY

Common stock and additional paid-in capital (note 21A)

Represent the value of stockholders' contributions and include the value of the Parent Company's executive stock-based compensation programs.

Other equity reserves (note 21B)

This caption groups the cumulative effects of items and transactions that are temporarily or permanently recognized in stockholders' equity and includes the effects for the period that do not result from contributions by owners and distributions to owners, presented in the statements of comprehensive income. The most significant items within "Other equity reserves" during the reported periods were as follows:

- Currency translation effects from the consolidated financial statement of foreign entities;
- Actuarial gains and losses;
- Current and deferred income taxes during the period arising from items whose effects are directly recognized in stockholders' equity; and
- The counter account for the compensation expense related to long-term incentive plans (note 21D).

Retained earnings (note 21C)

Retained earnings represent the cumulative net results of prior accounting periods, net, when applicable, of any amount of dividends declared to shareholders.

Non-controlling interest (note 21E)

This caption includes the share of non-controlling stockholders in the results and equity of consolidated entities.

3O) REVENUE RECOGNITION

Revenue is recognized at a point in time or over time in the amount of the price, before tax on sales, expected to be received by CEMEX Latam's subsidiaries for goods and services supplied as a result of their ordinary activities, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer. Revenues are decreased by any trade discounts or volume rebates granted to customers. Transactions between related parties are eliminated in consolidation.

Variable consideration is recognized when it is highly probable that a significant reversal in the amount of cumulative revenue recognized for the contract will not occur and is measured using the expected value or the most likely amount method, whichever is expected to better predict the amount based on the terms and conditions of the contract.

Revenue and costs from trading activities, in which CEMEX Latam acquires finished goods from a third party and subsequently sells the goods to another third-party, are recognized on a gross basis, considering that CEMEX Latam assumes ownership risks on the goods purchased, not acting as agent or broker.

When revenue is earned over time as contractual performance obligations are satisfied, which is the case of construction contracts, CEMEX Latam applies the stage of completion method to measure revenue, which represents: a) the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs; b) the surveys of work performed; or c) the physical proportion of the contract work completed, whichever better reflects the percentage of completion under the specific circumstances. Considering that the following has been agreed: (i) each party's enforceable rights regarding the asset under construction; (ii) the consideration to be exchanged; (iii) the manner and terms of settlement; (iv) actual costs incurred and contract costs required to complete the asset are effectively controlled; and (v) it is probable that the economic benefits associated with the contract will flow to the entity. Progress payments and advances received from customers do not reflect the work performed and are recognized as short-term or long-term advance payments, as appropriate.

3P) EXECUTIVE STOCK-BASED COMPENSATION (note 21D)

The stock-based compensation programs to executives are treated as equity instruments, considering that services received from such employees are settled delivering shares of the Parent Company. The costs of equity instruments represent their fair value at the date of grant and are recognized in the statement of operations during the period in which the exercise rights of the employees become vested as services are rendered.

(Thousands of U.S. Dollars)

3Q) 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. 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.

3R) CONCENTRATION OF CREDIT

The Company sells its products primarily to distributors in the construction industry, with no specific geographic concentration within the countries in which the Company operates. As of and for the years ended December 31, 2021 and 2020, no single customer individually accounted for a significant amount of the reported amounts of sales or in the balances of trade receivables. In addition, there is no significant concentration of a specific supplier relating to the purchase of raw materials.

3S) 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 37, *Provisions, Contingent Liabilities and Contingent Assets* – Onerous Contracts—Cost of Fulfilling a Contract	Clarifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract.' Costs that relate directly to a contract can either be incremental costs of fulfilling that contract.	January 1, 2022
Amendments to IAS 16, *Property, Plant and Equipment* – Property, Plant and Equipment: Proceeds before Intended Use .	Clarifies the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.	January 1, 2022
Annual improvements to IFRS Standards (2018-2020 cycle): IFRS 9, *Financial Instruments* – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities...	The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.	January 1, 2022
Amendments to IAS 1, *Presentation of financial statements*	Clarifies the requirements to be applied in classifying liabilities as current and non-current.	January 1, 2023
Amendments to IAS 8 - Definition of accounting estimates..................................	The amendment makes a distinction between how an entity should present and disclose different types of accounting changes in its financial statements. Changes in accounting policies should be applied retrospectively, while changes in accounting estimates are accounted for prospectively.	January 1, 2023
Amendments to IAS 1 and IFRS *Practice Statement 2- Presentation of Financial Statements*..	The amendment requires entities to disclose their material accounting policies rather than their significant accounting policies. To support this amendment, the IASB has developed guidance and examples to explain and demonstrate the application of IFRS Practice Statement 2 by helping entities apply their 'four-step materiality process' for accounting policy disclosures.	January 1, 2023
Amendments to IAS 12, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single transaction	The amendment clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations.	January 1, 2023
IFRS 17, *Insurance contracts*....................	The standard 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.	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.

(Thousands of U.S. Dollars)

4) DISCONTINUED OPERATIONS, REVENUE AND FINANCIAL INFORMATION BY REPORTABLE SEGMENT AND LINE OF BUSINESS

4A) DISCONTINUED OPERATIONS

On December 29, 2021, As mentioned in note 2, through its subsidiary CCL and its indirect subsidiary CEMEX Colombia, the Company entered into agreements with Cementos Progreso Holdings S.L, through its affiliated companies for the joint and non-separable sale of its operations. in Costa Rica and El Salvador, consisting of a cement plant, a grinding station, seven concrete plants, an aggregates quarry, as well as a distribution center in Costa Rica and a distribution center in El Salvador. The aggregate sale price is $335 million plus cash balances, subject to working capital adjustments. The transaction is subject to satisfaction of closing conditions in Costa Rica and El Salvador, including approvals from the competition authorities, CEMEX Latam currently expects to finalize this transaction during the first half of 2022. The statement of financial position of the Company as of 31 December 2021 includes assets and liabilities associated with operations in Costa Rica and El Salvador under the headings of "Assets and liabilities directly associated with assets held for sale", as appropriate. The Company's operations of these assets held for sale for the years 2021 and 2020 are presented in the statements of operations, net of income taxes, in the line "Discontinued operations".

The combined condensed financial information of the statement of operations of CEMEX Latam's discontinued operations in Costa Rica and El Salvador for the years ended December 31, 2021 and 2020 was as follows:

		2021	2020
Sales	$	139,543	115,412
Cost of sales, operating expenses and other expenses, net [1]		(217,132)	(119,839)
Financial expenses, net and others		(97)	(23)
Loss before income tax		(77,686)	(4,450)
Income tax [2]		45,944	(7,471)
Loss of discontinued operations		(31,742)	(11,921)
Non-controlling interest net loss		(461)	(198)
Net loss of discontinued operations	$	(32,203)	(12,119)

1 Includes in 2021 and 2020, goodwill impairment losses in Costa Rica of $107,596 and $26,898, respectively, caused in 2021 by the reduction in long-term projected cash flows of this operating segment associated with factors of a more competitive business environment and the increase in operating costs and expenses (note 15B), as well as in 2020, resulting from the negative effects associated with the COVID-19 Pandemic (note 2). Likewise, in 2021 and 2020, it includes the portion relating to Costa Rica and El Salvador of the 5% royalty expense on consolidated sales paid by the Parent Company to CEMEX and its subsidiaries under the agreements of non-exclusive use, exploitation, and enjoyment of asset licenses, administration and business support services agreement and license agreements (notes 10 and 23B).

2 In 2021, includes the cancellation of a consolidated deferred tax liability associated with Costa Rica of $79,520 (note 20B).

As of December 31, 2021, the condensed combined statement of financial position of CEMEX Latam's discontinued operations in Costa Rica and El Salvador, including the distribution of goodwill and other adjustments associated with the reclassification to assets held for sale, as following:

		2021
Current assets	$	26,241
Property, machinery and equipment, net		44,622
Intangible assets and others non-current asset [1]		263,769
Total assets of the disposal group [2]		**334,632**
Current liabilities		27,727
Non-current liabilities		8,943
Total liabilities related to disposal group		**36,670**
Net assets of disposal group	$	**297,962**

1 Includes the reclassification of goodwill balances related to Costa Rica and El Salvador of $369,389, net of the impairment loss of $107,596 previously described.

2 The line of assets held for sale excludes net investments of CEMEX Costa Rica and El Salvador of approximately $287 million deposited in CEMEX Finance Latam B.V., financial entity of CEMEX Latam, which are eliminated in the consolidation of the Company.

The statements of cash flows include financial expenses and taxes paid in cash of the Company’s discontinued operations of $20,276 in 2021 and $3,789 in 2020.

(Thousands of U.S. Dollars)

4B) REVENUE

CEMEX Latam's revenues are mainly originated from the sale and distribution of cement, ready-mix concrete, aggregates and other construction materials and services. CEMEX Latam grants credit for terms ranging from 15 to 45 days depending on the type of project and risk of each customer. For the years ended December 31, 2021 and 2020, revenues, after eliminations between related parties, are detailed as follows:

		2021	2020
From the sale of cement	$	553,911	484,671
From the sale of ready-mix concrete		161,076	140,654
From the sale of aggregates		12,650	6,530
From the sale of other products and eliminations [1]		53,546	42,337
	$	781,183	674,192

1 Refers mainly to revenues generated by other business lines such as diverse products for the construction industry and infrastructure and housing projects, as well as the eliminations for sales of products between business lines as shown later in this note within the information of revenues by business line and reportable segment.

Revenue information by reportable segment and business lines for the years 2021 and 2020 is included in note 4C. As a result of the agreements for the sale of the operations in Costa Rica and El Salvador (notes 2, 3A and 4A), the combined revenues of these operations, after eliminations, of $139,543 in 2021 and $115,412 in 2020, have been reclassified to the line item of discontinued operations.

Some commercial practices of CEMEX Latam, in the form of certain promotions and/or discounts and rebates offered as part of the sale transaction, result in that a portion of the transaction price should be allocated to such commercial incentives as separate performance obligations, recognized as contract liabilities with customers, and deferred to the statement of operations during the period in which the incentive is exercised by the customer or until it expires.

For the years ended December 31, 2021 and 2020 changes in the balance of contract liabilities with customers were as follows:

		2021	2020
Opening balance of contract liabilities with customers	$	10,491	11,273
Increase during the period for new transactions		13,330	10,804
Decrease during the period for exercise or expiration of incentives		(8,805)	(11,139)
Reclassification to liabilities related to assets held for sale		(685)	–
Currency translation effects		(1,383)	(447)
Closing balance of contract liabilities with customers	$	12,948	10,491

For the years 2021 and 2020, CEMEX Latam did not identify any costs required to be capitalized as contract fulfillment assets and released over the contract life according to IFRS 15.

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

The condensed financial information by reportable segments was elaborated under accounting policies which are consistent with those used for the consolidated financial statements for the years ended December 31, 2021 and 2020. The segment "Others" refers 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 information of the statement of operations by reportable segments for the years ended December 31, 2021 and 2020 are as follow:

2021 [2]		Revenues (including related parties)	Less: Related parties	Revenues	Operating EBITDA [1]	Less: Depreciation and amortization	Operating earnings before other expenses, net [1]	Other expenses, net	Financial expenses	Financial income and other items, net
Colombia	$	436,733	(2)	436,731	86,411	(25,577)	60,834	(18,691)	(9,923)	(1,366)
Panama		121,261	(1,442)	119,819	31,491	(16,488)	15,003	(2,080)	(6,342)	119
Guatemala		125,962	(28)	125,934	53,981	(2,005)	51,976	(67)	(156)	38
Nicaragua		119,345	(136)	119,209	32,748	(5,189)	27,559	(1,102)	(749)	27
Others		–	(20,510)	(20,510)	(37,884)	(20,615)	(58,499)	543	(24,487)	–
Continuing operations	$	803,301	(22,118)	781,183	166,747	(69,874)	96,873	(21,397)	(41,657)	(1,182)

(Thousands of U.S. Dollars)

Selected financial information by reportable segments – continued

2020 [2]	Revenues (including related parties)	Less: Related parties	Revenues	Operating EBITDA [1]	Less: Depreciation and amortization	Operating earnings before other expenses, net [1]	Other expenses, net	Financial expenses	Financial income and other items, net
Colombia $	403,738	(24)	403,714	86,520	(25,143)	61,377	(8,177)	(16,475)	(915)
Panama	80,445	(258)	80,187	11,962	(15,702)	(3,740)	(100,159)	(8,919)	836
Guatemala	111,656	(148)	111,508	43,022	(2,062)	40,960	(618)	(178)	75
Nicaragua	93,031	(756)	92,275	27,895	(5,851)	22,044	(659)	(1,097)	45
Others	–	(13,492)	(13,492)	(25,476)	(22,296)	(47,772)	(674)	(23,077)	29
Continuing operations $	688,870	(14,678)	674,192	143,923	(71,054)	72,869	(110,287)	(49,746)	70

1 Operating EBITDA and Operating earnings before other expenses, net in the tables above exclude the portion related to Costa Rica and El Salvador of the 5% royalty expense on consolidated sales paid by the Parent Company to CEMEX and its subsidiaries under the agreements of non-exclusive use, exploitation, and enjoyment of asset licenses, administration and business support services agreement and license agreements (notes 10 and 23B).

