Audit report of Cemex Latam Holdings, S.A.

(With the Annual account and the Directors' report of the Company Cemex Latam Holdings, S.A. for the year ended on December 31, 2019)

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

KPMG Auditores, S.L.
P° de la Castellana, 259 C
28046 Madrid

Independent Auditor's Report on the Annual Accounts

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

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

Opinion

We have audited the annual accounts of Cemex Latam Holdings, S.A. (the "Company"), which comprise the balance sheet at December 31, 2019, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the accompanying annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the annual accounts in Spain pursuant to the legislation regulating the audit of accounts. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

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

Most Relevant Aspects of the Audit

The most relevant aspects of the audit are those that, in our professional judgment, have been considered as the most significant risks of material misstatement in the audit of the annual accounts of the current period. These risks were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

Recoverable amount of investments in equity instruments of Group companies and associates (see notes 2(d), 4(b) and 7)

Non-current investments in equity instruments of Group companies and associates, which amount to Euros 1,696,724 thousand at December 31, 2019, make up practically all of the Company's assets, and are therefore the most significant balance sheet item. The recoverable amount of equity investments in Group companies, for those companies in which there are indications of impairment, is calculated by applying valuation techniques which often require the exercising of judgment by the Directors and the use of assumptions and estimates. Due to the significance of the amount and the uncertainty associated with these estimates, this matter has been considered a relevant aspect of the audit.

Our audit procedures included assessing the design and implementation of the key controls relating to the valuation process, evaluating the criteria used by the Directors and management of the Company to identify the existence, or not, of indications of impairment of the equity investments, and evaluating the methodology and assumptions used to estimate the recoverable amount, contrasting the information contained in the model with the business plans of the investees for which there are indications of impairment. We involved our valuation specialists to assess the reasonableness of the main assumptions used by the Company. We also assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.

Emphasis of Matter

We draw attention to note 18 to the accompanying annual accounts, in which the Directors mention the event after the reporting date in relation to the health emergency triggered by the spread of Coronavirus disease 2019 (COVID-19) and the main consequences identified at the date of the authorization to issue these annual accounts, considering the measures adopted by the Spanish government, as well as the difficulties of estimating the possible impacts that this situation could have. Our opinion is not modified in respect of this matter.

Other Information: Directors' Report

Other information solely comprises the 2019 directors' report, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not encompass the directors' report. Our responsibility for the directors' report, in accordance with the requirements of prevailing legislation regulating the audit of accounts, consists of assessing and reporting on the consistency of the directors' report with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned accounts and without including any information other than that obtained as evidence during the audit. It is also our responsibility to assess and report on whether the content and presentation of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described in the preceding paragraph, the information contained in the directors' report is consistent with that disclosed in the annual accounts for 2019 and the content and presentation of the report are in accordance with applicable legislation.

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

Directors' Responsibility for the Annual Accounts

The Directors are responsible for the preparation of the accompanying annual accounts in such a way that they give a true and fair view of the equity, financial position and financial performance of the Company in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Annual Accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

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

From the significant risks communicated to the Directors of Cemex Latam Holdings, S.A., we determine those that were of most significance in the audit of the annual accounts of the current period and which are therefore the most significant risks.

We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

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

(Signed on original in Spanish)

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

May 27, 2020

CEMEX LATAM HOLDINGS, S.A.

Annual Accounts and Directors' Report
December 31, 2019
(With Independent Auditor's Report Thereon)

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

CEMEX LATAM HOLDINGS, S.A.

Balance Sheet
At December 31, 2019

(Thousands of Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Assets	Note	2019	2018
Non-current investments in Group companies and associates			
Equity instruments	7 and 13 (a)	1,696,724	1,660,571
Other financial assets	8 and 13 (a)	3	3
Non-current investments			
Other financial assets	8	6	5
Total non-current assets		**1,696,733**	**1,660,579**
Trade and other receivables			
Trade receivables from Group companies and associates	8 and 13 (a)	20,970	1,141
Personnel	8	26	22
Public entities, other	12	1,169	991
Cash and cash equivalents			
Cash		249	367
Total current assets		**22,414**	**2,521**
Total assets		**1,719,147**	**1,663,100**
Equity and Liabilities			
Capital and reserves	9		
Registered capital		578,278	578,278
Share premium		728,266	728,266
Treasury shares		(106,393)	(108,407)
Reserves		171,645	172,250
Profit/(loss) for the year		(9,401)	1,398
Translation differences		154,088	121,550
Total equity		**1,516,483**	**1,493,335**
Payables to Group companies and associates, non-current	10, 11 and 13 (a)	193,739	145,555
Total non-current liabilities		**193,739**	**145,555**
Trade and other payables			
Other payables	10	509	630
Trade payables to Group companies and associates	10 and 13 (a)	7,763	19,558
Personnel	10	359	388
Current tax liabilities	12	-	3,270
Public entities, other	12	294	364
Total current liabilities		**8,925**	**24,210**
Total equity and liabilities		**1,719,147**	**1,663,100**

The accompanying notes form part of the annual accounts for 2019.

