Consolidated Condensed Financial Statements

March 31, 2022

This is an unofficial translation into English of the condensed consolidated financial statements as of and for the three-month periods ended March 31, 2022 and 2021 issued in the Spanish language on April 25, 2022. This translation is provided solely for the convenience of English-speaking readers. For any and all purposes, the condensed consolidated financial statements as of and for the three-month periods ended March 31, 2022 and 2021 issued in the Spanish language on April 25, 2022 shall be considered the only official version of the document.

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CEMEX Latam Holdings S.A. and Subsidiaries

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

		(Unaudited) For the three-month periods ended	
	Notes	**March 31, 2022**	**March 31, 2021**
Revenues	3B	$ 208,530	191,061
Cost of sales	2E	(136,773)	(117,218)
Gross profit		**71,757**	**73,843**
Administrative and selling expenses		(30,098)	(29,013)
Distribution expenses		(23,770)	(22,142)
		(53,868)	(51,155)
Operating earnings before other income (expenses), net		**17,889**	**22,688**
Other income (expenses), net	3C, 5	69	(940)
Operating earnings		**17,958**	**21,748**
Financial expense	3C, 6	(10,589)	(10,834)
Financial income and other items, net	3C, 6	(248)	(259)
Foreign exchange results		5,730	(7,308)
Earnings before income tax		**12,851**	**3,347**
Income tax	17A	(8,090)	(5,652)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**4,761**	**(2,305)**
NET INCOME FROM DISCONTINUED OPERATIONS	3A	**11,308**	**6,090**
CONSOLIDATED NET INCOME		**16,069**	**3,785**
Non-controlling interest net income (loss)		11	(37)
CONTROLLING INTEREST NET INCOME		$ **16,058**	**3,822**
Basic earnings per share	19	**0.02**	**0.01**
Basic earnings (loss) per share from continuing operations	19	$ **0.01**	**(0.00)**
Diluted earnings per share	19	**0.02**	**0.01**
Diluted earnings (loss) per share from continuing operations	19	$ **0.01**	**(0.00)**

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

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

		(Unaudited) For the three-month periods ended	
	Notes	**March 31, 2022**	**March 31, 2021**
CONSOLIDATED NET INCOME		$ **16,069**	**3,785**
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Currency translation of foreign subsidiaries	**3D**	1,122	(20,353)
Total other items of comprehensive income (loss) for the period		1,122	(20,353)
CONSOLIDATED COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		17,191	(16,568)
Non-controlling interest comprehensive income (loss)		11	(37)
CONTROLLING INTEREST COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		$ **17,180**	**(16,531)**
Out of which:			
COMPREHENSIVE INCOME OF DISCONTINUED OPERATIONS		11,308	6,090
COMPREHENSIVE INCOME (LOSS) OF CONTINUING OPERATIONS		5,872	(22,621)

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

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

	Notes	(Unaudited) As of March 31, 2022	As of December 31, 2021
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	$ 16,189	13,621
Trade accounts receivable	8	51,345	44,953
Accounts receivable from related parties	9	10,885	18,483
Other accounts receivable	10A	6,952	6,994
Prepaid taxes		14,128	12,386
Inventories	11	81,487	69,709
Other current assets	12A	9,366	9,988
Assets held for sale	3A, 12B	333,018	338,049
Total current assets		523,370	514,183
NON-CURRENT ASSETS			
Other investments and non-current accounts receivable	10B	10,254	7,711
Property, machinery and equipment and assets for the right-of-use, net	13	924,196	894,434
Goodwill and other intangible assets, net	14	959,827	955,551
Deferred income tax assets		18,011	17,187
Total non-current assets		1,912,288	1,874,883
TOTAL ASSETS		**$ 2,435,658**	**2,389,066**
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Current debt and other financial liabilities	15	$ 34,056	6,933
Trade payables		116,995	117,741
Accounts payable to related parties	9	505,191	66,623
Taxes payable		19,048	30,556
Other accounts payable and accrued expenses	16A	59,828	59,903
Liabilities directly-related to assets held for sale	12B	40,397	36,670
Total current liabilities		775,515	318,426
NON-CURRENT LIABILITIES			
Non-current debt and other financial liabilities	15	65,209	87,950
Non-current accounts payable to related parties	9	35,884	448,647
Employee benefits		29,626	28,157
Deferred income tax liabilities		200,361	193,440
Other non-current liabilities	16	49,828	51,212
Total non-current liabilities		380,908	809,406
TOTAL LIABILITIES		**1,156,423**	**1,127,832**
STOCKHOLDERS' EQUITY			
Controlling interest			
Common stock and additional paid-in capital	18A	1,486,715	1,486,549
Other equity reserves	18B	(1,055,317)	(1,056,718)
Retained earnings	18C	842,135	826,077
Total controlling interest		1,273,533	1,255,908
Non-controlling interest	18E	5,702	5,326
TOTAL STOCKHOLDERS' EQUITY		**1,279,235**	**1,261,234**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**$ 2,435,658**	**2,389,066**

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

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

	Notes		(Unaudited) As of March 31, 2022	As of March 31, 2021
OPERATING ACTIVITIES				
Consolidated net income			16,069	3,785
Net income of discontinued operations, after tax			11,308	6,090
Net income (loss) from continuing operations			4,761	(2,305)
Non-cash items:				
Depreciation and amortization of assets	4		18,448	18,553
Provisions and other non-cash expenses			(6)	(318)
Financial expense, other financial income and foreign exchange results, net			5,107	18,401
Income taxes	17		8,090	5,652
Results on the sale of fixed assets			(1,132)	147
Changes in working capital, excluding income taxes			(10,750)	1,052
Cash flows provided by operating activities from continuing operations before interest and income taxes			**24,518**	**41,182**
Financial expense paid in cash			(996)	(605)
Income taxes paid in cash			(8,244)	(7,182)
Net cash flows provided by operating activities from continuing operations			**15,278**	**33,395**
Net cash flows provided by (used in) operating activities from discontinued operations after financial expenses and income tax paid in cash	3A		**(10,508)**	**7,285**
Net cash flows provided by operating activities			**4,770**	**40,680**
INVESTING ACTIVITIES				
Property, machinery and equipment and assets for the right-of-use, net	13		(11,139)	(4,016)
Financial income	6		198	196
Intangible assets and other deferred charges			(9)	(350)
Non-current assets and others, net			(2,543)	(282)
Net cash flows used in investing activities from continuing operations			**(13,493)**	**(4,452)**
Net cash flows used in investing activities from discontinued operations			**(1,233)**	**(372)**
Net cash flows used in investing activities			**(14,726)**	**(4,824)**
FINANCING ACTIVITIES				
Debt repayments to related parties	9		(73,822)	(58,688)
Loans from related parties			88,524	24,723
Debt increases from (repayments to) third parties, net			(590)	(1,390)
Other non-current liabilities, net			(1,842)	(5,693)
Net cash flows provided by (used in) financing activities from continuing operations			**12,270**	**(41,048)**
Net cash flows used in financing activities from discontinued operations			**(45)**	**-**
Net cash flows provided by (used in) financing activities			**12,225**	**(41,048)**
Increase (decrease) in cash and cash equivalents from continuing operations			14,055	(12,105)
Increase (decrease) in cash and cash equivalents from discontinued operations			(11,786)	6,913
Foreign currency translation effect on cash			299	(817)
Cash and cash equivalents at beginning of period			13,621	24,437
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7	$	**16,189**	**18,428**
Changes in working capital, excluding income taxes:				
Trade accounts receivable			(6,480)	(2,853)
Other accounts receivable and other assets			5,234	(2,430)
Inventories			(11,684)	2,960
Trade accounts payable			(746)	(12,940)
Short-term related parties, net			4,450	20,785
Other accounts payable and accrued expenses			(1,524)	(4,469)
Changes in working capital, excluding income taxes		$	**(10,750)**	**1,052**

The accompanying notes are part of these consolidated financial statements.

CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Statements of Changes in Stockholders' Equity
For the three-month periods ended March 31, 2022 and 2021 (unaudited)
(Thousands of U.S. Dollars)

	Notes		Common stock	Additional paid-in capital	Other equity reserves	Retained earnings	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balances as of December 31, 2020		**$**	**718,124**	**763,606**	**(986,380)**	**849,269**	**1,344,619**	**4,830**	**1,349,449**
Net income for the period			–	–	–	3,822	3,822	(37)	3,785
Other items of comprehensive loss for the period			–	–	(20,353)	–	(20,353)	–	(20,353)
Total other items of comprehensive loss for the period			–	–	(20,353)	3,822	(16,531)	(37)	(16,568)
Changes in non-controlling interest	18E		–	–	–	–	–	831	831
Share-based compensation	18D		–	–	324	–	324	–	324
Balances as of March 31, 2021		**$**	**718,124**	**763,606**	**(1,006,409)**	**853,091**	**1,328,412**	**5,624**	**1,334,036**
Balances as of December 31, 2021		**$**	**718,124**	**768,425**	**(1,056,718)**	**826,077**	**1,255,908**	**5,326**	**1,261,234**
Net income for the period			–	–	–	16,058	16,058	11	16,069
Other items of comprehensive income for the period			–	–	1,122	–	1,122	–	1,122
Total other items of comprehensive income for the period			–	–	1,122	16,058	17,180	11	17,191
Changes in non-controlling interest	18E		–	–	–	–	–	365	365
Share-based compensation	18D		–	166	279	–	445	–	445
Balances as of March 31, 2022		**$**	**718,124**	**768,591**	**(1,055,317)**	**842,135**	**1,273,533**	**5,702**	**1,279,235**

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

1) DESCRIPTION OF BUSINESS

CEMEX Latam Holdings, S.A., was constituted under the laws of Spain on April 17, 2012, as capital stock corporation (S.A.) for an undefined period of time. The entity is a subsidiary of CEMEX España, S.A. ("CEMEX España"), also organized under the laws of Spain, as well as an indirect subsidiary of CEMEX, S.A.B. de C.V., a public stock corporation with variable capital (S.A.B. de C.V.) organized under the laws of Mexico. The statutory purpose and main activities of CEMEX Latam Holdings, S.A. consist of the subscription, acquisition, tenure, enjoyment, management or sale of securities and 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 April 25, 2022.

2) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied to these consolidated condensed financial statements as of March 31, 2022, are the same as those applied in the consolidated financial statements as of December 31, 2021, considering as subsequently described in note 2A.

2A) BASIS OF PRESENTATION AND DISCLOSURE

The consolidated condensed financial statements and the accompanying notes were prepared in accordance with International Financial Reporting Standards ("IFRS") effective as of March 31, 2022, as issued by the International Accounting Standards Board ("IASB"), as well as with the International Accounting Standard 34, *Interim Financial Statements*. The consolidated condensed statements of financial position as of March 31, 2022 and as of December 31, 2021, as well as the consolidated condensed income statements, the consolidated condensed statements of comprehensive loss, the consolidated condensed statements of cash flows and the consolidated condensed statements of changes in stockholders' equity for the three-month periods ended March 31, 2022 and 2021 and their related disclosures included in the notes to the financial statements, have not been audited. These consolidated condensed financial statements under IFRS are presented quarterly to the securities and exchange authority in Colombia due to the trading of the Parent Company's shares on the BVC.

Presentation currency and definition of terms

The presentation currency of the consolidated condensed financial statements is the Dollar of the United States of America (the "United States"). The amounts in the financial statements and the accompanying notes are presented in thousands of Dollars of the United States, except when specific references are made to other currency, or different measuring unit like millions, earnings per share, prices per share and/or exchange rates. All amounts disclosed in these notes to the financial statements, mainly in connection with tax or legal proceedings (notes 17B and 21), which are originated in jurisdictions which currencies are different to the Dollar, are presented in Dollar equivalents as of March 31, 2022. Consequently, despite any change in the original currency, such Dollar amounts will fluctuate over time due to changes in exchange rates. These Dollar translations should not be construed as representations that the Dollar amounts were, could have been, or could be converted at the indicated exchange rates. See table of the main exchange rates included in note 2D.

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

Discontinued Operations

On December 29, 2021, through its subsidiary Corporación Cementera Latinoamericana, S.L.U. ("CCL") and its indirect subsidiary CEMEX Colombia, S.A. ("CEMEX Colombia"), the Company entered into agreements with affiliates of Cementos Progreso Holdings S.L, for the joint sale of its operations in Costa Rica and El Salvador. The aggregate sale price is $335 million subject to final adjustments. The transaction is subject to satisfaction of closing conditions in Costa Rica and El Salvador, including approvals from the competition authorities. CEMEX Latam expects to finalize this transaction during the first half of 2022 (notes 3A y 12B).

Considering the agreements for the sale of the operating segments in Costa Rica and El Salvador to Cementos Progreso, the Company's income statements present in the single line item of "Discontinued operations", the line-by-line operations, net of income taxes, of such operating segments for the three-month periods ended March 31, 2022 and 2021 (note 3A). As a result, the income statement and the statement of cash flows for the period ended March 31, 2021 previously issued, as well as the applicable explanatory notes, have been restated to consider the presentation of discontinued operations.

Discontinued Operations - continued

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 completed in less than one year, a price has been set and no substantial changes are expected thereof (notes 3A and 12B).

Income statements

CEMEX Latam includes in the income statements the line item titled "Operating earnings before other income (expenses), net" considering that it is a relevant operating measure for the Company's management. The line item "Other income (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 period ended March 31, 2022, certain incremental expenses associated with the COVID-19 Pandemic, among others (note 5). Under IFRS, the inclusion of certain subtotals such as "Operating earnings before other income (expenses), net" and the display of the income statement 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 3C, CEMEX Latam presents "Operating EBITDA" (operating earnings before other income (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 condensed statements of cash flows present cash inflows and outflows, excluding unrealized foreign exchange effects, as well as the following transaction that did not represent sources or uses of cash:

Financing activities

- For the three-month periods ended March 31, 2022 and 2021, in connection with the executives' share-based compensation (note 18D), the net increase in other equity reserves of $279 and $324, respectively. For the period ended March 31, 2021, there were no physical deliveries of shares to executives.

- For the three-month periods ended March 31, 2022 and 2021, the increase in other financial obligations of $1,337 and $621, respectively, in relation to the lease contracts negotiated during the periods (note 15).

Investing activities

- For the three-month periods ended March 31, 2022 and 2021, the increase in assets for the right-of-use of $1,337 and $621, respectively, in relation to the lease contracts negotiated during the periods (note 13B).

Going Concern

As of March 31, 2022, total current liabilities, which include accounts payable to CEMEX's companies of $505,191 (note 9), exceeded total current assets in $252,145, which includes the assets held for sale, considering that as of March 31, 2022, a significant amount of debt with related parties that was held in non-current liabilities at the end of the previous quarter entered into current liabilities. In order to compensate this situation, the Company considers using most of the $335 million of resources to be obtained from the sale of the operations in Costa Rica and El Salvador to settle current liabilities with related parties, and additionally, the remaining balance of long-term loans will be renegotiated before their maturity. Nonetheless, it is expected to continue operating with certain negative working capital. The Parent Company's Board of Directors approved these consolidated condensed financial statements as of March 31, 2022. 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 adopted in the reported periods

Beginning January 1, 2021, certain amendments to several standards became effective, which did not result in any material impact on CEMEX Latam's financial statements. The amendments are summarized as follows:

Standard	Main topic
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 or an allocation of other costs that relate directly to fulfilling contracts
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.
Annual improvements to IFRS Standards (2018-2020 cycle): IFRS 1, *First-time Adoption of International Financial Reporting Standards* – Subsidiary as a First-time Adopter	The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
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.
Amendments to IFRS 3 – Reference to the Conceptual Framework...................	Update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

2B) 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 income statement for the period.