2 Selected financial information for discontinued operations is included in note 4A.

Revenues by line of business and reportable segments for the years ended December 31, 2021 and 2020 were as follows:

2021	Cement	Concrete	Aggregates	Other products	Others	Revenues
Colombia $	265,226	127,513	4,429	39,565	(2)	436,731
Panama	83,453	15,083	6,321	16,404	(1,442)	119,819
Guatemala	106,823	7,491	–	11,648	(28)	125,934
Nicaragua	98,409	10,989	1,900	8,047	(136)	119,209
Others	–	–	–	–	(20,510)	(20,510)
Continuing operations $	553,911	161,076	12,650	75,664	(22,118)	781,183

2020	Cement	Concrete	Aggregates	Other products	Others	Revenues
Colombia $	253,782	115,871	3,743	30,342	(24)	403,714
Panama	53,213	13,242	1,144	12,846	(258)	80,187
Guatemala	96,398	7,159	–	8,099	(148)	111,508
Nicaragua	81,278	4,382	1,643	5,728	(756)	92,275
Others	–	–	–	–	(13,492)	(13,492)
Continuing operations $	484,671	140,654	6,530	57,015	(14,678)	674,192

As of December 31, 2021 and 2020, selected consolidated information of the statements of financial position by reportable segments, which includes in each segment its allocated balance of goodwill (note 15), as well as consolidation eliminations, as applicable, is as follows:

2021	Total Assets	Total Liabilities	Net assets by segment	Capital expenditures
Colombia $	919,249	408,885	510,364	26,969
Panama	605,141	171,855	433,286	9,202
Guatemala	279,099	34,343	244,756	3,426
Nicaragua	233,400	50,102	183,298	4,615
Others	17,545	425,977	(408,432)	–
Total	2,054,434	1,091,162	963,272	44,212
Assets held for sale and related liabilities	334,632	36,670	297,962	5,103
Total $	2,389,066	1,127,832	1,261,234	49,315

2020	Total Assets	Total Liabilities	Net assets by segment	Capital expenditures
Colombia $	1,157,703	540,833	616,870	13,661
Panama	634,226	194,818	439,408	2,769
Costa Rica and El Salvador	358,165	33,384	324,781	902
Guatemala	284,612	31,705	252,907	648
Nicaragua	213,441	43,613	169,828	2,672
Others	19,354	473,699	(454,345)	–
Total $	2,667,501	1,318,052	1,349,449	20,652

(Thousands of U.S. Dollars)

5) DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 is detailed as follows:

		2021	2020
Depreciation and amortization expense of assets used in the production process	$	47,615	47,641
Depreciation and amortization expense of assets used in administrative and selling activities		22,259	23,413
	$	69,874	71,054

6) OTHER EXPENSES, NET

Other expenses, net for the years 2021 and 2020 is detailed as follows:

		2021	2020
Impairment losses of long-lived assets [1]	$	(10,628)	(94,895)
Severance payments for reorganization and other personnel costs		(1,185)	(3,859)
Incremental costs and expenses associated with the COVID-19 Pandemic [2]		(3,775)	(5,470)
Results from valuation and sale of assets, sale of scrap and other revenues and expenses, net		(4,779)	(4,475)
Assumed taxes, fines and other penalties		(1,030)	(1,588)
	$	(21,397)	(110,287)

1 In 2021, the Company recognized impairment losses on machinery and equipment of $7,971 in Colombia (note 14A). Additionally, in December 2021, considering the bankruptcy of the construction company that conducted engineering and construction works associated with a section of the access road to the Maceo Plant, the Company recognized a loss for the write off of advances to the construction company of $2,657. The Company will attempt the legal recovery of these advances. In 2020, in relation to the negative effects of the COVID-19 Pandemic, the Company recognized impairment losses on idle fixed assets in Panama and Colombia for a total of $13,283 (note 14A), as well as goodwill impairment losses in Panama of $81,289 (note 15) and impairment losses of $323 of assets held for sale in Panama (note 13). Impairment losses of goodwill for Costa Rica in 2021 and 2020 of $107,596 and $26,898, respectively, were reclassified to discontinued operations.

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

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

7A) FINANCIAL EXPENSE

Consolidated financial expense in 2021 and 2020 of $41,657 and $49,746, respectively, includes $1,115 in 2021 and $1,352 in 2020, of financial expense arising from financial liabilities related to lease agreements (notes 14B and 16A).

7B) FINANCIAL INCOME AND OTHER ITEMS, NET

The line item "Financial income and other items, net" in 2021 and 2020 are detailed as follows:

		2021	2020 [1]
Interest cost on employee benefits	$	(1,753)	(1,752)
Financial income		571	1,822
	$	(1,182)	70

8) CASH AND CASH EQUIVALENTS

Consolidated cash and cash equivalents as of December 31, 2021 and 2020 were as follows:

		2021	2020
Cash and bank accounts	$	12,470	16,365
Fixed-income securities and other cash equivalents		1,151	8,072
	$	13,621	24,437

(Thousands of U.S. Dollars)

9) TRADE ACCOUNTS RECEIVABLE

For the reported periods, the Company did not maintain programs for the sale of trade receivables. As of December 31, 2021 and 2020, consolidated trade accounts receivable are detailed as follows:

		2021	2020
Trade accounts receivable	$	48,670	65,437
Allowance for expected credit losses		(3,717)	(8,837)
	$	44,953	56,600

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 delinquent receivables derived from the COVID-19 Pandemic.

As of December 31, 2021 and 2020, balances of trade accounts receivable and the allowance for ECL by country were as follows:

		As of December 31, 2021			As of December 31, 2020		
		Accounts receivable	ECL allowance	ECL average rate	Accounts receivable	ECL allowance	ECL average rate
Colombia	$	24,226	1,444	5.96%	28,794	2,181	7.57%
Panama		11,724	1,574	13.43%	14,800	3,873	26.17%
Costa Rica and El Salvador [1]		–	–	–	9,432	1,676	17.77%
Guatemala		6,867	266	3.87%	7,909	812	10.27%
Nicaragua		5,853	433	7.40%	4,502	295	6.55%
	$	48,670	3,717		65,437	8,837	

1 As of December 31, 2021, the line of assets held for sale includes balances of accounts receivable from customers and an estimate of PCE of $11,672 and 1,597, respectively, related to the operations in Costa Rica and El Salvador (note 4A).

As of December 31, 2021, in relation to the COVID-19 Pandemic (note 2) and the potential increase in expected credit losses on trade accounts receivable as a result of the negative economic effects associated with such pandemic, the Company maintains continuous communication with its customers as part of its collection management, in order to anticipate situations that could represent an extension in the portfolio's recovery period or in some unfortunate cases the risk of non-recovery. As of this same date, the Company considers that these negative effects on the ECL estimates are manifested to a greater degree in Panama and to a lesser degree in Guatemala. The Company will continue to monitor the development of relevant events that may eventually have negative effects as a result of a deepening or extension of the pandemic.

Changes in the allowance for expected credit losses in 2021 and 2020 were as follows:

		2021	2020
Allowance for expected credit losses at beginning of the period	$	8,837	9,340
Additions during the year charged to administrative and selling expenses		1,048	2,496
Deductions		(4,216)	(2,988)
Reclassification to assets held for sale [1]		(1,597)	–
Foreign currency translation effects		(355)	(11)
Allowance for expected credit losses at end of the period	$	3,717	8,837

1 Refers to operations held for sale in Costa Rica and El Salvador (note 4A).

(Thousands of U.S. Dollars)

10) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Current accounts receivable		**2021**	**2020**
Torino RE Limited [1]		7,375	–
CEMEX España, S.A. [2]		4,727	2,737
CEMEX, S.A.B. de C.V [3].		2,096	327
CEMEX Operaciones México, S.A. de C.V [3].		1,524	975
CEMEX Corp and Subsidiaries		1,060	333
Trinidad Cement Limited		976	147
CEMEX de Puerto Rico, Inc		347	–
Beijing Import & Export Co., Ltd		250	–
Solid Cement Corporation		57	230
CEMEX Research Group A.G.		–	176
Balboa Investments B.V. [4]		–	8,000
Others		71	83
Total assets with related parties	$	18,483	13,008

Current accounts payable		**2021**	**2020**
CEMEX Innovation Holding AG [5]		56,221	–
CEMEX Corp and Subsidiaries [6]		9,024	4,878
Beijing Import & Export Co., Ltd		375	298
CEMEX Internacional, S.A. de C.V.		264	665
CEMEX Dominicana, S.A		174	–
CEMEX Operaciones México, S.A. de C.V.		160	60
Macoris Investment and Subsidiaries		148	148
CEMEX España, S.A. [2]		40	8,118
Others		217	161
	$	66,623	14,328

Non-current accounts payable		**2021**	**2020**
CEMEX Innovation Holding AG [5]	$	419,533	–
CEMEX España, S.A. [7]		29,114	26,961
Lomez International B.V. [5]		–	541,177
		448,647	568,138
Total liabilities with related parties	$	515,270	582,466

1 Corresponds mainly to services of insurance policies signed with Torino RE Limited.

2 As of December 31, 2021 and 2020, accounts receivable mainly corresponds to tax losses generated by CEMEX Latam that have been used by other companies of the tax consolidation group within which CEMEX Latam is taxed in Spain and whose head entity is CEMEX España. Likewise, accounts payable corresponded mainly to the Parent Company's current tax expense of years 2021 and 2020, which is transferred to tax consolidation.

3 Corresponds to administrative services provided by CEMEX Colombia, S.A.

4 On November 15, 2019, Cemento Bayano S.A. ("Cemento Bayano") and Balboa Investments B.V. ("Balboa") entered into an indemnity agreement in connection with the purchase by a subsidiary of Cementos Progreso, S.A. (the "Buyer") of 25% of the common stock of Grupo Cementero Panameño, S.A. (formerly Cemento Interoceánico, S.A.) which was owned by Balboa. Cemento Bayano recognized a cash inflow in Bayano of $32,398, an account receivable from Balboa of $17,842 representing the best estimate of a potential earn-out as well as deferred revenue with related parties of $49,686 (note 17B). In September 2020, based on the formulas then ruling the accrual of the earn-out and considering the gradual reduction of sales, Cemento Bayano reduced its best estimate of the earn-out and the account receivable from Balboa to $16,874. The lockdown of the industry in Panama from March 24 to September 4, 2020 related to the COVID-19 Pandemic and the resulting negative conditions in cement demand, made impossible the measurement and effective accrual of the earn-out in 2020. Consequently, the Buyer requested Balboa the renegotiation of the agreements arguing force majeure causes. As a result, on December 16, 2020, Cementos Progreso and Balboa signed an addendum to the original agreements and subsequently, on December 21, 2020, Balboa replicated the modified terms with Cemento Bayano in connection with the earn-out. Among other changes, such as the extension of the clinker supply contracts in Panama and Guatemala, it was agreed to reduce the maximum amount of the earn-out from $20 million to $10 million**.** On December 24, 2020, the Buyer made an advance payment to Balboa and the latter in turn to Cementos Bayano of $2 million toward such earn-out. In September 2021, the Buyer confirmed that the earn-out was reached based on the agreed sales and settled the remaining balance of $8 million to Balboa, which in turn settled the balance with Cemento Bayano.

5 On January 1, 2021, Lomez International B.V. ("Lomez") assigned to CEMEX Innovation Holding AG ("CIH"), both companies belonging to CEMEX, the loans that had been granted by Lomez to the Holding Company, CCL and Cemento Bayano. The conditions of such credits and loans were not affected by the aforementioned assignment. Cemento Bayano renegotiated its revolving line of credit with CIH with a new maturity in December 2022 at a variable market rate plus 360 basis points which as of December 31, 2021 represented 3,95%. Balances as of December 31, 2021 include amounts payable to CIH and December 31, 2020 included accounts payable to Lomez by: a) CCL of $172,135 in 2021 and $230,803 in 2020; b) the Parent Company of $247,398 in 2021 and $221,543 in 2020, and c) Cemento Bayano of $56,216 in 2021 and $88,831 in 2020.

6 Balances generated by imports of coke, coal, clinker and grey cement.

7 Loan negotiated by CEMEX Colombia with CEMEX España originally in 2010, which has been subsequently renegotiated on 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 December 31, 2020 represented 3.12% In December 2020, considering the financing in Pesos obtained by CEMEX Colombia with commercial banks (note 16A) as well as the use of cash generated by operations, the Company partially repaid this credit line.

(Thousands of U.S. Dollars)

Balances and transactions with related parties – continued

The maturities of non-current accounts payable to related parties as of December 31, 2021were as follows:

Debtor	Annual rate		2023	2024	Total
CEMEX Latam Holdings, S.A.	5.65%		247,398	–	247,398
Corporación Cementera Latinoamericana, S.L.U......	5.65%		172,135	–	172,135
CEMEX Colombia S.A.	6M Libor + 277 bps [1]		–	29,114	29,114
		$	419,533	29,114	448,647

1 The *London Inter-Bank Offered Rate*, or LIBOR, is the variable rate used in international markets for debt denominated in Dollars. As of December 31, 2021, 6-month LIBOR rates was 0.34%. The contraction "bps" means basis points. One hundred bps equals 1%.