CEMEX LATAM HOLDINGS, S.A.

Income Statement
for the year ended
December 31, 2019

(Thousands of Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Note	2019	2018
CONTINUING OPERATIONS			
Revenue	13 (b) and 14 (a)	**56,354**	**72,736**
Personnel expenses	14 (b)	**(2,075)**	**(2,286)**
Salaries, wages and similar costs		(1,636)	(1,783)
Employee benefits expense		(439)	(503)
Other operating expenses	14 (c)	**(49,522)**	**(52,563)**
External services		(1,718)	(1,839)
Other operating expenses		(47,804)	(50,724)
Results from operating activities		**4,757**	**17,887**
Finance costs	10	**(10,482)**	**(10,036)**
Group companies and associates	13 (b)	(10,476)	(10,029)
Other		(6)	(7)
Exchange losses		**(48)**	**(8)**
Net finance cost		**(10,530)**	**(10,044)**
Profit / (loss) before tax		**(5,773)**	**7,843**
Income tax	12	(3,628)	(6,445)
Profit / (loss) for the year		**(9,401)**	**1,398**

The accompanying notes form part of the annual accounts for 2019.

CEMEX LATAM HOLDINGS, S.A.

Statement of Changes in Equity
for the year ended
December 31, 2019

A) Statement of Recognized Income and Expense
(Thousands of Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	2019	2018
Profit / (loss) for the year	**(9,401)**	**1,398**
Income and expense recognized directly in equity		
Translation differences	32,538	67,737
Total income and expense recognized directly in equity	32,538	67,737
Total recognized income and expense	**23,137**	**69,135**

The accompanying notes form part of the annual accounts for 2019.

CEMEX LATAM HOLDINGS, S.A.

Statement of Changes in Equity
for the year ended
December 31, 2019

B) Statement of Total Changes in Equity
(Thousands of Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Registered capital	Share premium	Reserves	Profit/(loss) for the year	Translation differences	Treasury shares	Total
Balances at December 31, 2017	578,278	728,266	159,798	13,774	53,813	(109,729)	1,424,200
Recognized income and expense..................	-	-	-	1,398	67,737	-	69,135
Transactions with shareholders or owners							
Distribution of profit for 2017	-	-	13,774	(13,774)	-	-	-
Other changes	-	-	(1,322)	-	-	1,322	-
Balances at December 31, 2018	578,278	728,266	172,250	1,398	121,550	(108,407)	1,493,335
Recognized income and expense..................	-	-	-	(9,401)	32,538	-	23,137
Transactions with shareholders or owners							
Distribution of profit for 2018	-	-	1,398	(1,398)	-	-	-
Other changes	-	-	(2,003)	-	-	2,014	11
Balances at December 31, 2019	578,278	728,266	171,645	(9,401)	154,088	(106,393)	1,516,483

The accompanying notes form part of the annual accounts for 2019.

CEMEX LATAM HOLDINGS, S.A.

Statement of Cash Flows
for the year ended
December 31, 2019

(Thousands of Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Note	2019	2018
Cash flows from (used in) operating activities		**(30,013)**	**46,869**
Profit/(loss) for the year before tax		(5,773)	7,843
Adjustments for:		10,530	10,044
Finance costs	10	10,482	10,036
Exchange (gains)/losses		48	8
Changes in operating assets and liabilities		(32,026)	31,623
Trade and other receivables		(20,011)	12,525
Trade and other payables		(11,916)	18,810
Other current liabilities		(99)	288
Other cash flows used in operating activities		(2,744)	(2,641)
Income tax paid		(2,744)	(2,641)
Cash flows from (used in) investing activities		**-**	**(5)**
Payments for investments			
Other financial assets	8	-	(5)
Cash flows from (used in) financing activities		**34,659**	**(41,744)**
Proceeds from and payments for financial liability instruments		67,615	38,345
Issue			
Payables to Group companies and associates		67,615	38,345
Redemption and repayment of			
Payables to Group companies and associates		(32,956)	(80,088)
Effect of exchange rate fluctuations		**(4,764)**	**(5,254)**
Net decrease in cash and cash equivalents		**(118)**	**(134)**
Cash and cash equivalents at beginning of year		367	501
Cash and cash equivalents at year end		249	367

The accompanying notes form part of the annual accounts for 2019.

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

(1) Nature and Activities of the Company

Cemex Latam Holdings, S.A. (hereinafter the "Company" or "Cemex Latam") was incorporated on April 17, 2012 as a public limited liability company ("sociedad anónima"), for an unlimited period. Its registered office is located at Calle Hernández de Tejada, 1, in Madrid.

The statutory and principal activities of the Company consist of the management and administration of equity securities primarily of entities not resident in Spain through the organization of material and human resources, as well as the subscription, buy-back, holding, use, management or disposal of securities and stakes in companies, except those subject to specific legislation.