2C) USE OF ESTIMATES AND MANAGEMENT JUDGMENT

The preparation of the consolidated condensed 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 those resulting from the COVID-19 Pandemic.

(Thousands of U.S. Dollars)

2D) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION OF FOREIGN ENTITIES' FINANCIAL STATEMENTS

The most significant closing exchange rates per U.S. Dollar as of March 31, 2022 and December 31, 2021 for purposes of the statement of financial position and the average exchange rates per U.S. Dollar for purposes of the income statements for three-month periods ended March 31, 2022 and 2021, are as follows:

	March 31, 2022		December 31, 2021	March 31, 2021
Currencies	**Closing**	**Average**	**Closing**	**Average**
Colombian Pesos	3,748.15	3,880.46	3,981.16	3,672.04
Costa Rican Colones	667.10	653.55	645.25	577.69
Nicaraguan Cordobas	35.69	35.64	35.52	34.00
Guatemalan Quetzals	7.68	7.69	7.72	7.68

The foreign exchange gains of $5,730 in the income statement for the three-month period ended as of March 31, 2022, refers mainly to the appreciation of the Peso to the Dollar on liabilities in foreign currency during the period. In addition, the foreign currency translation gain of subsidiaries of $1,122 in the statement of comprehensive income (loss) for the period ended as of March 31, 2022 mainly refers to the 5.9% appreciation of the Peso to the Dollar as compared to December 31, 2021 and its effect in the translation of the Company's net assets in Colombia.

2E) COST OF SALES, ADMINISTRATIVE AND SELLING EXPENSES AND DISTRIBUTION EXPENSES

Cost of sales represents the production cost of inventories at the moment of sale including depreciation, amortization and depletion of assets involved in production and expenses related to storage in producing plants and the freight expenses of raw materials in the plants and the delivery expenses of the Company in the concrete business. Cost of sales excludes expenses related to personnel, equipment and services involved in sale activities and costs related to warehousing of products at the selling points, which are included as part of administrative and selling expenses, as well as 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.

2F) NEWLY ISSUED IFRS NOT YET ADOPTED

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

Standard [1]	Main topic	Effective date
Amendments to IFRS 10, *Consolidated financial statements* and IAS 28	Clarify the recognition of gains or losses in the Parent's financial statements for the sale or contribution of assets between an investor and its associate or joint venture.	Has yet to be set
Amendments to IAS 1, *Presentation of financial statements*	Clarifies the requirements to be applied in classifying liabilities as current and non-current.	January 1, 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 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
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 preliminarily any material effect on its consolidated financial statements as a result of the adoption of these IFRS.

(Thousands of U.S. Dollars)

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

3A) DISCONTINUED OPERATIONS

On December 29, 2021, as mentioned in note 2A, through its subsidiary CCL and its indirect subsidiary CEMEX Colombia, the Company entered into agreements with affiliates of Cementos Progreso Holdings S.L, for the joint 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 subject to final 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 March 2022 and December 31, 2021 includes assets and liabilities associated with the operations in Costa Rica and El Salvador under the line items of "Assets held for sale and liabilities directly-related with assets held for sale", as appropriate. The Company's operations of these assets held for sale for three-month periods ended March 31, 2022 and 2021 are presented in the income statements, net of income taxes, in the line item of "Discontinued operations".

The combined condensed financial information of the income statements of CEMEX Latam's discontinued operations in Costa Rica and El Salvador for three-month periods ended March 31, 2022 and 2021was as follows:

		2022	2021
Sales	$	35,253	36,951
Cost of sales, operating expenses and other income (expenses), net [1]		(28,369)	(29,080)
Financial expenses, net and others [2]		8,449	80
Loss before income tax		15,333	7,951
Income tax		(3,969)	(1,805)
Income of discontinued operations		11,364	6,146
Non-controlling interest net loss		(56)	(56)
Net income of discontinued operations	$	11,308	6,090

1 Includes in 2022 and 2021, 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 9 and 20B).

2 In the period ended March 31, 2022, includes foreign exchange gains from Costa Rica's balances in foreign currency of $9,071 and, as of March 31, 2021, includes foreign exchange losses of $222.

As of March 31, 2022 and December 31, 2021, the condensed combined statements of financial position of CEMEX Latam's discontinued operations in Costa Rica and El Salvador, including the allocation of goodwill and other adjustments associated with the reclassification to assets held for sale, were as follows:

		March 31, 2022	December 31, 2021
Current assets	$	30,735	26,241
Property, machinery and equipment, net		43,217	44,622
Intangible assets and others non-current asset [1]		255,511	263,769
Total assets of the disposal group [2]		**329,463**	**334,632**
Current liabilities		29,807	27,727
Non-current liabilities		10,590	8,943
Total liabilities related to disposal group		**40,397**	**36,670**
Net assets of disposal group	$	**289,066**	**297,962**

1 As of March, 31 2022 and December 31, 2021, includes the reclassification of goodwill balances related to Costa Rica and El Salvador of $253,716, and $261,793, respectively.

2 The line item assets held for sale excludes balances of cash and cash equivalents of CEMEX Costa Rica and El Salvador of approximately $285 million as of March 31, 2022 and of $287 million as of December 31, 2021, deposited in CEMEX Finance Latam B.V., a financial entity of CEMEX Latam that are eliminated in the consolidation of the Company.

The statements of cash flows for the three-month periods ended March 31, 2022 and 2021 include financial expenses and taxes paid in cash of the Company's discontinued operations of $14,360 and $2,888, respectively.

(Thousands of U.S. Dollars)

3B) REVENUES

CEMEX Latam's revenues are mainly originated from the sale and distribution of cement, ready-mix concrete, aggregates and other construction materials and services in the construction industry. CEMEX Latam grants credit to its customers for terms ranging from 15 to 45 days depending on the type of project and the credit risk of each customer. For the three-month periods ended March 31, 2022 and 2021, revenues, after eliminations between related parties, are detailed as follows:

		2022	2021
From the sale of cement	$	145,068	138,367
From the sale of ready-mix concrete		41,870	40,759
From the sale of aggregates		3,510	2,752
From the sale of other products and eliminations [1]		18,082	9,183
	$	208,530	191,061

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.

For the periods ended March 31, 2022 and 2021, 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, *Revenues from contracts with customers*.

Revenue information by reportable segment and business lines for the period ended March 31, 2022 and 2021 is included in note 3C.

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

3C) SELECTED FINANCIAL INFORMATION BY REPORTABLE SEGMENTS AND LINE OF BUSINESS

The financial policies applied to elaborate the condensed financial information by reportable segments are consistent with those used in the preparation of the consolidated condensed financial statements for the three-month periods ended March 31, 2022 and 2021. The segment "Others" relates mainly to the Parent Company, including its corporate offices in Spain and its research and development offices in Switzerland, as well as adjustments and eliminations resulting from consolidation.