The Company's main transactions entered into with related parties for the years ended December 31, 2021 and 2020 are shown below:

Revenues		2021	2020
Balboa Investments B.V. [1]	$	6,969	6,255
Others		5	–
		6,974	6,255

Purchases of raw materials		2021	2020
CEMEX Corp and Subsidiaries	$	11,176	6,388
CEMEX Internacional, S.A. de C.V.		4,701	7,362
CEMEX Trading LLC		176	–
CEMEX Dominicana, S.A.		153	–
Beijing Import & Export Co., Ltd		19	79
Others		–	6
	$	16,225	13,835

Administrative and selling expenses		2021	2020
CEMEX España, S.A.	$	9	32

Royalties and technical assistance (note 22B)		2021	2020
CEMEX Innovation Holding AG [2]	$	29,600	–
CEMEX Operaciones México, S.A. de C.V. [2]		6,344	8,139
CEMEX, S.A.B. de C.V.		3,116	3,157
CEMEX Research Group A.G.		–	28,184
	$	39,060	39,480

Financial expense		2021	2020
CEMEX Innovation Holding AG [3]	$	29,523	–
Balboa Investments B.V. [1]		3,183	4,050
CEMEX España, S.A.		808	5,950
Lomez International B.V.		–	33,375
	$	33,514	43,375

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 Grupo Cementero Panameño S.A. are fulfilled (note 23B). For the years ended December 31, 2021 and 2020 of the balance of deferred revenues with related parties mentioned above, a total of $3,786 and $2,205, respectively, was amortized during the year, through the recognition in the statement of operations of revenue of $6,969 in 2021 and $6,255 in 2020 and financial expenses of $3,183 in 2021 and $4,050 in 2020, considering the implicit interest rate of 8.4% (note 17B).

2 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 agreements, the Parent Company has agreed to pay CEMEX (which includes CEMEX, S.A.B. de C.V., CIH (before CEMEX Research Group AG ("CRG")). 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 percentage cannot be increased without the consent of the independent directors of CEMEX Latam Holdings expressed during a meeting of the Board of Directors. On January 1, 2021, CRG, a subsidiary of CEMEX España, S.A. made a global assignment of its operating assets, contracts and liabilities to CIH, a subsidiary of CEMEX, S.A.B. de C.V.

3 On January 1, 2021, the outstanding agreements of the Company with Lomez International B.V. were also assigned to CIH.

For the years 2021 and 2020, the aggregate compensation amounts accrued by members of the top management, which were recognized in the Company's subsidiaries, were approximately $4,415 and $5,284, respectively, out of which, $3,802 in 2021 and $4,612 in 2020, corresponded to base remuneration plus performance bonuses including pensions and other postretirement benefits. In addition, approximately $613 in 2021 and $672 in 2020 out of the aggregate compensation corresponded to allocations of shares under the executive share-based compensation programs.

(Thousands of U.S. Dollars)

Balances and transactions with related parties – continued

In addition, for the years 2021 and 2020, the independent directors and the chairman of the Parent Company's Board of Directors, in fulfillment of their functions, accrued compensation including remuneration and annual allowances, for a total of approximately $373 and $525, respectively. The independent directors have not received advances or loans and the Company has not assumed obligations on their behalf or 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.

11) OTHER ACCOUNTS RECEIVABLE

11A) OTHER CURRENT ACCOUNTS RECEIVABLE

Consolidated other accounts receivable as of December 31, 2021 and 2020 consisted of:

		2021	2020
From other diverse activities	$	4,233	3,671
From sales of assets and scrap		2,129	1,756
Loans to employees		632	933
Rights in trust [1]		–	2,154
	$	6,994	8,514

1 In 2020, included CEMEX Colombia's residual interest in a trust oriented to promote a specific housing project, which only asset was a claim on land and its only liability was a bank loan in Pesos equivalent to $2,154, obtained for the purchase of such land and which repayment was guaranteed by CEMEX Colombia. In July 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 by the Acquirer of the loan guaranteed by CEMEX Colombia. Between July 2019 and December 2020, the Acquirer made payments to the loan for an aggregate amount in Pesos equivalent to approximately $4.8 million, while an amount equivalent to approximately $1.7 million remained outstanding and was settled by the Acquirer on December 23, 2021, ending CEMEX Colombia's relationship in the project.

11B) OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

Consolidated balances of other assets and non-current accounts receivable as of December 31, 2021 and 2020 are detailed as follows:

		2021	2020
Loans and notes receivable [1]	$	7,568	3,516
Other non-current assets		143	366
	$	7,711	3,882

1 Includes a fund of Cemento Bayano to secure seniority premium payments for $2,800 in 2020 and $2,888 in 2020. As of December 31, 2021, it includes an advance payment from CEMEX Colombia to a construction company related to the engineering and construction project, subject to the successful completion of certain procedures in the coming months, of a section of the access road to the Maceo Plant for $2,887.

12) INVENTORIES

Consolidated balances of inventories as of December 31, 2021 and 2020 are summarized as follows:

		2021 [1]	2020
Spare parts and supplies	$	23,556	25,295
Work-in-process		17,280	18,784
Raw materials		14,488	14,873
Finished goods		9,253	10,615
Inventory in transit		5,132	4,235
Other inventories		–	460
	$	69,709	74,262

1 As of December 31, 2021, the line item of assets held for sale includes $12,220 of inventories from Costa Rica and El Salvador (notes 4A and 13B).

13) ASSETS HELD FOR SALE AND OTHER CURRENT ASSETS

13A) OTHER CURRENT ASSETS

As of December 31, 2021 and 2020 consolidated other current assets consisted of:

		2021	2020
Advance payments [1]	$	9,659	14,970
Restricted cash [2]		329	379
	$	9,988	15,349

1 As of December 31, 2021 and 2020, advance payments, associated with insurance premiums advances to inventory suppliers.

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

(Thousands of U.S. Dollars)

13B) ASSETS HELD FOR SALE

As of December 31, 2021 and 2020, assets held for sale are detailed as follows:

		2021				2020		
		Assets	Liabilities	Net assets		Assets	Liabilities	Net assets
Costa Rica and El Salvador (notes 2 y 4A)	$	334,632	36,670	297,962	$	–	–	–
Other assets held for sale [1]		3,417	–	3,417		4,269	–	4,269
	$	338,049	36,670	301,379	$	4,269	–	4,269

1 Other assets held for sale are presented at their estimated realizable value and are mainly comprised of certain properties received in the recovery of trade accounts receivable. During 2020, an impairment loss of assets held for sale in Panama of $323 was recognized.

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

As of December 31, 2021 and 2020, the consolidated balances of this caption consisted of:

		2021 [1]	2020
Property, machinery and equipment, net	$	879,768	1,027,761
Assets for the right-of-use, net		14,666	15,165
	$	894,434	1,042,926

1 As of December 31, 2021, the line item of assets held for sale includes $44,042 of property, machinery and equipment, net, as well as $579 of right-of-use assets, net in connection with the sale agreement of Costa Rica and El Salvador (notes 4A and 13B).

14A) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of December 31, 2021 and 2020 the consolidated balances of property, machinery and equipment, net as well as the changes of the period in 2021 and 2020, were as follows:

		2021				
		Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress	Total
Cost at beginning of the period	$	219,531	196,282	673,126	236,071	1,325,010
Capital expenditures and stripping costs		560	–	404	41,667	42,631
Disposals		(42)	(287)	(14,431)	–	(14,760)
Reclassifications		7,859	669	3,884	(12,412)	–
Reclassification to assets held for sale		(3,975)	(21,054)	(93,065)	(3,441)	(121,535)
Impairment losses		(3,047)	(1,332)	(3,592)	–	(7,971)
Depreciation and depletion for the period		(5,852)	(5,634)	(35,031)	–	(46,517)
Foreign currency translation effects		(16,713)	(16,845)	(48,647)	(23,488)	(105,693)
Cost at end of the period		204,173	157,433	517,679	238,397	1,117,682
Accumulated depreciation and depletion		(47,965)	(40,599)	(149,350)	–	(237,914)
Net book value at end of the period	$	156,208	116,834	368,329	238,397	879,768
Net cost reclassified to assets held for sale	$	3,631	7,712	29,258	3,441	44,042

		2020				
		Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress	Total
Cost at beginning of the period	$	219,301	201,740	703,668	260,510	1,385,219
Capital expenditures and stripping costs		567	–	677	14,275	15,519
Disposals		(110)	(3,766)	(19,637)	(2)	(23,515)
Reclassifications		5,282	4,909	18,119	(28,310)	–
Impairment losses		(1,200)	(986)	(11,097)	–	(13,283)
Depreciation and depletion for the period		(6,387)	(5,681)	(37,027)	–	(48,063)
Foreign currency translation effects		(4,309)	(5,615)	(18,604)	(10,402)	(38,930)
Cost at end of the period		219,531	196,282	673,126	236,071	1,325,010
Accumulated depreciation and depletion		(46,851)	(50,853)	(199,545)	–	(297,249)
Net book value at end of the period	$	172,680	145,429	473,581	236,071	1,027,761

(Thousands of U.S. Dollars)

Property, machinery and equipment – continued

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 date of approval of these consolidated financial statements, 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 24C). Nonetheless, certain preparatory engineering works for the access road have been resumed. As of December 31, 2021 and 2020, 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 3,000.71 Pesos per Dollar as of December 31, 2016, is for amounts in Pesos equivalent to approximately $240 million and $270 million, respectively. The change in the plant's book value expressed in Dollars as of 2021 as compared to 2020 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 $240 million, a portion equivalent to approximately $65 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 trade zone license. Of these $65 million, approximately $40 million correspond to equipment contributed to Zomam by CEMEX Colombia as equity contribution and the complement of $25 million correspond to investments made directly by Zomam, with financing granted by CCL amounting to $45 million including capitalized interest. The rest of Maceo's carrying amount is held directly in the books of CEMEX Colombia. As mentioned in note 24C, the shares of Zomam and Maceo's land are subject to an expiration of property process carried by the Colombian authorities. In addition, CEMEX Colombia's in-kind contribution to Zomam is under legal proceedings to declare its ineffectiveness and, secondarily, its nullity and inexistence.

Impairment analyses of property, machinery and equipment

Impairment losses of property, machinery and equipment by country during 2021 and 2020 (note 6) were as follows:

		2021	2020
Colombia	$	7,971	1,672
Panama		–	11,611
	$	7,971	13,283

As of December 31, 2021, considering the viable expectation that the Maceo plant will enter into commercial operations during 2023, the Company incorporated projected cash flows of the Maceo plant to its cash flow projections of the CGU for purposes of impairment analysis. The value in use of the CGU exceeded its net book value. However, the start-up of the Maceo plant would indirectly cause, at projected production and sales volumes, the closure of the Clemencia mill at the end of 2023, determining an impairment loss for the mill of $5,155. As of December 31, 2020, the Company had analyzed its investment in the Maceo plant for impairment by determining, with the advice of external experts, the fair value of the assets less estimated sales expenses, which exceeded their net book value.

In addition, considering the lack of visibility and high uncertainty caused by the negative effects of the COVID-19 Pandemic on certain idle assets that will remain closed for the foreseeable future in relation to the estimated sales volumes as well as the Company's ability to supply demand by achieving efficiencies in other operating assets, during 2020, CEMEX Latam recognized impairment losses for these idle assets for an aggregate amount of $13,283 (note 6), of which, $11,611 correspond to assets in the cement sector of the Company's operating segment in Panama and $1,672 come from the aggregates business in the Company's operating segment in Colombia.

Impairment losses refer to impairment tests carried out considering certain events or impairment indicators, mainly: a) the rationalization or the temporary or permanent closure of facilities to adjust the offer to current demand conditions; b) change in the business model of certain assets resulting from the transfer of installed capacity to more efficient plants; as well as c) in certain equipment for remaining idle for extended periods with no plans for resuming operations in the foreseeable future. These impairment losses, recognized in the line item of "Other expenses, net" in the statement of operations, result from the excess of the net book value of the related assets against their respective value in use or estimated realizable value, whichever is higher.

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

As of December 31, 2021 and 2020, the consolidated balances of the assets for the right-of-use, net associated with the recognition of IFRS 16 refer to the following underlying concepts in the contracts:

		2021		
		Land and buildings	Machinery and equipment	Total
Assets for the right-of-use at beginning of the period	$	19,609	17,958	37,567
Capital expenditures (new lease contracts)		4,984	1,700	6,684
Contract cancellations		(859)	(39)	(898)
Reclassification to assets held for sale		(2,234)	(77)	(2,311)
Depreciation for the period		(2,761)	(2,402)	(5,163)
Foreign currency translation effects		(1,140)	(972)	(2,112)
Assets for the right-of-use at end of the period		20,360	18,570	38,930
Accumulated depreciation		(10,716)	(13,548)	(24,264)
Net book value at end of the period	$	9,644	5,022	14,666
Net cost reclassified to assets held for sale	$	579	–	579

(Thousands of U.S. Dollars)

Assets for the right-of-use – continued

		2020		
		Land and buildings	**Machinery and equipment**	**Total**
Assets for the right-of-use at beginning of the period	$	21,898	17,803	39,701
Capital expenditures (new lease contracts)		3,207	1,926	5,133
Contract cancellations		(5,141)	(1,312)	(6,453)
Depreciation for the period		(2,684)	(1,248)	(3,932)
Foreign currency translation effects		(355)	(459)	(814)
Assets for the right-of-use at end of the period		19,609	17,958	37,567
Accumulated depreciation		(10,492)	(11,910)	(22,402)
Net book value at end of the period	$	9,117	6,048	15,165

For the years 2021 and 2020, rental expenses related to short-term leases, low-value assets and variable lease payments were $1,372 and $1,146, respectively, recognized in cost of sales and operating expenses, as applicable.