Selected consolidated condensed information of the income statement by reportable segment for the three-month periods ended March 31, 2022 and 2021 are as follow:

2022 [2]	Revenues (including related parties)	Less: Related parties	Revenues	Operating EBITDA [1]	Less: Depreciation and amortization	Operating earnings before other income (expenses), net	Other income (expenses), net	Financial expenses	Financial income and other items, net
Colombia $	112,965	–	112,965	16,953	(6,626)	10,327	595	(2,772)	(289)
Panama	36,330	(708)	35,622	7,878	(4,255)	3,623	(503)	(1,536)	27
Guatemala	31,809	–	31,809	10,535	(556)	9,979	(5)	(40)	9
Nicaragua	30,966	–	30,966	10,976	(1,710)	9,266	12	(148)	5
Others	–	(2,832)	(2,832)	(10,005)	(5,301)	(15,306)	(30)	(6,093)	–
Continuing operations	212,070	(3,540)	208,530	36,337	(18,448)	17,889	69	(10,589)	(248)

2021 [2]	Revenues (including related parties)	Less: Related parties	Revenues	Operating EBITDA [1]	Less: Depreciation and amortization	Operating earnings before other income (expenses), net [1]	Other income (expenses), net	Financial expenses	Financial income and other items, net
Colombia $	109,952	–	109,952	21,886	(6,764)	15,122	(1,410)	(3,398)	(306)
Panama	29,016	(166)	28,850	8,517	(4,735)	3,782	195	(1,752)	27
Guatemala	29,699	(1)	29,698	12,459	(501)	11,958	60	(37)	11
Nicaragua	29,327	(16)	29,311	7,657	(1,137)	6,520	16	(217)	9
Others	–	(6,750)	(6,750)	(9,278)	(5,416)	(14,694)	199	(5,430)	–
Continuing operations $	197,994	(6,933)	191,061	41,241	(18,553)	22,688	(940)	(10,834)	(259)

(Thousands of U.S. Dollars)

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

1 Operating EBITDA and Operating earnings before other income (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 9 and 20B).

2 Selected financial information for discontinued operations is included in note 3A.

Revenues by line of business and reportable segments for the three-month periods ended March 31, 2022 and 2021 are as follows:

2022	Cement	Concrete	Aggregates	Other products	Others	Revenues
Colombia $	66,665	34,713	1,094	10,493	–	112,965
Panama	23,857	4,483	2,075	5,915	(708)	35,622
Guatemala	27,099	1,666	–	3,044	–	31,809
Nicaragua	27,447	1,008	341	2,170	–	30,966
Others	–	–	–	–	(2,832)	(2,832)
Continuing operations $	145,068	41,870	3,510	21,622	(3,540)	208,530

2021	Cement	Concrete	Aggregates	Other products	Others	Revenues
Colombia $	68,012	31,874	1,164	8,902	–	109,952
Panama	20,834	4,112	1,039	3,031	(166)	28,850
Guatemala	25,222	1,906	–	2,571	(1)	29,698
Nicaragua	24,299	2,867	549	1,612	(16)	29,311
Others	–	–	–	–	(6,750)	(6,750)
Continuing operations $	138,367	40,759	2,752	16,116	(6,933)	191,061

As of March 31, 2022 and December 31, 2021, selected consolidated information of the statements of financial position by reportable segments, which includes the corresponding balance of goodwill that was allocated to each reportable operating segment (note 14), as well as eliminations resulting from consolidation, as applicable, is as follows:

2022	Total Assets	Total Liabilities	Net assets by segment	Capital expenditures
Colombia $	961,571	418,710	542,861	7,897
Panama	602,413	169,077	433,336	922
Guatemala	284,206	35,020	249,186	1,811
Nicaragua	233,688	36,336	197,352	682
Others	24,316	456,883	(432,567)	–
Total	2,106,194	1,116,026	990,168	11,312
Assets held for sale and related liabilities	329,464	40,397	289,067	1,132
Total $	2,435,658	1,156,423	1,279,235	12,444

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

(Thousands of U.S. Dollars)

4) DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense by main activity for the three-month periods ended March 31, 2022 and 2021 is detailed as follows:

		2022	2021
Depreciation and amortization expense of assets used in the production process	$	12,827	12,970
Depreciation and amortization expense of assets used in administrative and selling activities		5,621	5,583
	$	18,448	18,553

5) OTHER INCOME (EXPENSES), NET

The detail of other income (expenses), net for the three-month periods ended March 31, 2022 and 2021 is as follows:

		2022	2021
Results from valuation and sale of assets, sale of scrap and other revenue and expenses, net	$	1,607	(48)
Assumed taxes, fines and other penalties		(836)	(101)
Incremental costs and expenses associated with the COVID-19 Pandemic [1]		(550)	–
Severance payments for reorganization and other personnel costs		(152)	(791)
	$	69	(940)

1 From the beginning of the Coronavirus SARS-CoV-2 pandemic in March 2020 (the "COVID-19 Pandemic") and attending official dispositions of the authorities in the countries in which CEMEX Latam operates, the Company implemented strict hygiene, sanitary and security protocols in all its operations and modified its manufacturing, selling and distribution processes to implement physical distancing, aiming to protect the health and safety of its employees and their families, customers and communities. As of March 31, 2022, the Company continues to be affected by the COVID-19 Pandemic, mainly with the closing of several corporate offices, as well as certain interruptions or delays in delivery systems and supply chains, which has caused significant increases in fuel and transportation costs. As of March 31, 2021, costs of sales and operating expenses include incremental costs and expenses associated with the COVID-19 Pandemic of $656 and $116, respectively, for a total of $772, which were reclassified to other income (expense), net during the third quarter of 2021.

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

6A) FINANCIAL EXPENSE

Consolidated financial expense for the three-month periods ended March 31, 2022 and 2021 of $10,589 and $10,834, respectively, includes $286 in 2022 and $313 in 2021, of financial expense arising from financial liabilities related to lease agreements.

6B) FINANCIAL INCOME AND OTHER ITEMS, NET

The detail of financial income and other items, net for the three-month periods ended March 31, 2022 and 2021 is as follows:

		2022	2021
Interest cost on employee benefits	$	(446)	(455)
Financial income, net		198	196
	$	(248)	(259)

7) CASH AND CASH EQUIVALENTS

Consolidated cash and cash equivalents as of March 31, 2022 and December 31, 2021 are as follows:

		2022	2021
Cash and bank accounts	$	15,086	12,470
Fixed-income securities and other cash equivalents		1,103	1,151
	$	16,189	13,621

(Thousands of U.S. Dollars)

8) TRADE ACCOUNTS RECEIVABLE

Consolidated trade accounts receivable as of March 31, 2022 and December 31, 2021 are detailed as follows:

		2022	2021
Trade accounts receivable	$	55,150	48,670
Allowances for expected credit losses		(3,805)	(3,717)
	$	51,345	44,953

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.

As of March 31, 2022, and December 31, 2021, balances of trade accounts receivable and the allowances for ECL were as follows:

		As of March 31, 2022			As of December 31, 2021		
		Accounts receivable	ECL	ECL average rate	Accounts receivable	ECL	ECL average rate
Colombia	$	29,955	1,538	5.13%	24,226	1,444	5.96%
Panama		11,994	1,568	13.07%	11,724	1,574	13.43%
Guatemala		7,083	269	3.80%	6,867	266	3.87%
Nicaragua		6,118	430	7.03%	5,853	433	7.40%
	$	55,150	3,805		48,670	3,717	

As of March 31, 2022, in relation to the COVID-19 Pandemic 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 the negative effects of the pandemic have not significantly influenced on the ECL estimations and 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.

9) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Balances receivable from and payable to related parties as of March 31, 2022 and December 31, 2021 are detailed as follows:

Current accounts receivable		2022	2021
Torino RE Limited [1]	$	1,148	7,375
CEMEX, S.A.B. de C.V [2].		4,755	2,096
CEMEX España, S.A. [3]		2,833	4,727
CEMEX Corp and Subsidiaries		818	1,060
Trinidad Cement Limited		397	976
Beijing Import & Export Co., Ltd		329	250
CEMEX Operaciones México, S.A. de C.V		251	1,524
Solid Cement Corporation		57	57
CEMEX de Puerto Rico, Inc		–	347
Others		297	71
Total assets with related parties	$	10,885	18,483

Current accounts payable		2022	2021
CEMEX Innovation Holding AG [4]		499,988	56,221
CEMEX Operaciones México, S.A. de C.V. [5]		1,880	160
CEMEX, S.A.B. de C.V.		948	64
CEMEX Corp and Subsidiaries		682	9,024
CEMEX Internacional, S.A. de C.V.		621	264
CEMEX España, S.A.		409	40
Beijing Import & Export Co., Ltd		298	375
CEMEX Dominicana, S.A		95	174
Macoris Investment and Subsidiaries		148	148
Others		122	153
	$	505,191	66,623

(Thousands of U.S. Dollars)

Balances and transactions with related parties – continued

Non-current accounts payable		**2022**	**2021**
CEMEX España, S.A. [6]	$	35,884	29,114
CEMEX Innovation Holding AG [4]		–	419,533
		35,884	448,647
Total liabilities with related parties	$	541,075	515,270

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

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

3 As of March 31, 2022 and December 31, 2021, accounts receivable mainly refers 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.

4 Include loans of CEMEX Innovation Holding AG ("CIH") to entities of CEMEX Latam under several revolving lines of credit. Balances payable to CIH as of March 31, 2022 include: a) CCL of $179,469 in 2022 with maturity on February 24, 2023, and $172,135 in 2021; b) the Parent Company of $251,847 in 2022 with maturity on February 24, 2023, and $247,398 in 2021, and c) Cemento Bayano of $59,108 in 2022 with maturity on December 20, 2022 and $56,216 in 2021. In addition, as of March 31, 2022, it includes royalties' accounts payables from the Parent Company to CIH of $9,564.

5 Balance associated with royalties on technical assistance agreements, use of licenses and trademarks, software and administrative processes.

6 On December 20, 2019, CEMEX Colombia renegotiated this until December 2024 at variable market rate plus 277 basis points that as of March 31, 2022 represented 3.12%.

The maturities of non-current accounts payable to related parties as of March 31, 2022 are as follows:

Debtor	**Annual rate**		**2024**	**Total**
CEMEX Colombia S.A..	6M Libor + 277 pbs [1]	$	35,884	35,884
		$	35,884	35,884

1 The *London Inter-Bank Offered Rate*, or LIBOR, is the variable rate used in international markets for debt denominated in Dollars. As of March 31, 2022, the three-month LIBOR rate was 0.96%. The contraction "bps" means basis points. One hundred bps equals 1%.

The Company's main transactions entered into with related parties for the three-month periods ended March 31, 2022 and 2021 are as follows:

Revenues		**2022**	**2021**
Balboa Investments B.V. [1]		1,763	1,719
Others		–	4
		1,763	1,723

Purchases of raw materials		**2022**	**2021**
CEMEX Corp and Subsidiaries	$	7,166	1,200
CEMEX Trading, LLC		6,284	–
CEMEX Internacional, S.A. de C.V.		1,601	1,335
Others		–	61
	$	15,051	2,596

Royalties and technical assistance		**2022**	**2021**
CEMEX Innovation Holding AG [2]	$	8,026	7,154
CEMEX Operaciones México, S.A. de C.V [2].		1,609	1,728
CEMEX, S.A.B. de C.V. [2]		791	671
	$	8,026	9,553

Financial expenses		**2022**	**2021**
CEMEX Innovation Holding AG [3]	$	7,243	7,754
Balboa Investments B.V. [1]		736	815
CEMEX España, S.A.		355	243
	$	8,334	8,812

1 Beginning on November 15, 2019, Cemento Bayano recognizes indemnity revenue in connection with the indemnity agreement with Balboa Investments B.V. ("Balboa"), subsidiary of CEMEX, which is accrued from that date 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 (notes 16B y 20B). For the three-month periods ended March 31, 2022 and 2021, from the balance of deferred revenue with related parties, a total of $1,027 and $904, respectively, were amortized through the recognition in the income statements of revenue of $1,763 and $1,719, respectively, and financial expenses of $736 and $815, respectively, considering the implicit interest rate of 8.4% (note 16B).

(Thousands of U.S. Dollars)

Balances and transactions with related parties – continued

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**.**

During the three-month periods ended March 31, 2022 and 2021, the independent directors and the chairman of the Parent Company's Board of Directors, in fulfillment of their functions, accrued compensation including remuneration and allowances, for a total of approximately $101 and $119, respectively. The Parent Company's independent directors have not received advances or loans and the Company has not provided guarantees or assumed any pension obligations on behalf of such independent directors and except for the civil liability insurance contracted by CEMEX, S.A.B. de C.V., the Company has not provided insurance for such independent directors. In addition, the Parent Company's proprietary directors, in their capacity as members of its Board of Directors do not receive compensation for their services. The Parent Company has no members of the Company's senior management among its employees.

In addition, for the three-month periods ended March 31, 2022 and 2021, the aggregate compensation amounts accrued by members of the top management, which was recognized in the Company's subsidiaries, were approximately $1,326 and $1,104, respectively, out of which, $952 in 2022 and $951 in 2021, corresponded to base remuneration plus performance bonuses including pensions and other postretirement benefits. In addition, approximately $375 in 2022 and $153 in 2021 out of the aggregate compensation corresponded to allocations of shares under the executive stock-based compensation programs.

10) OTHER ACCOUNTS RECEIVABLE

10A) OTHER CURRENT ACCOUNTS RECEIVABLE

Consolidated other accounts receivable as of March 31, 2022 and December 31, 2021 consisted of:

		2022	2021
From diverse activities	$	4,335	4,233
From the sale of assets and scrap		1,854	2,129
Loans to employees		763	632
	$	6,952	6,994

10B) OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

Consolidated balances of other assets and non-current accounts receivable as of March 31, 2022 and December 31, 2021 are detailed as follows:

		2022	2021
Loans and notes receivable [1]	$	10,105	7,568
Other non-current assets		149	143
	$	10,254	7,711

1 As of March 31, 2022 and December 31, 2021 this line item mainly includes a) a fund of Cemento Bayano to secure seniority premium payments for $2,980 and $2,800, respectively. b).includes an advance from CEMEX Colombia to a construction company related to the engineering project and construction, subject to the successful completion of certain procedures in the coming months, of a section of the access road to the Maceo Plant of $3,066 and $2,887, respectively, and c) in addition in 2022, includes an advance payment for the acquisition of equipment in Guatemala for $1,688.

11) INVENTORIES

Consolidated balances of inventories as of March 31, 2022 and December 31, 2021 are summarized as follows:

		2022	2021
Spare parts and supplies	$	27,919	23,556
Raw materials		19,855	14,488
Work-in-process		16,646	17,280
Finished goods		8,225	9,253
Inventory in transit		8,842	5,132
	$	81,487	69,709

(Thousands of U.S. Dollars)

12) ASSETS HELD FOR SALE AND OTHER CURRENT ASSETS

12A) OTHER CURRENT ASSETS

As of March 31, 2022, and December 31, 2021 consolidated other current assets consisted of:

		2022	2021
Advance payments [1]	$	9,016	9,659
Restricted cash [2]		350	329
	$	9,366	9,988

1 Advance payments associated with insurance premiums and cash advances to inventory suppliers.

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

12B) ASSETS HELD FOR SALE

As of March 31, 2022, and December 31, 2021, assets held for sale are detailed as follows:

		2022				2021		
		Assets	Liabilities	Net assets		Assets	Liabilities	Net assets
Costa Rica and El Salvador (notes 3A)	$	329,463	40,397	289,066	$	334,632	36,670	297,962
Other assets held for sale [1]		3,555	–	3,555		3,417	–	3,417
	$	333,018	40,397	292,621	$	338,049	36,670	301,379

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.