15) GOODWILL AND INTANGIBLE ASSETS

15A) BALANCES AND CHANGES DURING THE PERIOD

As of December 31, 2021, and 2020, consolidated goodwill and intangible assets are summarized as follows:

		2021			2020		
		Cost	**Accumulated amortization**	**Net book value**	**Cost**	**Accumulated amortization**	**Net book value**
Intangible assets of indefinite useful life							
Goodwill	$	945,655	–	945,655	1,352,586	–	1,352,586
Intangible assets of definite useful life							
Customer relations		180,580	(172,251)	8,329	190,596	(163,543)	27,053
Industrial property and trademarks		600	(600)	–	600	(600)	–
Mining projects		1,727	(267)	1,460	1,885	(309)	1,576
Other intangibles and deferred assets		107	–	107	105	–	105
	$	1,128,669	(173,118)	955,551	1,545,772	(164,452)	1,381,320

1 As of December 31, 2021, the line item of assets held for sale includes $261,793 of goodwill and $550 of other intangibles in connection with the sale agreement of Costa Rica and El Salvador (notes 4A and 13B).

Changes in intangible assets during the year ended December 31, 2021 and 2020 were as follows:

		2021			
		Goodwill	**Customer relations**	**Others**	**Total**
Net book value at beginning of the period	$	1,352,586	27,053	1,681	1,381,320
Impairment losses (note 15B)		(107,596)	–	–	(107,596)
Reclassification to assets held for sale		(261,793)	(550)	–	(262,343)
Amortization during the period		–	(18,074)	(120)	(18,194)
Additions (disposals), net		–	–	52	52
Foreign currency translation effects		(37,542)	(100)	(46)	(37,688)
Net book value at end of the period	$	945,655	8,329	1,567	955,551

		2020			
		Goodwill	**Customer relations**	**Others**	**Total**
Net book value at beginning of the period	$	1,503,970	47,367	1,566	1,552,903
Impairment losses (note 15B)		(108,187)	–	–	(108,187)
Amortization during the period		–	(19,059)	–	(19,059)
Additions (disposals), net		–	–	264	264
Foreign currency translation effects		(43,197)	(1,255)	(149)	(44,601)
Net book value at end of the period	$	1,352,586	27,053	1,681	1,381,320

(Thousands of U.S. Dollars)

15B) ANALYSIS OF GOODWILL IMPAIRMENT

At least once a year during the last quarter or, when impairment indicators exist, CEMEX Latam analyses the possible impairment of goodwill by means of determining the value in use of its Cash Generating Units ("CGUs") to which goodwill balances have been allocated. The value in use of each CGU is represented by the discounted cash flows projections over the next five years plus a terminal value related to such CGUs using risk adjusted discount rates. In addition to the periodic goodwill impairment analyzes conducted as of December 31, 2021 and 2020, by exception, on December 29, 2021, in connection with the sale agreements mentioned in note 2, management evaluated the operating segments in Costa Rica and El Salvador considering for the analysis the fair value reference of the sale price agreed with Cementos Progreso of $335 million, considering for this purpose the portion corresponding to each business. Moreover, in 2020, CEMEX Latam's management considered that impairment indicators materialized in connection with the negative effects on its operating results caused by the COVID-19 Pandemic (note 2) and also conducted interim goodwill impairment analyzes as of September 30, 2020.

According to the impairment analysis of the aforementioned operating segments in Costa Rica and El Salvador, the Company determined a non-cash impairment loss associated with Costa Rica of $107,596 resulting from the difference between the fair value and the net book value. This loss was mainly generated by the decrease in projected long-term cash flows associated with this country during 2021 in relation to a more competitive business environment, as well as the increase in transportation costs and fuels, which has generated a reduction in the value of this segment. Considering the reclassification of the balances and operations of Costa Rica and El Salvador to assets held for sale and discontinued operations, respectively, the aforementioned impairment loss was reclassified as part of such discontinued operations (notes 3A and 4A).

In addition, as a result of the aforementioned interim impairment analyses as of September 30, 2020, the Company recognized within other expenses, net (note 6), non-cash impairment losses of goodwill for an aggregate amount of $108,187, of which, $81,290 corresponded to the operating segment of the Company in Panama and $26,897 corresponded to the Company's operating segment in Costa Rica (note 4A). In these countries, which had already been showing impairment risks in recent quarters according to the Company's sensitivity analyses, the net book value of the Company's operating segments in Panama and Costa Rica exceeded their corresponding value in use. In this interim analysis as of September 30, 2020, the value in use in the other countries where the Company operates exceeded in each case its respective net book value. For comparison purposes, Costa Rica's impairment loss in 2020 was also reclassified as part of discontinued operations (notes 3A and 4A).

Complementarily, in the periodic impairment analysis conducted as of December 31, 2021 and 2020, the Company did not determine additional impairment losses of goodwill in any of the groups of CGUs to which goodwill balances have been assigned in the different countries in which the Company operates.

In connection with to the interim impairment analyzes as of September 30, 2020, in the case of the operating segment in Panama, which results were significantly affected by the negative effects of the COVID-19 Pandemic in 2020 and where a slower recovery is expected, the value in use as of September 30, 2020 decreased by 44.5 % as compared with 2019. Of this reduction, 1.3 percentage points ("p.p.") resulted from the increase in the discount rate from 8.9% in 2019 to 9.1% as of September 30, 2020, 6.2 p.p. of the decrease were related to the reduction in the long-term growth rate used to determine the terminal value from 3.7% in 2019 to 2.5% as of September 30, 2020, and 37 p.p. of the decrease resulted from the reduction in sales estimates over the projected years. In relation to the operating segment in Costa Rica, which recovery expectations will be slower due to the COVID-19 Pandemic, the value in use as of September 30, 2020 decreased by 21.1% as compared with 2019. Of this decrease, 3.4 p.p. resulted from the reduction in the long-term growth rate of the terminal value from 3.5% in 2019 to 3.0% as of September 30, 2020 and 19.1 p.p. of the decrease were related to the reduction in sales estimates over the projected years, partially offset by a positive effect of 1.5 p.p. as a result of the reduction in the discount rate from 10.7% in 2019 to 10.5% as of September 30, 2020.

As of December 31, 2021 and 2020, considering in 2021 the impairment loss in Costa Rica and the reclassification of goodwill balances of Costa Rica and El Salvador to the line item of assets held for sale, as well as in 2020 the impairment losses mentioned above, the goodwill balances by operating segment were as follows:

		2021	2020
Colombia	$	270,553	290,782
Panama		263,413	263,413
Guatemala		235,339	233,083
Nicaragua		176,350	179,877
Costa Rica		–	370,343
El Salvador		–	15,088
	$	945,655	1,352,586

Goodwill and intangible assets – continued

As of December 31, 2021 and 2020, pre-tax discount rates and long-term growth rates used by the Company to determine the discounted cash flows in the group of CGUs with the main goodwill balances, were as follows:

	Discount rates		Growth rates	
Groups of CGUs	**2021**	**2020**	**2021**	**2020**
Colombia	8.5%	8.4%	3.5%	2.5%
Panama	8.0%	7.9%	5.0%	5.0%
Nicaragua	10.8%	10.0%	1.0%	1.5%
Guatemala	8.7%	9.2%	2.0%	2.5%
Costa Rica	–	10.0%	–	3.0%
El Salvador	–	10.9%	–	2.2%

The discount rates used by CEMEX Latam in its cash flows projections to determine the value in use of its operating segments as of December 31, 2021 slightly changed against 2020 in a range of -0.5% up to 0.8%. This was mainly generated by changes in the specific risk rates of each country, considering that initially the discount rates increased due to the weighting of debt in the calculation of the discount rate, which decreased from 34.6% in 2020 to 26.9% in 2021, and the increase in the market risk premium from 5.7% in 2020 to 5.8% in 2021. Nonetheless, these effects were offset by the reduction in the risk-free rate associated with CEMEX Latam, which decreased from 2.2% in 2020 to 1.8% in 2021, as well as by the reduction in the volatility of the shares of comparable companies (beta), which decreased from 1.19 in 2020 to 1.12 in 2021. As of December 31, 2021, the cost of funding of 4.1% remained unchanged against 2020.

Moreover, the discount rates used by CEMEX Latam in its cash flows projections for its interim impairment analyzes as of September 30, 2020, except for Costa Rica, increased slightly in most of the countries as compared to the rates determined in 2019 in a range between 0.2% up to 0.5%, mainly due to the increase in the funding cost observed in the industry that changed from 5.4% in 2019 to 6.0% as of September 30, 2020. The risk-free rate related to CEMEX Latam decreased from 2.9% in 2019 to 2.4% as of September 30, 2020. Meanwhile, the country specific risk rates increased slightly as of September 30, 2020 as compared to 2019 in most countries which compensated for the reduction in the risk-free rate. The debt weighting as of September 30, 2020 in the calculation of the discount rate remained practically unchanged at 32% as compared to 2019.

In connection with the goodwill impairment analysis as of December 31, 2020, the discount rates used by CEMEX Latam in its cash flows projections to determine the value in use of its operating segments decreased in all countries as compared to the discount rates used as of 30 September, 2020, in a range of 0.4% up to 1.8%, mainly as a result of the funding cost observed in the industry that changed from 6.0% as of September, 2020 to 4.1% in December 2020. Nonetheless, the risk-free rate associated with CEMEX Latam decreased from 2.4% as of September 30, 2020 to 2.2% as of December 31, 2020. But this reduction was offset by the increase in the country risk of each CGU, as well as the increase in the capital risk premium, which increased from 5.6% as of September 30, 2020 to 5.7% as of December 31, 2020. These reductions in the discount rates were also partially consequence of the weighting of the debt in the calculation of the discount rate, which changed from 32% in 2019 to 34.6% in 2020.

CEMEX Latam verified the reasonableness of its discounted cash flows projections as of December 31, 2021 through sensitivity analyses to changes in the relevant economic assumptions, affecting the value in use of its groups of CGUs. These sensitivity analyzes were: a) an independent reasonably possible increase of 1% in the pre-tax discount rates; b) an independent possible decrease of 1% in the long-term growth rate; as well a c) a reasonably possible independent reduction of 10% in the corresponding Operating EBITDA. After this assurance, the Company ratified its conclusions.

In relation to the sensitivity analyses described above, the additional impairment losses that would have result derived from independent changes in each of the relevant assumptions mentioned above, as well as the independent reduction of 10% in Operating EBITDA, in those operating segments that presented relative risk of impairment as of December 31, 2021 were as follows:

		Additional impairment losses in the sensitivity analyzes as a result of changes in assumptions as of December 31, 2021		
Operating segment (Millions)	**Impairment losses recognized**	Discount rate **+1 Pt**	Long-term growth rate **–1 Pt**	**Operating EBITDA –10%**
Panama	$ –	–	–	–

CEMEX Latam monitors the evolution in particular of the countries that have presented impairment losses or relative risk of impairment in any of the periods reported and, in the event that the relevant economic variables and cash flow projections would become more negative, additional impairment losses could result in the future.

Impairment evaluations consider long-term economic variables. Discounted cash flow projections are sensitive, among other factors, to the estimation of future prices of products, increases or decreases in volumes, the evolution of operating expenses, local and international economic trends in the industry of construction, long-term growth expectations in the different markets, and the discount rates and growth in perpetuity used. Significant judgment by management is necessary to reasonably select the significant and appropriate economic assumptions. These assumptions used in the determination of these cash flow projections are consistent with internal forecasts and industry practices.

(Thousands of U.S. Dollars)

16) DEBT AND OTHER FINANCIAL OBLIGATIONS

16A) CURRENT AND NON-CURRENT DEBT AND OTHER FINANCIAL OBLIGATIONS

As of December 31, 2021 and 2020, consolidated debt and other financial obligations by type of interest rate, currency and financial instrument are summarized as follows:

		2021				2020		
		Current	Non-current	Total		Current	Non-current	Total
Floating rate debt	$	–	31,649	31,649	$	2,154	36,708	38,862
Fixed rate debt		6,933	56,301	63,234		6,000	65,322	71,322
	$	6,933	87,950	94,883	$	8,154	102,030	110,184
Effective rate [1]								
Floating rate		–	3.74%			6.82%	3.61%	
Fixed rate		4.30%	5.27%			4.55%	5.34%	

		2021					2020			
Currency		Current	Non-current	Total	Effective rate [1]		Current	Non-current	Total	Effective rate [1]
Pesos	$	2,439	76,720	79,159	4.63%	$	4,621	89,740	94,361	4.66%
Dollars		2,180	4,460	6,640	4.94%		1,089	3,099	4,188	5.28%
Other currencies		2,314	6,770	9,084	5.01%		2,444	9,191	11,635	5.32%
	$	6,933	87,950	94,883		$	8,154	102,030	110,184	

Instruments		2021	2020
Bank Loan *Bancolombia* [2]	$	25,118	29,133
Bank Loan *Banco Davivienda* [2]		25,118	29,133
Bank Loan *Banco de Bogotá* [2]		17,583	20,393
Bank Loan *Banco de Occidente* [2]		6,531	7,576
Financial obligations related to lease contracts (notes 3A and 14B) [3]		20,533	21,795
Trust guarantee for the development of housing project [4]		–	2,154
Total debt and other financial obligations	$	94,883	110,184
Of which:			
Current	$	6,933	8,154
Non-current		87,950	102,030

1 In 2021 and 2020, represent the weighted average nominal interest rate of the financing agreements determined at the end of each period.

2 In December 2020, CEMEX Colombia negotiated debt with local banks, proceeds used for the partial repayment of its credit line with CEMEX España (note 10).

3 As of December 31, 2021 and 2020, the aggregate financial obligations for lease contracts of $20,533 and $21,795, respectively, include $388 in 2021 and $227 in 2020 related to lease contracts with CEMEX companies. As of December 31, 2020, the average discount rate is 4.37%.

4 As of December 31, 2020, debt guaranteed by CEMEX Colombia (note 11A), which is being repaid by the Acquirer. The loan accrues interest at a rate of DTF plus 4.60%.

Changes in consolidated leases and total debt and other financial obligations for the years ended December 31, 2021 and 2020, were as follows:

		Leases			Debt and other financial obligations	
		2021	2020		2021	2020
Balance at beginning of year	$	21,795	24,698	$	110,184	29,401
Additions from new loans and/or leases		6,684	5,133		6,684	91,368
Payments		(5,220)	(5,256)		(7,078)	(7,678)
Cancellations and liability remeasurements		(1,079)	(1,894)		(1,079)	(1,894)
Reclassification to assets held for sale		(722)	–		(722)	–
Foreign currency translation and amortized cost effects		(925)	(886)		(13,106)	(1,013)
Balance at end of year	$	20,533	21,795	$	94,883	110,184

The maturities of non-current debt and leases as of December 31, 2021 were as follows:

		Bank loans	Leases [1]	Total
2023	$	74,350	6,160	80,510
2024		–	5,124	5,124
2025		–	2,316	2,316
	$	74,350	13,600	87,950

1 Future payments for lease contracts are included in note 23A.

16B) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities

CEMEX Latam carrying amounts of cash, trade accounts receivable, other accounts receivable, trade accounts payable, other accounts payable and accrued expenses, as well as short-term debt, approximate their corresponding estimated fair values due to the short-term maturity of these financial assets and liabilities. Temporary investments (cash equivalents) and certain long-term investments are recognized at fair value, considering to the extent available, quoted market prices for the same or similar instruments. The estimated fair value of CEMEX Latam long-term debt is level 2 and is either based on estimated market prices for such or similar instruments, considering interest rates currently available for CEMEX Latam to negotiate debt with the same maturities, or determined by discounting future cash flows using market-based interest rates currently available to CEMEX Latam. The carrying amounts of assets and liabilities and their fair value estimated on December 31, 2021 and 2020 were as follows:

Thousands of U.S. Dollars		2021 Carrying amount	2021 Fair value	2020 Carrying amount	2020 Fair value
Financial assets					
Other assets and non-current accounts receivable (note 11B)	$	7,711	7,711	3,882	3,882
Financial liabilities					
Non-current payables to related parties (note 10)	$	448,647	465,660	568,138	607,560
Non-current debt and other financial liabilities (note 16A)		87,950	97,146	102,030	114,924
Other non-current liabilities (note 17B)		51,212	51,212	55,531	55,531
	$	587,809	614,018	725,699	778,015

17) OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES AND OTHER LIABILITIES

17A) CURRENT OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of December 31, 2021, and 2020 consolidated current other accounts payable and accrued expenses were detailed as follows:

		2021	2020
Other provisions and liabilities [1]	$	29,634	28,396
Accrued expenses payable [2]		12,782	15,401
Contract liabilities with customers [3]		12,948	10,491
Deferred revenues [4]		4,165	3,857
Others		374	726
	$	59,903	58,871

1 Includes, among others, provisions for: a) insurance and services of $18,948 in 2021 and $18,720 in 2020; b) employee' compensation of $5,826 in 2021 and $4,972 in 2020, as well as legal expenses and other commitments of $4,860 in 2021 and $4,705 in 2020.

2 The amounts of this item arise in the ordinary course of business, are revolving in nature and are expected to be settled and replaced by similar amounts, such as accrued costs and expenses not paid at the reporting date for personnel services, as well as fees and third-party services.

3 Includes advance payments from customers of $12,948 in 2021 and $9,791 in 2020.

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

For the years ended December 31, 2021 and 2020, the changes in the line-item other provisions and liabilities presented in the table above were as follows:

		2021	2020
Balance at beginning of period	$	28,396	31,055
Additions of the period for new obligations or increase in estimates		65,469	68,115
Reductions of the period due to payments or decrease in estimates		(60,213)	(70,182)
Reclassification to liabilities related to assets held for sale		(1,860)	–
Foreign currency translation adjustment		(2,158)	(592)
Balance at end of period	$	29,634	28,396

17B) NON-CURRENT OTHER LIABILITIES

As of December 31, 2021 and 2020, consolidated non-current other liabilities were detailed as follows:

		2021	2020
Deferred revenues [1]	$	38,301	41,663
Provisions for asset retirement obligations [2]		7,025	7,966
Other provisions and liabilities		4,964	4,832
Other tax payables		922	1,070
	$	51,212	55,531

Non-current other liabilities – continued

1 On November 15, 2019, through its subsidiary Balboa, CEMEX sold to a subsidiary of the Buyer its 25% equity interest of Cemento Interoceánico, S.A (currently Grupo Cementero Panameño, S.A.) for an amount of approximately $44 million, plus an additional consideration ("earn-out") for up to $20 million to be determined and collected in 2020. As condition precedent for the acquisition of such 25% equity interest of Balboa in the then named Cemento Interoceánico, S.A., the Buyer required Balboa's intermediation with Cemento Bayano, with the purpose of negotiating a new clinker supply agreement between Cemento Bayano and such entity 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 23B). Cemento Bayano accepted these conditions in exchange of an indemnity which included the potential earn-out from Balboa for an aggregate 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"). Of this aggregate compensation, on November 15, 2019, considering the payment of the Buyer, Balboa made an advance payment to the Company of $32,398. These deferred revenues are recognized in CEMEX Latam's statement of operations over the 10-year term of the new clinker supply agreement with Grupo Cementero Panameño S.A. 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. The lockdown of the industry in Panama from March 24 to September 4, 2020 related to the COVID-19 Pandemic and the resulting negative conditions in cement demand, made impossible the measurement and effective accrual of the earn-out in 2020. Consequently, the Buyer requested Balboa the renegotiation of the agreements arguing force majeure causes. As a result, on December 16, 2020, the Buyer and Balboa signed an addendum to the original agreements and subsequently, on December 21, 2020, Balboa replicated the modified terms with Bayano in connection with the earn-out. Among other changes, such as the extension of the clinker supply contracts in Panama and Guatemala, it was agreed to reduce the maximum amount of the earn-out from $20 million to $10 million. On December 24, 2020, Balboa advanced $2 million to Cemento Bayano on account of such earn-out that had already been advanced by the Buyer. In September 2021, the Buyer confirmed that the earn-out was reached based on the agreed sales and settled the remaining balance of $8 million to Balboa, who in turn settled Cemento Bayano. The Company's statement of financial position includes deferred revenues within current other accounts payable and non-current other liabilities of $4,165 and $31,688 as of December 31, 2021, respectively, and of $3,857 and $35,782 as of December 31, 2020, respectively, related to the best estimate of the amounts including the earn-out that are accrued under the Indemnity Contract. In addition, the non-current deferred revenues line item included $6,613 in 2021 and $5,881 in 2020 from advance payments related to other transactions.

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) RISK MANAGEMENT

Enterprise risks may arise from any of the following situations: i) the potential change in the value of assets owned or reasonably anticipated to be owned, ii) the potential change in value of liabilities incurred or reasonably anticipated to be incurred, iii) the potential change in value of services provided, purchase or reasonably anticipated to be provided or purchased in the ordinary course of business, iv) the potential change in the value of assets, services, inputs, product or commodities owned, produced, manufactured, processed, merchandised, leased or sell or reasonably anticipated to be owned, produced, manufactured, processed, merchandising, leasing or selling in the ordinary course of business, or v) any potential change in the value arising from interest rate or foreign exchange rate exposures arising from current or anticipated assets or liabilities.

To manage some of these risks, such as credit risk, interest rate risk, foreign exchange risk, equity risk and liquidity risk, considering the guidelines set forth by CEMEX, SAB de C.V., the Company's management has determined the strategies against the aforementioned risks. Each particular risk segment is discussed as follows.

Risk management framework

The Company's management has overall responsibility for the development, implementation and monitoring of the conceptual framework and policies for an effective risk management. The Company's risk management policies are intended to: a) identify and analyze the risks faced by the Company; b) implement appropriate risk limits and controls; and c) monitor the risks and the compliance with the limits. Policies and risk management systems are regularly reviewed to reflect changes in market conditions and in the Company's activities. By means of its policies and procedures for risk management, the Company aims to develop a disciplined and constructive control environment where all employees understand their roles and obligations. As of December 31, 2021 and 2020, the Company has not entered into derivative financial instruments.

Credit risk

Credit risk is the risk of monetary loss faced by the Company if a customer or counterpart to a financial instrument does not meet its contractual obligations and originates mainly from trade accounts receivable. As of December 31, 2021 and 2020, the maximum exposure to credit risk is represented by the balance of financial assets. Management has developed policies for the authorization of credit to customers. The exposure to credit risk is monitored constantly according to the behavior of payment of the debtors. Credit is assigned on a customer-by-customer basis and is subject to assessments which consider the customers' payment capacity, as well as past behavior regarding due dates, balances past due and delinquent accounts. In cases deemed necessary, the Company's management requires guarantees from its customers and financial counterparties with regard to financial assets.

The Company's management has established a policy of low risk which analyzes the creditworthiness of each new client individually before offering the general conditions of payment terms and delivery, the review includes external ratings, when references are available, and in some cases bank references. Threshold of purchase limits are established for each client, which represent the maximum purchase amounts that require different levels of approval. Customers that do not meet the levels of solvency requirements imposed by CEMEX Latam can only conduct transactions by paying cash in advance. As of December 31, 2021 and 2020, considering the Company´s best estimate of potential losses based on an analysis of age and considering recovery efforts, the allowance for expected credit losses was $3,717 and $8,837, respectively.

(Thousands of U.S. Dollars)

Credit risk – continued

Trade accounts receivable by aging status as of December 31, 2021 and 2020 were as follows:

		2021	2020
Neither past due, nor impaired portfolio	$	42,052	39,776
Less than 90 days past due portfolio		3,374	12,737
More than 90 days past due portfolio		3,244	12,924
	$	48,670	65,437

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, which only affects results if the fixed-rate long-term debt is measured at fair value. Long-term debt is carried at amortized cost and therefore is not subject to interest rate risk. Exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates. As of December 31, 2021 and 2020, CEMEX Latam was subject to the volatility of floating interest rates, which, if such rates were to increase, may adversely affect its financing cost and the results for the period. CEMEX Latam manages its interest rate risk by balancing its exposure to fixed and variable rates while attempting to reduce its interest costs.

Nonetheless, it is not economically efficient to concentrate in fixed rates in a high point when the interest rates market expects a downward trend, this is, there is an opportunity cost for remaining extended periods paying a determined fixed interest rate when the market rates have decreased, and the entity may obtain improved interest rate conditions in a new loan or debt issuance. CEMEX Latam manages its interest rate risk by balancing its exposure to fixed and variable rates while attempting to reduce its interest costs. In addition, when the interest rate of a debt instrument has turned relatively high as compared to current market rates, CEMEX Latam intends to renegotiate the conditions or repurchase the debt, to the extent the net present value of the expected future benefits from the interest rate reduction would exceed the incentives that would have to be paid in such renegotiation or repurchase of debt.

Foreign currency risk

The Company has foreign currency exposures due to the relevant balances in each country in other currencies than their functional currency. The Company has not implemented any derivative financing instrument hedging strategy to address this foreign currency risk.

As of December 31, 2021 and 2020, excluding from the sensitivity analysis the impact of translating the net assets of foreign operations into the Company´s reporting currency, considering a hypothetic 10% strengthening of the U.S. Dollar against the Colombian Peso, with all other variables held constant, The Company´s net income for the years ended on December 31, 2021 and 2020 would have decreased by approximately $823 and $12,153, respectively, as a result of higher foreign exchange losses on the Company´s Dollar-denominated net monetary liabilities held in consolidated entities with other functional currencies. Conversely, a hypothetic 10% weakening of the U.S. Dollar against the Colombian Peso would have the opposite effect.

Equity risk

As of December 31, 2021 and 2020, the Company has no financial instruments or transactions related with the Parent Company shares, or of any subsidiary of CEMEX Latam or third parties, except by executive compensation programs (note 21D), whereby, there are not effects in the expected cash flows of the Company from changes in the price of such shares.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds available to meet its short-term obligations. Although the Company has fulfilled its operational liquidity, debt service and capital expenditures needs mainly through resources generated by its operations. As of December 31, 2021, current assets, which include assets held for sale, exceeded current liabilities in approximately $210,757, which include accounts payable to CEMEX's companies of approximately $66,623 (note 10). The Company considers using the resources obtained from the sale of the operations in Costa Rica and El Salvador to settle non-current debt with related parties. It should be noted that, as an administrative strategy, the Company's management operates with negative working capital. In case it is deemed necessary, CEMEX Latam considers that it would succeed in accessing non-current lines of credit and use the proceeds for the payment of current liabilities. For the years ended December 31, 2021 and 2020, net cash flows from operations after interest expense and income taxes amounted to $110,510 and $109,698, respectively.

(Thousands of U.S. Dollars)

19) PENSIONS AND OTHER POSTRETIREMENT EMPLOYEE BENEFITS

Defined contribution pension plans

The consolidated cost of defined contribution plans for the years ended December 31, 2021 and 2020 were approximately $7 and $12, respectively. The Company contributes periodically the amounts offered by the plan to the employee's individual accounts, not retaining any remaining liability as of the statement of financial position date.