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

As of March 31, 2022 and December 31, 2021, the consolidated balances of this caption consisted of:

		2022 [1]	2021 [1]
Property, machinery and equipment, net	$	909,750	879,768
Assets for the right-of-use, net		14,446	14,666
	$	924,196	894,434

1 As of March 31, 2022 and December 31, 2021, the line item of assets held for sale includes $42,683 and $44,042 of property, machinery and equipment, net, respectively, as well as $534 and $579, respectively, of right-of-use assets, net in connection with the agreements for the sale of Costa Rica and El Salvador (note 3A).

14A) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of March 31, 2022 and December 31, 2021, the consolidated balances of property, machinery and equipment, net consisted of:

		2022				
		Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress	Total
Cost at end of the period	$	211,597	167,686	540,074	248,736	1,168,093
Accumulated depreciation and depletion		(47,573)	(47,211)	(163,559)	–	(258,343)
Net book value at end of the period	$	164,024	120,475	376,515	248,736	909,750

		2021				
		Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress	Total
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

(Thousands of U.S. Dollars)

Property, machinery and equipment – continued

In connection with the Maceo cement plant in Colombia, which has not initiated commercial operations (note 21C), as of March 31, 2022, the carrying amount of the plant was $257 million, of which, a portion equivalent to $69 million is held 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 $69 million, $43 million correspond to equipment contributed to Zomam by CEMEX Colombia as equity contribution and the complement of $26 million correspond to investments made directly by Zomam with financing granted by CCL amounting to $46 million including capitalized interest. The rest of Maceo's carrying amount is held directly in the books of CEMEX Colombia. On this regard, 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 equity contribution to Zomam mentioned above is under a legal proceeding to declare its ineffectiveness and, subsidiarily, its nullity and inexistence.

During the three-month period ended March 31, 2022 and 2021, the Company did not recognize impairment losses related to its property, machinery and equipment.

13B) ASSETS FOR THE RIGHT-OF-USE, NET

As of March 31, 2022 and December 31, 2021, the consolidated balances of the right-of-use assets associated with the recognition of lease contracts refer to the following underlying concepts:

		2022		
		Land and buildings	Machinery and equipment	Total
Assets for the right-of-use at end of the period		21,565	19,418	40,983
Accumulated depreciation		(12,066)	(14,471)	(26,537)
Net book value at end of the period	$	9,499	4,947	14,446

		2021		
		Land and buildings	Machinery and equipment	Total
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

For the three-month periods ended March 31, 2022 and 2021, rental expenses related to short-term lease contracts, low-value assets and variable lease payments were $410 and $357, respectively, recognized in cost of sales and operating expenses, as applicable.

14) GOODWILL AND INTANGIBLE ASSETS

As of March 31, 2022 and December 31, 2021, consolidated balances are summarized as follows:

		2022			2021		
		Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Intangible assets of indefinite useful life							
Goodwill	$	953,852	–	953,852	945,655	–	945,655
Intangible assets of definite useful life							
Customer relations		181,100	(176,779)	4,321	180,580	(172,251)	8,329
Industrial property and trademarks		600	(600)	–	600	(600)	–
Mining projects		1,882	(283)	1,599	1,727	(267)	1,460
Other intangibles		55	–	55	107	–	107
	$	1,137,489	(177,662)	959,827	1,128,669	(173,118)	955,551

As of March 31, 2022 and December 31, 2021, goodwill balances allocated by reportable segment are as follows:

		2022	2021
Colombia	$	278,423	270,553
Panama		263,413	263,413
Guatemala		236,528	235,339
Nicaragua		175,488	176,350
	$	953,852	945,655

(Thousands of U.S. Dollars)

Goodwill – continued

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

For the three-month periods ended March 31, 2022 and 2021, management did not determine any signs of impairment and, therefore, the need to carry out goodwill impairment analysis as of those dates. The Company continues to closely monitor and analyze the negative effects on its operating results caused by the COVID-19 Pandemic.

15) DEBT AND OTHER FINANCIAL LIABILITIES

As of March 31, 2022 and December 31, 2021, consolidated debt and other financial liabilities by type of interest rate, currency and financial instrument were summarized as follows:

		2022			2021		
		Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Floating rate debt	$	26,779	6,838	33,617	–	31,649	31,649
Fixed rate debt		7,277	58,371	65,648	6,933	56,301	63,234
	$	34,056	65,209	99,265	6,933	87,950	94,883
Effective rate [1]							
Floating rate		3.40%	3.55%		–	3.74%	
Fixed rate		4.30%	5.28%		4.30%	5.27%	

		2022				2021			
Currency		**Current**	**Non-current**	**Total**	**Effective rate [1]**	**Current**	**Non-current**	**Total**	**Effective rate [1]**
Pesos	$	29,338	54,471	83,809	4.56%	2,439	76,720	79,159	4.63%
Dollars		2,267	3,947	6,214	4.90%	2,180	4,460	6,640	4.94%
Other currencies		2,451	6,791	9,242	5.00%	2,314	6,770	9,084	5.01%
	$	34,056	65,209	99,265		6,933	87,950	94,883	

Instruments		**2022**	**2021**
Bank Loan *Bancolombia* [2]	$	26,680	25,118
Bank Loan *Banco Davivienda* [2]		26,680	25,118
Bank Loan *Banco de Bogotá* [2]		18,676	17,583
Bank Loan *Banco de Occidente* [2]		6,937	6,531
Financial obligations related to lease contracts (notes 13B) [3]		20,292	20,533
Total debt and other financial obligations	$	99,265	94,883
Of which:			
Current	$	34,056	6,933
Non-current		65,209	87,950

1 As of March 31, 2022 and December 31, 2021, 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, resources used for the partial repayment of its credit line with CEMEX España (note 9).

3 As of March 31, 2022 and December 31, 2021, the aggregate financial obligations for lease contracts of $20,292 and $20,533, respectively, include $384 in 2022 and $388 in 2021 related to lease contracts with CEMEX companies. As of March 31, 2022, the average discount rate is 4.97%.

The maturities of non-current debt and other financial liabilities as of March 31, 2022 were as follows:

		Bank loans	**Leases[1]**	**Total**
2023	$	52,293	789	53,082
2024		–	1,338	1,338
2025		–	6,011	6,011
2026 and thereafter		–	4,778	4,778
	$	52,293	12,916	65,209

1 Future payments for lease contracts are included in note 20A.

(Thousands of U.S. Dollars)

16) OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES AND OTHER LIABILITIES

16A) CURRENT OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of March 31, 2022 and December 31, 2021 consolidated other current accounts payable and accrued expenses were as follows:

		2022	2021
Other provisions and liabilities [1]	$	30,451	29,634
Contract liabilities with customers [2]		13,081	12,948
Accrued expenses [3]		11,596	12,782
Deferred revenue [4]		4,306	4,165
Others		394	374
	$	59,828	59,903

1 Includes, among others, provisions for: a) insurance and services of $17,448 in 2022 and $18,948 in 2021; b) employee' compensation of $9,454 in 2022 and $5,826 in 2021 as well as legal expenses and other commitments of $3,549 in 2022 and $4,860 in 2021.