Defined benefit pension plans

The Company sponsors a defined benefit pension plan in Colombia, which is closed to new participants and whose beneficiaries are all retirees. For the years ended December 31, 2021 and 2020, the net periodic cost was recognized as follows:

		2021	2020
Recognized in financial income and other items, net			
Financial cost	$	1,664	1,899
Recognized in other comprehensive income (loss)			
Actuarial losses		(2,435)	1,942
Net periodic cost	$	(771)	3,841

The reconciliation of the actuarial benefits obligation as of December 31, 2021 and 2020 is presented as follows:

		2021	2020
Change in benefits obligation			
Projected benefits obligation at beginning of period	$	36,731	37,855
Financial cost		1,664	1,899
Benefits paid		(2,742)	(3,252)
Actuarial losses		(2,435)	1,942
Foreign currency translation		(5,061)	(1,713)
Projected benefits obligation at end of period	$	28,157	36,731

As of December 31, 2021, estimated payments for postretirement benefits over the next ten years were as follows:

		Estimated payments
2022	$	2,797
2023		2,779
2024		2,749
2025		2,708
2026		2,655
2027 – 2030		12,120
	$	25,808

As of December 31, 2021 and 2020, the most significant assumptions used in the determination of the net periodic cost were as follows:

	2021	2020
Discount rate	5.5%	5.5%
Pension growth rate	3.0%	3.0%

Sensitivity analysis of pensions and other postretirement benefits

For the year ended December 31, 2021, CEMEX Latam performed sensitivity analyses on the most significant assumptions that affect the PBO, considering reasonable independent changes of plus or minus 50 basis points in each of these assumptions. The increase (decrease) that would have resulted in the projected benefits obligation as of December 31, 2021 is shown below:

Assumptions:	+50pbs	-50pbs
Discount rate	(1,047)	(1,484)
Pension growth rate	1,225	1,721

(Thousands of U.S. Dollars)

20) INCOME TAXES

20A) INCOME TAXES FOR THE PERIOD

For the years ended December 31, 2021 and 2020, income tax expense (revenue) recognized in the consolidated statements of operations were breakdown as follows:

		2021 [1]	2020 [1]
Current income taxes	$	27,717	33,464
Deferred income taxes		(3,812)	(6,385)
	$	23,905	27,079
Out of which:			
Colombia [2]	$	12,255	9,361
Panama		(2,204)	(5,987)
Guatemala		5,890	4,959
Nicaragua		6,135	6,666
Others [3]		1,829	12,080
	$	23,905	27,079

1 In connection with the contracts for the sale of Costa Rica and El Salvador, the discontinued operations in the statement of operations are presented net of current and deferred income taxes related to these operations, which represented a combined income of $45,944 in 2021 and a combined expense of $7,471 in 2020.

2 In September 2021, among other provisions, a new tax reform approved in Colombia increased the income tax rate from 30% to 35% beginning in 2022. Based on this enacted tax rate, the Company updated its estimates of deferred income taxes in Colombia, which represented an increase in the deferred tax liability and the deferred income tax expense as of and for the period ended as of December 31, 2021 of approximately $23,130.

3 Includes the effects on income taxes of the Parent Company, other sub-holding companies and other consolidation adjustments.

As of December 31, 2021, the Company has unamortized tax loss carryforwards and other tax credits of $224,190 which have not been subject to accounting recognition. considering that it is probable that the related countries do not generate enough taxable income to use them. As of the same date, tax losses to be amortized and deductions in installments can be offset against taxable income as follows:

		Unamortized tax loss carryforwards
2022	$	7,145
2023		6,930
2024		6,190
2025		5,156
2029 - 2033		25,689
With no expiration date		173,080
	$	224,190

20B) DEFERRED INCOME TAXES

As of December 31, 2021 and 2020, the main temporary differences that generated the consolidated deferred income tax assets and liabilities are presented below:

		2021	2020
Deferred tax assets:			
Tax loss carryforwards and other tax credits	$	83	107
Accounts payable and accrued expenses		16,729	19,492
Others		375	469
Total deferred tax assets		17,187	20,068
Deferred tax liabilities:			
Property, machinery and equipment		106,341	123,311
Goodwill [1, 2]		84,730	194,726
Others		2,369	1,495
Total deferred tax liabilities		193,440	319,532
Net deferred tax liabilities	$	176,253	299,464

1 In December 2021, considering the tax status of its sub-controlling companies, the Company evaluated the possible reversal of deferred tax liabilities recognized at the consolidated level under IFRS and it was concluded that the effects of a deferred tax liability of $97,666 associated with the historical acquisition of the operations in Costa Rica and Nicaragua will not be reversed in the foreseeable future, so this balance was cancelled.

2 In 2021, in connection with the cancellation of the deferred tax described above, an amount of $79,520 associated with the portion of goodwill corresponding to Costa Rica, was reclassified from the line item of income tax to the caption of discontinued operations

(Thousands of U.S. Dollars)

Deferred income taxes - continued

The breakdown of changes in consolidated deferred income taxes during 2021 and 2020 were as follows:

		2021	2020
Deferred income tax benefit credited to the statement of operations	$	3,812	6,385
Deferred income tax benefit credited to stockholders' equity		34,664	13,058
Income from deferred income taxes for the period in discontinued results		84,735	680
Reclassifications [1]		–	(2,343)
Change in deferred income tax during the period	$	123,211	17,780

1 Deferred tax asset was decreased and reclassified to current tax asset.

The Parent Company has not recognized any deferred tax liability for the undistributed earnings generated by its subsidiaries accounted under the equity method, considering that such undistributed earnings are not expected to be distributed and generate income tax in the foreseeable future. Moreover, the Parent Company does not recognize a deferred income tax liability related to its investments in subsidiaries considering that the Company controls the reversal of the temporary differences arising from these investments.

20C) RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

Differences between the financial basis and the corresponding tax basis of assets and liabilities and the different income tax rates and laws applicable to the Company, among other factors, give rise to permanent differences between the average statutory income tax rate of the entities included in this consolidated financial statement, and the effective income tax rate presented in the consolidated statements of operations.

For the years ended December 31, 2021 and 2020 these differences were as follows:

	2021	2020
	%	%
Statutory income tax rate in Spain	25.0	25.0
Other non-taxable income	(6.3)	0.7
Expenses and other non-deductible items	20.1	(5.5)
Differences in income tax rates [1]	72.3	3.6
Others [2]	(38.4)	(62.9)
Effective consolidated income tax rate	72.7	(39.1)

1 Includes the effects of the different income tax rates applicable in the countries that are part of these consolidated financial statements. For 2021, includes the effects of the increase in the income tax rate from 30% to 35% in Colombia beginning in 2022.

2 Refers to definitive withholdings and non-recoverable tax losses. In 2020, this concept includes losses due to impairment of goodwill, which affects earnings before income tax.

20D) 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 after considering the evidence at its disposal, considering its own probability analyses as well as the opinions of third-party experts in each case. Nonetheless, the Company cannot assure it will obtain a favorable resolution. As of December 31, 2020, the description of the most significant proceedings in progress was as follows:

Colombia

- In April 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. After appealing this special proceeding, 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. On July 1, 2020, within the allowed term, CEMEX Colombia filed an action for annulment and restoration of rights before the Administrative Court of Cundinamarca. 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 determined in that year 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 December 31, 2021, 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 – Colombia - 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. After having appealed this proceeding, In May , 2019, the Tax Authority notified the official review settlement maintaining the claims of the special requirement, pursuant to which CEMEX Colombia filed an appeal for reconsideration on July 11, 2019. On July 6, 2020, CEMEX Colombia was notified of the resolution that resolves the appeal for reconsideration, in which the Tax Authority confirms the claims of the official settlement. On October 22, 2020, CEMEX Colombia appealed the resolution before the Administrative Court of Cundinamarca within the allowed term. In the event of an unfavorable final resolution, the aforementioned amounts include in the taxes payable, the adjustment to reimburse the Tax Authority income tax receivable determined in that year 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 December 31, 2021, 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.
- The municipality of San Luis Tolima (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 $7 million of penalties. 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 $5 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 allowed 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 December 31, 2021, 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 $5.5 million of income tax plus accrued interest and approximately $0.7 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 $5.5 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 December 31, 2021, 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.

Nicaragua

- On November 19, 2021, the Nicaraguan Fiscal Authority (the "Fiscal Authority") notified CEMEX Nicaragua S.A. ("CEMEX Nicaragua") the Act of Charges on the revision of the income tax for the taxable year 2017, in which mainly the Fiscal Authority rejected the payment for royalties and administrative services and determined an adjustment to the tax to be paid and a fine for amounts in Córdobas equivalent to $3.8 million tax plus $1 million fine. On December 13, 2021, CEMEX Nicaragua submitted its response to the Statement of Charges, including its supporting evidence. If the proceeding is ultimately resolved adversely, CEMEX Nicaragua must pay the amounts determined in the Charge Act plus the interest accrued on the value of the tax up to the date of payment and an exchange parity adjustment in relation to the dollar. As of December 31, 2021, at this stage, CEMEX Latam considers that an adverse resolution in this proceeding is not likely at the end of all instances, however, it is difficult to measure with certainty the probability of an adverse result; but if so, this procedure would not have a material negative impact on CEMEX Latam's results of operations, liquidity or financial position. See note 25 for Subsequent Events in relation to this procedure.

(Thousands of U.S. Dollars)

21) STOCKHOLDERS' EQUITY

21A) COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL

As of December 31, 2021 and 2020, the line-item common stock and additional paid-in capital was detailed as follows:

		2021			2020		
		Authorized	Treasury shares	Total	Authorized	Treasury shares	Total
Common stock	$	718,124	–	718,124	718,124	–	718,124
Additional paid-in capital		894,701	(126,276)	768,425	894,701	(131,095)	763,606
	$	1,612,825	(126,276)	1,486,549	1,612,825	(131,095)	1,481,730

During the years ended December 31, 2021 and 2020 the Parent Company conducted physical deliveries of shares to the executives subject to the benefits of the stock-based long-term compensation programs (note 21D), which increased additional paid-in capital for amounts of $4,819 and $9,339, respectively, as result of the decrease in treasury shares, which were delivered to these executives.

As of December 31, 2021 and 2020, the Parent Company's subscribed and paid shares by owner were as follows:

Shares	2021	2020
Owned by CEMEX España:		
Initial contribution by CEMEX España on April 17, 2012	60,000	60,000
CEMEX España capital increase on July 31, 2012	407,830,342	407,830,342
Increase of shares from tender offer in December 2020 (note 1)	108,342,518	108,337,613
	516,232,860	516,227,955
Owned by third-party investors	43,337,669	42,628,647
Total subscribed and paid shares	559,570,529	558,856,602

As of December 31, 2021 and 2020, 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 18,707,813 shares in 2021 and 19,421,740 shares in 2020 held in the Company's treasury (treasury shares).

As of December 31, 2021 and 2020, CEMEX España owned approximately 92.26% and 92.37%, respectively, of the Parent Company's common shares, excluding shares held in treasury. As mentioned in note 1, during 2020, CEMEX España launched the Tender Offer in order to repurchase all and each one of the outstanding shares of the Parent Company.

21B) OTHER EQUITY RESERVES

As of December 31, 2021 and 2020, the items within other equity reserves are summarized as follows:

		2021	2020
Reorganization of entities under common control and other effects[1]	$	(300,422)	(300,422)
Currency translation effects of foreign subsidiaries and other effects [2]		(781,209)	(709,529)
Share-based compensation [3]		24,913	23,571
	$	(1,056,718)	(986,380)

1 Effect fixed in equity reserves resulting 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 cumulative currency translation effects of foreign subsidiaries generated during each period and which are included in the statements of comprehensive income (loss) and includes the amount of deferred taxes recognized directly in equity that represented expenses of $34,664 in 2021 and $13,058 in 2020, as well as the effects of remeasurement of the pension liability that represented expenses of $2,435 in 2021 and $1,942 in 2020. Upon closing of the sale of Costa Rica and El Salvador in 2022, the currency translation effects of foreign subsidiaries accrued in equity which as of December 31, 2021 represents a loss of $28,823, will be reclassified to the statement of operations, effect that will be modified by changes in exchange rates occurring until the closing of the transaction.

3 The line item refers to the effects associated with the executive stock-based compensation programs (note 21D), and 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.

21C) 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 on a stand-alone basis, to a legal reserve until it reaches at least an amount equivalent to 20% of the common stock. As of December 31, 2021 and 2020, the balance of retained earnings includes the Parent Company's legal reserve for an amount in both years of $22,339.

21D) EXECUTIVE SHARE-BASED COMPENSATION

The Company sponsors a long-term incentive plan for certain executives, consisting of an annual compensation plan based on the delivery of shares of the Parent Company. The cost associated with the share-based instruments delivered to the Company's eligible executives is recognized in the operating results during the periods in which the executives subject to the benefits of the plan render services and vest the program's exercise rights. The underlying shares in the aforementioned long-term incentives plan, which are held in the Parent Company's treasury, are delivered fully vested over a four-year period under each annual program.

In addition, certain executives that join the Company coming from other CEMEX's operations participated until their transfer in CEMEX's share-based long-term incentives program. In any such case, eligible executives of the share-based long term compensation plan that join the Company from CEMEX stop receiving CEMEX, S.A.B. de C.V. shares and start receiving shares of the Parent Company in the following date of grant after joining the Company.

For the years ended December 31, 2021 and 2020, compensation expense related to the long-term incentive plans described above, which was recognized in the results of operations, amounted to $1,342 and $1,518, respectively.

Under the annual share-based long-term incentives plan, the Parent Company granted rights on its own shares to the executives subject to the plan's benefits for 1,292,848 shares in 2021 and 2,694,640 shares in 2020, in connection with 100% of the potential benefits to be vested within each annual program. During 2021 and 2020, the Parent Company conducted the physical delivery of 713,927 shares and 1,383,518 shares, respectively, corresponding to the vested portion of prior period grants. Based on the aforementioned, as of December 31, 2021, there are approximately 3,476,865 shares of the Parent Company, corresponding to the portion of shares still unvested under these annual programs, which are expected to be physically delivered over the following years as the executives render services. The weighted average prices of the Parent Company's shares granted during the periods were for amounts in Colombian Pesos equivalent to approximately 0.95 Dollars per share in 2021 and 0.66 Dollars per share in 2020.

As of December 31, 2021 and 2020, the Company has no commitments to make cash payments to executives based on changes in the market prices of CEMEX, S.A.B de C.V.'s or the Parent Company's shares.

21E) NON-CONTROLLING INTERESTS

Non-controlling interest represents the share of non-controlling stockholders in the results and equity of consolidated entities. As of December 31, 2021, non-controlling interest in stockholder's equity and the results for the period refer to third-party shareholders holding 0.3% of the shares of CEMEX Colombia, 0.6% of the shares of CEMEX Costa Rica and 0.5% of the shares of Cemento Bayano (note 26).

22) EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share are calculated by dividing net income attributable to ordinary shareholders of the Parent Company (the numerator) by the weighted average number of shares outstanding (the denominator) during the period. 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 years ended December 31, 2021 and 2020 were as follows:

Denominator (thousands of shares)		**2021**	**2020**
Weighted average number of shares outstanding – Basic EPS		559,075	557,761
Effect of dilutive instruments – share-based compensation		3,477	2,896
Weighted average number of shares outstanding – Diluted EPS		562,552	560,657
Numerator			
Net income (loss) from continuing operations	$	8,977	(109,409)
Less: non-controlling interest net income (loss)		(34)	(918)
Controlling interest net income (loss) from continuing operations		9,011	(108,491)
Net income (loss) from discontinued operations		(32,203)	(12,119)
Consolidated net income (loss)	$	(23,192)	(120,610)
Controlling interest basic earnings (loss) per share	$	(0.04)	(0.22)
Controlling interest basic earnings (loss) per share from continuing operations		0.02	(0.20)
Controlling interest basic earnings (loss) per share from discontinued operations		(0.06)	(0.02)
Controlling interest diluted earnings (loss) per share		(0.04)	(0.22)
Controlling interest diluted earnings (loss) per share from continuing operations		0.02	(0.20)
Controlling interest diluted earnings (loss) per share from discontinued operations	$	(0.06)	(0.02)

23) COMMITMENTS

23A) CONTRACTUAL OBLIGATIONS

As of December 31, 2021, the Company had the following contractual obligations:

(Thousands of Dollars)		2021				
Obligations		Less than 1 year	1–3 years	3–5 years	More than 5 years	Total
Bank loans (note 16)	$	–	74,350	–	–	74,350
Non-current debt with related parties [1]		66,623	448,647	–	–	515,270
Interest payments on debt [2]		30,195	7,884	–	–	38,079
Leases [3]		7,693	11,438	3,304	236	22,671
Pension plans and other benefits [4]		2,797	5,528	5,363	12,120	25,808
Purchases of raw materials, fuel and energy [5]		34,415	49,408	22,135	25,002	130,960
Investments in property, machinery and equipment [6]		48,119	–	–	–	48,119
Total contractual obligations	$	189,842	597,255	30,802	37,358	855,257

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 December 31, 2021.

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.

5 Includes the Company's commitments to purchase raw materials, fuel and electric power from Colombia, Panama and Guatemala.

6 Includes manly the contractual commitments that are part of the construction process of the access road to the Maceo Plant in Colombia, as well as other asset purchase agreements in Guatemala, Panama and Nicaragua.

As of December 31, 2021, the summary of certain significant contracts for the purchase of raw materials, inputs and others presented in the table above, which are commonly negotiated in the local currency of each subsidiary, is as follows:

		(U.S. Dollars millions)			
Counterpart	Country	Concept	Start date	Term	Estimated 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	7 years	11
Primax Colombia S.A.	Colombia	Fuels	July 2021	2 years	8
Excavaciones y Proyectos de Colombia S.A.S.	Colombia	Raw materials	May 2017	6 years	6
IBM	Various subsidiaries	Administrative services	July 2012	10 years	4
AES Panamá, S.R.L.	Panama	Energy	January 2020	10 years	9
Wärtsilä Colombia S.A.	Colombia	Energy	December 2019	4 years	2
South32 Energy S.A.S. E.S.P.	Colombia	Energy	March 2020	2 years	16
AES Chivor & CIA S.C.A. E.S.P.	Colombia	Energy	September 2020	2.4 years	3
Genser Power S.A.S. E.S.P.	Colombia	Energy	October 2020	2 years	1
Teleperformance Colombia S.A.S.	Colombia	Administrative services	November 2020	1.5 years	2
IAC Energy S.A.S	Colombia	Energy	April 2021	2.7 years	1

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. The contract term was extended two years by virtue of the amendments with Cementos Progreso, S.A. of December 16, 2019 (note 17B).

Hedge of fuel prices

As of December 31, 2021 and 2020, CEMEX Colombia maintains call option contracts negotiated with CEMEX to hedge the price of diesel fuel for an aggregate notional amount of $6,057 and $6,422, respectively, with an estimated fair value representing assets of $1,769 in 2021 and $607 in 2020. 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 diesel 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 and are recycled to operating costs when the related fuel volumes are consumed. During the period ended December 31, 2021 and 2020, changes in the fair value of these contracts recognized in comprehensive income represented gains of $1,161 and losses of $476, respectively.

23B) OTHER COMMITMENTS

In addition, as of December 31, 2021, the parent company had the following relevant contracts with CEMEX entities for several concepts, the amounts of which, except for the leasing of offices, are based on fixed percentages over the life of the contracts on consolidated revenues based on market conditions, which are summarized below:

		(U.S. Dollars millions)			
Counterpart	**Contractor**	**Concept**	**Start date**	**Term**	**Annual approximate amount**
CEMEX, S.A.B de C.V.	Parent Company	Trademarks use	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

On January 1, 2021, CEMEX Research Group AG ("CRG"), a subsidiary of CEMEX España established in Switzerland, which corporate purpose, among others, is the management of intellectual property, conducted a global assignment of its operating assets, contracts and liabilities to CEMEX Innovation Holding AG ("CIH"), a subsidiary of CEMEX S.A.B. de C.V. also established in Switzerland. Since that date, CIH has been conducting the activities that CRG had been developing until then, therefore the first being the universal successor of the CRG rights created under the intellectual property license agreement signed between CLH and CRG of November 15, 2012.

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 Buyer to Balboa for the sale of its 25% equity interest in Grupo Cementero Panameño, S.A. (notes 10 and 17B), Cemento Bayano and Grupo Cementero Panameño, S.A. early terminated the clinker supply contract that expired in 2025 and entered into a new 10-year Clinker 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. On December 16, 2020, as part of the amendments to the original agreements, Cemento Bayano and Grupo Cementero Panameño signed an addendum to extend the Clinker Supply Agreement for two more years. The indemnity received by the Company from Balboa is linked to the fulfillment of the agreements during the term of the Clinker Supply Contract.

In addition, Cemento Bayano, 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.

24) LEGAL PROCEEDINGS, CONTINGENCIES AND OTHER SIGNIFICANT PROCESSES

24A) LIABILITIES RESULTING FROM LEGAL PROCEEDINGS

CEMEX Latam is involved in various non-significant legal proceedings, different than those associated with taxes detailed in note 20D, 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 December 31, 2021, no proceeding is significant to be disclosed individually:

24B) CONTINGENCIES FROM LEGAL PROCEEDINGS

As of December 31, 2020, CEMEX Latam is involved in various legal proceedings, not related to tax matters (note 20D), which have not required the recognition of accruals considering the likelihood of an adverse resolution to be low based on the evidence at the Company's disposal, considering its own probability analyses as well as the opinions of third-party experts in each case although a favorable resolution cannot be assured. The summary 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:

Class action against the Tender Offer of the Parent Company's shares

In November 2020, the Parent Company became aware of a Class Action filed by a citizen, who stated that as a result of the Tender Offer to acquire the outstanding shares of the Parent Company (note 1), which at the time was promoted by CEMEX España, there could have been violations or threats of the collective rights to administrative morality, defense of public assets, protection of the public interest and the users' rights of the financial stock exchange system. The Parent Company timely filed an Appeal for Reinstatement against the admission of the Class Action, for not having the character of bidder in the Tender Offer process and a nullity because the notification had been made irregularly. The relevant Court rejected the Parent Company's requests and was formally notified of the Class Action on June 25, 2021, consequently, the Parent Company will promptly exercise the defense mechanisms aimed at disassociating itself from the process and/or obtaining a favorable result. Regarding the Class Action against the Tender Offer, the Parent Company responded to the lawsuit on July 9, 2021 and is waiting for the Administrative Court to designate the date for the customary hearing. At this stage, the Parent Company cannot determine what the effects of this Popular Action could be in the event of an unfavorable ruling, and, if applicable, if such unfavorable ruling could be material in the operating results, liquidity and financial position of CEMEX Latam.

Commercial class action against CEMEX Colombia

In July 2020, a citizen brought a Class Action against the cement companies that were involved in the SIC investigation in Colombia, which ended with the imposition of a fine for alleged restrictive practices of competition. The citizen stated that he was acting on behalf of all natural or legal persons, distributors, traders and other users of gray Portland 1C cement, during the period between 2010 and 2012, who were allegedly affected by the alteration and increase in the price of cement. The Class Action to all the defendants quantifies the purported affectations for an amount in pesos equivalent to approximately $350 million, determined based on the total sales of the three companies during the period between 2010 and 2012.

After an initial rejection of the Class Action, it was admitted and only until the end of May 2021 it was formally notified to CEMEX Colombia. Considering that it presents inaccuracies in its argumentation and defects of a formal nature, among them the expiration of the action. In June 2021, CEMEX Colombia filed a reinstatement recourse against the reception of the plaintiff which is pending for resolution. As of December 31, 2021, CEMEX Latam considers the probability of an adverse result in this proceeding to be low at the end of all defense instances. However, an unfavorable resolution could have an adverse effect on the results of operations, liquidity and financial position of CEMEX Latam.

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 seeking the payment of purported damages caused by breach of the contract for the supply of ready-mix concrete for the civil works named "Túnel de Crespo" located in the city of Cartagena, for an amount in Pesos equivalent to approximately $9 million. CEMEX Colombia presented the legal and technical arguments that prove full compliance with the supply contract and applied the corresponding defense actions. In October 2018, CEMEX Colombia filed a claim against the constructor for amounts owed to CEMEX Colombia for an amount in Pesos equivalent to approximately $5 million for repairs to the civil works paid by CEMEX Colombia during 2014 and 2015 by causes allegedly imputable to the constructor. On October 28, 2020, the arbitrage court concluded the process and issued its resolution ordering the constructor to reimburse CEMEX Colombia expenses for an amount in pesos equivalent to approximately $3 million, collection that as of December 31, 2021 is subject to an executory process initiated by CEMEX Colombia in December 2020. On December 15, 2020, the constructor filed an appeal for annulment of the resolution before the Superior Court of Bogotá, against the aforementioned award, which was resolved on March 4, 2021 in favor of CEMEX Colombia, declaring the appeal unfounded and confirming the decision of the arbitration award. On July 2, 2021, CEMEX Colombia was notified of a protection recourse filed before the Supreme Court of Justice of Colombia (the "Supreme Court") by the constructor against the arbitration resolution and against the resolution issued by the Superior Court of Bogotá. CEMEX Colombia timely filed its opposition to the protection recourse. On July 16, the protection recourse was resolved by the Supreme Court confirming, in favor of CEMEX Colombia, both the arbitration resolution issued by the Arbitration Court, and the resolution issued by the Superior Court of Bogotá, resolution that was later appealed by the builder in second instance before the Labor Office of the Supreme Court. On September 1, 2021, the Labor Office of the Supreme Court notified CEMEX Colombia of the decision by means of which confirmed the first instance ruling favorable to the Company**.** As of December 31, 2021, the Constitutional Court was pending a decision on the eventual discretionary review of the file. See note 25 for Subsequent Events in relation to this procedure.

Contingencies due to commercial demands – continued

- As a result of the premature damages presented in the *Transmilenio* slabs - North Highway in 2005, 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, CEMEX Colombia was ordered to make a publication in which it acknowledged responsibility in advising on a deficient product and promised not to incur similar situations again. The first instance ruling did not have financial implications for the Company. In June 2019, CEMEX Colombia and 13 of the defendants appealed the first instance ruling to the Administrative Court of Cundinamarca. As of December 31, 2021, 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.

- On August 17, 2020, Cemento Bayano was notified of a claim for damages filed by a former supplier, in which it seeks a payment of $10 million. The plaintiff argues that the purported damages and losses were caused as a result of a prior ordinary civil proceeding, which purpose was the collection of a debt, filed by Cemento Bayano against the supplier. As part of the civil proceeding, a legal seizure of bank accounts and property such as mobile equipment, office furniture and machinery, among others, as well as the supplier's administration. The former supplier argues in the damages claim that, for the length of the civil proceeding, it could not dispose of the funds deposited in the bank accounts or use the property and that this caused the purported damages. On August 31, 2020, the claim was answered. In October 2020, the parties presented evidence and objections and the court is waiting to set a date for evidence hearing. Cemento Bayano considers that it has sufficient legal arguments to dismiss this claim for damages, since it can be sustained that the previous ordinary civil proceeding was the legitimate exercise of a right and that Cemento Bayano did not act recklessly or in bad faith in such proceeding, since it was evidenced the existence of the debt payable to Cemento Bayano and also that it had every right to proceed with the legal seizure of the assets; therefore, it will exercise all the pertinent actions at each stage of the proceeding. As of December 31, 2021, CEMEX Latam considers low probability of an adverse result in this proceeding at the end of all defense instances. Nonetheless, a negative resolution could have an adverse effect on CEMEX Latam's results of operations, liquidity and financial position.