2 Includes advance payments from customers of $13,081 in 2022 and $12,948 in 2021.

3 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.

4 Refers to the current portion of the indemnity agreement between Cemento Bayano and Balboa described in notes 16B.

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

16B) NON-CURRENT OTHER LIABILITIES

As of March 31, 2022 and December 31, 2021, consolidated other non-current liabilities were as follows:

		2022	2021
Deferred revenue [1]	$	36,369	38,301
Provision for asset retirement obligations [2]		7,441	7,025
Other provisions and liabilities		5,038	4,964
Other taxes		980	922
	$	49,828	51,212

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 20B). 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 income statement 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%. 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 $4,306 and $30,520 as of March 31, 2022, respectively, and of $4,165 and $31,688 as of December 31, 2021, 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 $5,849 in 2022 and $6,613 in 2021 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.

(Thousands of U.S. Dollars)

17) INCOME TAXES

17A) INCOME TAXES FOR THE PERIOD

The recognition of income taxes during interim periods is based on the best estimate of the expected income tax rate for the entire year, applied to earnings before income taxes. For the three-month periods ended March 31, 2022 and 2021, income tax expense recognized in the condensed consolidated income statements was as follows:

		2022 [1]	2021 [1]
Current income tax expense (benefit)	$	11,164	7,748
Deferred income tax expense (benefit)		(3,074)	(2,096)
	$	8,090	5,652
Out of which:			
Colombia [2]	$	2,220	2,319
Panama		(781)	(457)
Guatemala		1,481	1,340
Nicaragua		2,119	1,302
Others [3]		3,051	1,148
	$	8,090	5,652

1 In connection with the contracts for the sale of Costa Rica and El Salvador, the discontinued operations in the income statement are presented net of current and deferred income taxes related to these operations, which represented a combined income of $3,969 in 2022 and a combined expense of $1,805 in 2021.

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.

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

17B) SIGNIFICANT TAX PROCEEDINGS

CEMEX Latam is involved in several ongoing tax proceedings which have not required the recognition of accruals since the Company does not consider probable an adverse resolution considering the evidence at its disposal. Nonetheless, the Company cannot assure to obtain a favorable resolution. As of March 31, 2022, a summary of relevant facts of the most significant proceedings in progress, were as follows:

- 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 $33 million of income tax and $33 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 March 31, 2022, 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.

- 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 $23 million of income tax and $23 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 March 31, 2022, 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.

(Thousands of U.S. Dollars)

Significant tax proceedings – Colombia - continued

- 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 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.. 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, in January, 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 $8 million of penalties. CEMEX Colombia appealed the resolution before the Administrative Court of Tolima in January, 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 March 31, 2022, 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 Colones equivalent to approximately $5.2 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 Colones equivalent to approximately $2.8 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 Colones equivalent to approximately $5.2 million. In respect to the penalty, CEMEX Costa Rica has not received a payment request. In December 2018, CEMEX Costa Rica filed a claim against the Costa Rican State before the Administrative Contentious Court (the "Court"). On March 15, 2019, the Court notified CEMEX Costa Rica that the Attorney General Office (the "Attorney General") did not agree with its defense arguments. The hearing was held on November 12, 2019 and subsequently the proceeding was remitted to receive sentence. As of March 31, 2022, 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 Cordobas 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. On February 2, 2022, CEMEX Nicaragua was notified of the final resolution in which the Fiscal Authority confirm all its adjustments. The company filed an appeal on February 11, 2022. On March 22, 2022, the Tax Authority notified CEMEX Nicaragua of the reversal appeal resolution in which maintains the proposed adjustments for the income statement for the taxable year 2017. 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 March 31, 2022, 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 22 for Subsequent Events in relation to this procedure.

18) STOCKHOLDERS' EQUITY

18A) COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL

As of March 31, 2022 and December 31, 2021, the line-item common stock and additional paid-in capital was detailed as follows:

		2022			2021		
		Authorized	Treasury shares	Total	Authorized	Treasury shares	Total
Common stock	$	718,124	–	718,124	718,124	–	718,124
Additional paid-in capital		894,701	(126,110)	768,591	894,701	(126,276)	768,425
	$	1,612,825	(126,110)	1,486,715	1,612,825	(126,276)	1,486,549

During the three-month periods ended March 31, 2022 the Parent Company made physical deliveries of its own shares to the executives subject to the stock-based long-term incentive plan benefits, which increased additional paid-in capital in the amount of $166, as result of the decrease in treasury shares, which were delivered to these executives. During the first quarter of 2021 the Parent company did not make any physical deliveries of its own shares to executives.

(Thousands of U.S. Dollars)

Common stock and additional paid-in capital - continued

During the fourth quarter of 2020, CEMEX España carried out a Public Tender Offer (the "Tender Offer") for all and every one of 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 March 31, 2022 and December 31, 2021, the Parent Company's subscribed and paid shares by owner were as follows:

Shares	2022	2021
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 from share repurchase on December, 2020	108,342,518	108,342,518
	516,232,860	516,232,860
Owned by third-party investors	43,362,365	43,337,669
Total subscribed and paid shares	559,595,225	559,570,529

As of March 31, 2022 and December 31, 2021, 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 18,683,117 in 2022 and 18,707,813 in 2021 held in the Company's treasury (treasury shares).

As of March 31, 2022 and December 31, 2021, CEMEX España owned approximately 92.25% and 92.26%, respectively, of the Parent Company's common shares, excluding shares held in treasury. During 2020, CEMEX España launched the Tender Offer in order to repurchase all and each one of the outstanding shares of the Parent Company.

18B) OTHER EQUITY RESERVES

As of March 31, 2022 and December 31, 2021, the balances of other equity reserves are summarized as follows:

		2022	2021
Reorganization of entities under common control and other effects [1]	$	(300,422)	(300,422)
Translation effects of foreign subsidiaries [2]		(780,087)	(781,209)
Share-based payments [3]		25,192	24,913
	$	(1,055,317)	(1,056,718)

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

2 Represents the balance of 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 $10,945 in 2022 and $34,664 in 2021. 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 March 31, 2022 represents a loss of $39,345, will be reclassified to the income statement, effect that will be modified by changes in exchange rates occurring until the closing of the transaction.

3 Includes effects associated with the stock-based executive compensation programs (nota 18D), 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.

18C) RETAINED EARNINGS

In accordance with the provisions of the Corporations Law in Spain, the Parent Company must allocate 10% of its profit for the year, determined individually, to a legal reserve until it reaches at least an amount equivalent to 20% of the share capital. As of March 31, 2022 and December 31, 2021, the Parent Company's legal reserve amounted to $22,339 in both periods.

18D) EXECUTIVE' SHARE-BASED COMPENSATION

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

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

Executive' share-based compensation – continued

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.

During the three-month periods ended March 31, 2022 and 2021, total compensation expense related to the share-based long-term incentive programs described above amounted to $279 and $324, respectively, which was recognized in the operating results.

18E) NON-CONTROLLING INTERESTS

Non-controlling interest represents the share of non-controlling stockholders in the results and equity of consolidated entities. As of March 31, 2022, 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 23).