- In May 1999, several entities (the "Plaintiffs") filed a claim against CEMEX Colombia for alleged damages caused to their farmland as a result of the emissions of the cement plant in Ibagué. In January 2004, a judge issued a resolution ordering CEMEX Colombia to indemnify the Plaintiffs for an amount then equivalent to approximately $12 million. As a result, in such year, CEMEX Colombia recognized a provision. In March 2004, CEMEX Colombia appealed this resolution before the Superior Court of Ibagué (the "Superior Court"). On September 10, 2010, the Superior Court fully revoked the resolution against CEMEX Colombia. Since then, the proceeding remained on appeal in the Supreme Court until July 2018 when the Supreme Court issued a favorable resolution to CEMEX Colombia; therefore, in 2018 CEMEX Colombia canceled the provision that it had recognized since 2004. The Plaintiffs filed a protection recourse against the Supreme Court ruling before the Constitutional Court. In this regard, on September 29, 2021, CEMEX Colombia was notified of the resolution by the Constitutional Court, in which it ordered to return the proceeding to the Supreme Court so that, based on all the evidence collected it would issue a new resolution. In October 2021, CEMEX Colombia filed the corresponding request for annulment of the ruling for violation of the fundamental right to due process, among other arguments. As of December 31, 2021, CEMEX Latam analyzes all available defense means to determine the probability of an adverse result. Nonetheless, a negative resolution could have an adverse effect on CEMEX Latam's results of operations, liquidity and financial position.

In addition, as of December 31, 2021, 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.

24C) 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 December 31, 2021, the plant has not initiated commercial operations considering several significant processes for the profitability of the investment. The evolution and status of the key issues related to such plant are described as follows:

Maceo Plant – 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.

Maceo Plant – 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 December 31, 2021, 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 December 31, 2021, 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.

  The aforementioned situations within the Maceo Project caused CEMEX Latam to start from late 2016 the implementation of guidelines, additional controls and remediation activities, which evolved into the policy for the communication of relevant unusual events, the policy for the approval of relevant transactions, the creation of the committee that supervises relevant investment projects, the strengthening of internal audit procedures and the improvement of existing monitoring controls so that they operate at a sufficient level of precision, among others. After attesting with the help of the internal control and internal audit teams that the implemented controls and remediation activities have operated effectively for a sufficient period of time, the Company considers that its internal controls system over financial reporting operates adequately.

  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. In addition to the above, a judicial process of Accountability was promoted against the president, in accordance with the order indicated in the Land MOU for the acquisition of properties related to the project, which ended in 2021 with a definitive favorable resolution for CEMEX Colombia in which the transfer of the properties adjacent to the plant acquired by the president was ordered, as well as the return of unused advances, equivalent to $1.4 million. As of the date of this report, CEMEX Colombia has initiated the corresponding procedures for the materialization of the effects of the aforementioned resolution.

Maceo Plant – Lease contracts, mandate and operating 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 aforementioned contract that replaced the Leasing Agreement and the Mandate was signed by CI Calizas and Zomam, with the authorization of the SAE as controller of these last two companies. In addition to certain initial one-time payments to the SAE for approximately COP $5,000 million, settled in 2019 and 2020, the Operation Contract considers the following remunerations: 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$50.8 million as updated as of December 31, 2020 ($12.7 thousand dollars) updated as of December 31, 2021, the Operating Contract considers the following remunerations based on the operation of the plant.

  - Once the Maceo Plant begins commercial operations, CEMEX Colombia and/or a subsidiary will pay on a quarterly basis 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.
  - In addition, will pay on a quarterly 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 Trade Zone benefit, or 0.3% of the aforementioned net sales exclusively for the use of equipment, 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 December 31, 2021, 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.

Maceo Plant – Recourse against the equity contribution of Zomam

- On December 7, 2020, the Parent Company filed before the Business Superintendency of Colombia (*Superintendencia de Sociedades* or the "Business Superintendency"), a claim requesting that it be declared ineffective and, alternatively, the nullity and non-existence of the equity contribution in kind conducted by CEMEX Colombia to Zomam on December 11, 2015. If a favorable ruling is obtained, the effects of the capitalization would be reversed, replacing in CEMEX Colombia's assets the shares issued by Zomam as a result of this contribution with the assets contributed to Zomam, which had an approximate value of $43 million. By virtue of the current consolidation of Zomam, such favorable ruling will not have effects on the consolidated financial statements of CEMEX Latam. As of December 31, 2020, the claim has not yet been admitted by the Business Superintendency.

Maceo Plant – Status in connection with the commissioning of the plant

- On September 3, 2019, CEMEX Colombia was notified of the affirmative resolution issued by Corantioquia's Directive Council, the regional environmental authority ("Corantioquia"), regarding the approval for the subtraction from the Integrated Management District ("IMD") of the Alicante River's Canyon. Likewise, on February 16, 2021, Corantioquia notified CI Calizas of the modification of the environmental license by means of the Company may extract up to 990 thousand tons of minerals (clay and limestone) and may produce up to 1,500,000 metric tons of cement per year, requiring in addition, the modification of the Program of Works and Projects (PWP) of the mining title that is currently in progress in the Secretary of Mines of the Antioquia's Government, condition that was timely resolved in a favorable manner for the company through authorization issued by that entity on April 8, 2021. As of the date of approval of the financial statements, the Company collaborates with the authorities to expand the mineral extraction license mentioned above so the approved 1,500,000 tons can be produced from Maceo's own quarry without the need to bring minerals from other locations.

- Regarding the permits to conclude the construction of several sections of the access road, on November 10, 2020, Maceo's municipality issued an authorization of Road Infrastructure Intervention and on December 11, 2020 issued a decree declaring the access road of public interest; required authorizations to both, build the access road and acquire the any required land. In respect to the modification of the permitted use of land where the project is located, there is a favorable opinion from Corantioquia regarding the change of the use of land considering the approval for the subtraction of the Maceo Plant from the IMD; which was endorsed by Maceo's municipality on August 29, 2020, which allows for an industrial and mining use compatible with the project. With the obtention of the modification to the environmental license, which constitutes an important milestone to achieve the future operation of the Maceo Plant, the start-up remains subject mainly to the construction of the access road, and the expansion of environmental and mining permits that allow production of up to 1.5 million tons, nonetheless, as of the date of approval of the financial statements the Company cannot establish with exactitude the date of conclusion of said access road. CEMEX Colombia continues to work to address these issues as soon as possible and limits its activities to those for which it has the relevant authorizations.

25) SUBSEQUENT EVENTS

- Regarding to the process of CEMEX Nicaragua regarding the income tax for taxable year 2017, on February 2, 2022, CEMEX Nicaragua was notified of the determination resolution in which the Fiscal Authority confirmed all its adjustments. The company filed the respective appeal on February 11, 2022.

- In January 2022, in connection with the arbitration process associated with the "Túnel de Crespo" (note 24B), after the resolutions favorable to CEMEX Colombia had been confirmed by the Superior Court of Bogotá and the Supreme Court of Justice, and the filing of a tutela action with a favorable result for CEMEX Colombia, the Constitutional Court confirmed its decision not to select the process for its review, with which, the favorable resolution to CEMEX Colombia determined by the arbitration tribunal is final and can no longer be appealed.

(Thousands of U.S. Dollars)

26) MAIN SUBSIDIARIES

The Parent Company's main direct and indirect subsidiaries as of December 31, 2021 and 2020 were as follows:

Subsidiary	Country	Activity	% of interest 2021	2020
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. [3, 4]	Costa Rica	Operating	99.4	99.4
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.	Guatemala	Operating	100	100
CEMEX Lan Trading Corporation	Barbados	Trading	100	100
CEMEX El Salvador, S.A. [4]	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 in Colombia (note 24C).

3 As a result of the merger between CEMEX (Costa Rica), S.A. and its direct parent company Lomas del Tempisque, S.R.L., concluded during the second quarter of 2021 and in which the first entity prevailed, the Company's participation in CEMEX (Costa Rica), S.A. increased from 99.2% to 99.4%.

4 As mentioned in notes 2, 3A and 4A, on December 29, 2021, the Company entered into agreements with Cementos Progreso for the sale of its operations in Costa Rica and El Salvador through the sale of the shares of these entities. The joint transaction is expected to close during the first half of 2022.

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Independent Auditor's Report in accordance with International Standards on Auditing

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of Cemex Latam Holdings, S.A.

Opinion

We have audited the consolidated financial statements of Cemex Latam Holdings, S.A. (the "Company") and subsidiaries (together the "Group"), which comprise the consolidated statement of financial position at December 31, 2021, and the consolidated income statement, consolidated statement of changes in stockholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group at December 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the IESBA (International Ethics Standards Board for Accountants) Code of Ethics for Professional Accountants (IESBA Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the requirements of the IESBA Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverable amount of goodwill (See notes 4A and 15B to the consolidated financial statements)	
Key audit matter	*How the matter was addressed in our audit*
The Group's statement of financial position at December 31, 2021 reflects goodwill amounting to US Dollars 945,655 thousand associated with the various cash-generating units (CGUs), which, in accordance with the applicable financial reporting framework, must be tested for impairment at least annually and whenever there are indications of possible impairment. As a result of the impairment testing performed by the Group in 2021, the Group has recognized impairment losses on goodwill in an amount of US Dollars 107,596 thousand corresponding to the business segment in Costa Rica prior to its classification as an asset held for sale following the agreement to sell this segment, as indicated in note 2. These impairment losses are recognized under net losses on discontinued operations in the consolidated income statement. We consider the recoverable amount of goodwill to be a key audit matter due to the significance of the amount and because the valuation of goodwill requires the Directors and management to make complex judgments and to apply a high level of subjectivity in relation to matters such as long-term sales growth, costs and operating margins projected in the different countries in which the Group operates, and the rates used to discount future cash flows, as well as for comparisons with fair value benchmark parameters, such as EBITDA multiples used in comparable recent transactions estimated on the basis of publicly available information.	Our audit procedures included the following: - Assessing the design and implementation of controls related to the valuation process carried out by the Group. - Assessing the reasonableness of the methodology used to calculate the recoverable amounts and the main assumptions and data considered, with the involvement of our valuation specialists. - Contrasting the consistency of the estimated growth in future cash flows forecast in the calculation of the corresponding recoverable amounts with the business plans of the CGUs approved by the pertinent governing bodies, and with the information obtained from external sources. We also contrasted the forecast cash flows from operating activities estimated in prior years with the actual cash flows obtained and evaluated the sensitivity of the key assumptions considered such as the discount rate, long-term growth rate and EBITDA. - Evaluating whether the disclosures in the consolidated financial statements meet the requirements of the financial reporting framework applicable to the Group.

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Legal contingencies (See note 24 to the consolidated financial statements)	
Key audit matter	*How the matter was addressed in our audit*
The Group is involved in certain significant legal processes, mainly in Colombia. In view of the diversity and complexity of the Group's operations, exposure to legal claims is a risk that needs to be addressed by the Directors and management. It could be several years before the legal proceedings underway are resolved and the process could entail negotiations or further litigation. Therefore, making judgments as to the possible outcome is a complex matter for the Group. The Directors and management apply their judgment to estimate the probability of the future outcome in each case and recognize a provision to cover the legal contingencies that they deem probable. We focused on this area due to its inherent complexity and judgment in estimating the amount and probability, for the purpose of recognizing the provisions for legal contingencies.	Our audit procedures included the following: - Assessing the design and implementation of controls related to the process carried out by the Group for the identification and valuation of legal contingencies. - Examining the evaluation performed by the Directors and management of the Group of the risks associated with the different legal proceedings in which the Group is involved, primarily with respect to cases in Colombia, as well as the provision to be recognized and disclosures to be included in the financial statements subject to our audit, where applicable. - Analyzing the status of each significant process together with management and the entity's internal legal counsel, and assessing their responses. We also obtained written replies from the Group's external legal counsel, where it was necessary to arrange such external counsel, in which they express their opinions on exposures to significant risks and their assessment of the proceedings, disputes and/or litigation in question, the probability of their occurrence and the amounts involved. - Evaluating whether the disclosures in the consolidated financial statements meet the requirements of the financial reporting framework applicable to the Group.

Other Matter

As indicated in explanatory note 3A to the accompanying consolidated financial statements, these consolidated financial statements have not been prepared pursuant to a legal requirement in Spain, but for the purposes of compliance with reporting requirements vis-à-vis the stock market regulator in Colombia, inasmuch as the Company's shares are listed on the Colombian Stock Exchange. They have been audited applying International Standards on Auditing. Under no circumstances may this report be considered an auditor's report in the terms provided in legislation regulating the audit of accounts in Spain.

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Directors' and Audit Committee's Responsibility for the Consolidated Financial Statements

The Company's Directors are responsible for the preparation of the consolidated financial statements in such a way that they give a true and fair view of the consolidated stockholders' equity, consolidated financial position and consolidated financial performance in accordance with IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Company's audit committee is responsible for overseeing the Company's financial reporting preparation and presentation process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Directors.

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- Conclude on the appropriateness of the Company's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Company's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Company's audit committee with a statement that we have complied with the applicable ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Company's audit committee, we determine those that were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Auditores, S.L.
On the Spanish Official Register of Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

Miguel Ángel Faura Borruey
On the Spanish Official Register of Auditors ("ROAC") with No. 20,429

March 23, 2022