19) BASIC EARNINGS (LOSS) PER SHARE

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

The amounts considered for calculations of earnings (loss) per share ("EPS") for the three-month periods ended March 31, 2022 and 2021 are as follows:

Denominator (thousands of shares)		**2022**	**2021**
Weighted average number of shares outstanding – Basic EPS		559,571	558,857
Effect of dilutive instruments – share-based compensation		3,452	2,896
Weighted average number of shares outstanding – Diluted EPS		563,023	561,753
Numerator			
Net income (loss) from continuing operations	$	4,761	(2,305)
Less: non-controlling interest net income (loss)		11	(37)
Controlling interest net income (loss) from continuing operations		4,750	(2,268)
Net income from discontinued operations		11,308	6,090
Consolidated net income	$	16,058	3,822
Controlling interest basic earnings per share	$	0.03	0.01
Controlling interest basic earnings (loss) per share from continuing operations		0.01	(0.00)
Controlling interest basic earnings per share from discontinued operations		0.02	0.01
Controlling interest diluted earnings per share		0.03	0.01
Controlling interest diluted earnings (loss) per share from continuing operations		0.01	(0.00)
Controlling interest diluted earnings per share from discontinued operations	$	0.02	0.01

20) COMMITMENTS

20A) CONTRACTUAL OBLIGATIONS

As of March 31, 2022, the Company had the following contractual obligations:

(Thousands of Dollars)		**2022**				
Obligations		**Less than 1 year**	**1–3 years**	**3–5 years**	**More than 5 years**	**Total**
Bank loans (note 15)	$	26,680	52,293	–	–	78,973
Long-term debt with related parties [1]		505,191	–	–	–	505,191
Interest payments on debt [2]		28,732	5,022	–	–	33,754
Leases [3]		7,875	11,215	2,842	239	22,171
Pension plans and other benefits [4]		2,797	5,528	5,363	12,120	25,808
Purchases of raw materials, fuel and energy [5]		40,341	53,591	22,135	25,002	141,069
Investments in property, machinery and equipment [6]		4,911	852	–	–	5,763
Total contractual obligations	$	616,527	128,501	30,340	37,361	812,729

Contractual obligations – continued

1 This line item refers entirely to the Company's liabilities with related parties described in note 9.

2 Includes future interest payments under debt owed to third-party creditors and to related parties as well as lease contracts using the current interest rates on the contracts as of March 31, 2022.

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 CIH 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 March 31, 2022, the summary of certain significant contracts related to commitments for the purchase of raw materials, supplies and other items presented in the table above, which are commonly traded in the local currency of each subsidiary and which disclosed annual amounts are maximum estimates, depend on actual consumption at the unit prices agreed in the contracts, 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	2.8 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	2.1 years	1.5
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 16B), 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. signed on December 16, 2020.

Hedge of fuel prices

As of March 31, 2022 and December 31, 2021, CEMEX Colombia maintains call option contracts negotiated with CEMEX to hedge the price of diesel fuel for an aggregate notional amount of $5,688 and $6,057, respectively, with an estimated fair value representing assets of $3,570 in 2022 and $1,769 in 2021. 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 March 31, 2022 and 2021, changes in the fair value of these contracts recognized in comprehensive income represented gains of $1,801 and $984, respectively.

20B) OTHER COMMITMENTS

As of March 31, 2022, the Parent Company had the following relevant contracts with entities of CEMEX for several concepts, the amounts of which are based on fixed percentages over the life of the contracts on consolidated net sales based on market conditions, which are summarized below:

		(Millions of Dollars)			
Counterpart	**Contractor**	**Concept**	**Start / renewal date**	**Term**	**Annual amount**
CEMEX, S.A.B de C.V.	Parent Company	Use of trademarks	July 2017	5 years	$ 4
CEMEX Innovation Holding AG. [1]	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

Other commitments – continued

1 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, carried out 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 carrying out 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 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 9 and 16B), 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.

21) LEGAL PROCEEDINGS, CONTINGENCIES AND OTHER SIGNIFICANT PROCESSES

21A) LIABILITIES RESULTING FROM LEGAL PROCEEDINGS

CEMEX Latam is involved in various non-significant legal proceedings, different than those associated with taxes detailed in note 17B, that arise in the ordinary course of business, and that involve: 1) claims for product guarantees; 2) claims for environmental damage; and 3) other similar claims associated with the business, the resolutions of which are deemed probable and imply cash outflows or the delivery of other resources owned by CEMEX Latam. As a result, certain provisions or losses have been recorded in the financial statements, representing the best estimate of payments or impairment of assets thereof. As a result, CEMEX Latam considers that there will not be significant payments or additional losses in excess of the amounts already recognized. As of March 31, 2022, no proceeding is significant to be disclosed individually.

21B) CONTINGENCIES FROM LEGAL PROCEEDINGS

As of March 31, 2022, CEMEX Latam is involved in various legal proceedings, not related to tax matters (note 17B), 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, although a favorable resolution cannot be assured. In addition, CEMEX Latam describes other significant processes. 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 18A), 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. 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 March 31, 2022, 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

- 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 March 31, 2022, 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 March 31, 2022, 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"). In September, 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 March 31, 2022, 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 March 31, 2022, 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.

21C) OTHER SIGNIFICANT PROCESSES

In connection with the cement plant located in the municipality of Maceo in Colombia (the "Maceo Plant"), as described in note 13A, as of March 31, 2022, the plant has not initiated commercial operations considering several significant processes for the return of the investment. The evolution and status of the main issues related to such plant are described as follows:

Maceo Plant – Memorandums of understanding

- In August 2012, CEMEX Colombia signed a memorandum of understanding (the "MOU") with the representative of CI Calizas y Minerales S.A. ("CI Calizas"), for the acquisition and transfer of assets comprising land, the mining concession, the environmental license 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, on behalf of CEMEX Colombia, represent the entity in the acquisition of land plots adjacent to the plant, signing another memorandum of understanding (the "Land MOU"). Under the MOU and the Land MOU, CEMEX Colombia made cash advances to this representative for $13.4 million of a total of $22.5 million and paid interest accrued over the unpaid amount for $1.2 million. These amounts considering the exchange rate as of December 31, 2016 of 3,000.71 pesos per Dollar. In September 2016, after confirming irregularities in the acquisition processes by means of investigations and internal audits initiated in response to complaints received, 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 terminated the employment relationship with those then 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 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 by the Attorney General. Among 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 cooperating with the Attorney General. As of December 31, 2021, it is estimated that a resolution in the expiration of property process, under which initiated the evidentiary phase, may take between 10 and 15 years from its beginning. As of March 31, 2022, due to the expiration of property process of the assets under the MOU and the failures to legally formalize the purchases under the Land MOU, CEMEX Colombia is not the legal representative of Zomam, is not the rightful owner of the land and is not the assigned entity of the mining concession.

  The aforementioned situations 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 ($12.7 thousand dollars) as updated as of March 31, 2022 , the Operating Contract considers the following remunerations based on the operation of the plant.

Maceo Plant – Lease contracts, mandate and operating contract – continued

- 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 passed on judicially to a third party in a public tender offer, considering the signing of the Operation Contract, such third party would have to subrogate to the Operation Contract. As of March 31, 2022, 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 passed on judicially 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 March 31, 2022, 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.

22) SUBSEQUENT EVENTS

- In connection with CEMEX Nicaragua's proceeding regarding its income tax for the taxable year 2017, on April 1, 2022, CEMEX Nicaragua filed an appeal within the legal opportunity, confirming the arguments of the reinstatement recourse.

(Thousands of U.S. Dollars)

23) MAIN SUBSIDIARIES

The Parent Company's main direct and indirect subsidiaries as of March 31, 2022 and December 31, 2021 are as follows:

			% of interest	
Subsidiary	**Country**	**Activity**	**2022**	**2021**
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 Entity shares are included in the expiration of property process in Colombia (note 21C).

3 As a result of the merge between CEMEX (Costa Rica), S.A. and its direct parent company Lomas del Tempisque, S.R.L., completed 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 note 3A, on December 29, 2021, the Company entered into agreements with affiliates of Cementos Progreso for the sale of its operations in Costa Rica and El Salvador through the sale of the shares of these entities. The transaction is expected to be closed during the first half of 2022.