Without prejudice to the foregoing, the Company's statutory activity also includes the following activities:

- Rendering technical assistance, business management and support services to other companies in its group;

- Research and development in the field of construction materials;

- The manufacture, production, purchase, sale, distribution, transportation, marketing, export and import of cement, aggregates, concrete, mortar and any other construction materials, as well as any other product or activity directly or indirectly related to the cement industry and construction materials, and the exploration and operation of mines; and

- Management of all types of by-products and/or waste, in the broadest sense, including collection, transportation by road, sorting, recovery, marketing, treatment, conversion into fuel or raw materials, and disposal.

At December 31, 2019 and 2018 the first two activities listed above are carried out directly by the Company, while the activities described in the last two points are conducted through its subsidiaries.

As detailed in note 13 (b), a significant portion of the Company's transactions is with related parties.

As explained in note 7, the Company has equity investments in subsidiaries and associates, and is the parent of a group of companies that operate in Colombia, Panama, Costa Rica, Nicaragua, Guatemala and El Salvador (hereinafter "the Group" or "the Cemex Latam Group"), engaged mainly in the manufacture of cement, concrete and mortar, the extraction of aggregates, and the sale and distribution of the products extracted and manufactured. For the purposes of clarification, (i) the definition provided in this document for the terms "Group" and "Cemex Latam Group" is not contained in the provisions of Title VII, Chapter VI of Income Tax Law 27/2014 of November 27, 2014 on consolidated tax groups, and (ii) although the Company is the parent of a group of companies as defined under legislation in force, and therefore obliged to file consolidated annual accounts, it does not prepare consolidated annual accounts in Spain because the group of which it is the parent forms part of a Spanish group headed by Cemex España, S.A. (hereinafter the "Cemex España Group" or "Cemex España"), which presents consolidated annual accounts pursuant to article 43.2 of the Spanish Code of Commerce. Cemex España's registered office is located at Calle Hernández de Tejada, 1, in Madrid. Cemex España's consolidated annual accounts will be filed at the Madrid Mercantile Registry.

As stated in section (b) below, the Company's shares were admitted to trading on the Colombian Stock Exchange ("BVC") on November 16, 2012. As a Spanish company, Cemex Latam is governed by the Spanish Companies Act, as well as its Bylaws, the Regulations of the General Shareholders Meeting, the Regulations of the Board of Directors and other rules approved by the Company's internal governing bodies. Since being admitted to trading, Cemex Latam has implemented a corporate governance system that, subject to the requirements of Spanish legislation, voluntarily adheres to the main good governance recommendations applicable to Colombian issuers.

Lastly, the Company forms a part of an international cement and construction materials group (hereinafter the "Cemex Group") of which Cemex, S.A.B. de C.V. (hereinafter "Cemex") is the ultimate parent. Cemex, S.A.B. de C.V. is registered in Monterrey (Mexico) and listed on the Mexican (BMV) and New York (NYSE) stock exchanges.

(a) Incorporation of a branch in Switzerland

On August 1, 2012, the Company resolved to set up a branch in Switzerland (hereinafter the "Branch"). The Branch operates under the name "Cemex Latam Holdings, S.A. Madrid, Swiss Branch Brügg" and its assets, liabilities, expenses and income form an integral part of the Company's annual accounts. Details of the assets and liabilities at December 31, 2019 and 2018 are as follows:

	Thousands of Euros	
	2019	2018
Non-current assets	5	5
Current assets	251,769	259,136
Total assets	251,774	259,141
Current liabilities	7,925	23,231
Total liabilities	7,925	23,231
Reserves	227,349	214,760
Profit for the year	2,799	12,589
Translation differences	13,701	8,561
Total equity and liabilities	251,774	259,141

Total assets include the Branch's balances vis-à-vis its parent, amounting to Euros 230,822 thousand at December 31, 2019 (Euros 259,005 thousand at December 31, 2018), which are eliminated when drawing up the Company's annual accounts.

The Branch's principal activity is the licensing, use, development, maintenance and protection of the Cemex Latam Group's intellectual and industrial property rights. Its activity also includes the provision of technical assistance and management services.

The Branch keeps its own accounts, books and ledgers under Swiss accounting principles independently and separately from the Company's accounts. However, the legal person being one and the same, its results are integrated into the accompanying accounts.

(b) Initial public offering ("IPO")

On November 15, 2012, the Company completed its initial public offering on the Colombian Stock Exchange (BVC) of 170,388,000 new ordinary shares at a price of Colombian Pesos 12,250 (US Dollars 6.75) per share. The Company's shares are listed on the BVC under the ticker CLH. At December 31, 2019, Cemex España, S.A. holds approximately 73.17% of the outstanding ordinary shares of the Company, excluding treasury shares.

(2) Basis of Presentation

(a) True and fair view

The accompanying annual accounts have been prepared on the basis of the accounting records of Cemex Latam and of its Branch in accordance with prevailing legislation and the Spanish General Chart of Accounts, to give a true and fair view of the equity and financial position at December 31, 2019 and results of operations, changes in equity, and cash flows for the reporting period then ended.

The Board of Directors considers that the annual accounts for 2019, authorized for issue on March 23, 2020, will be approved with no changes by the shareholders at their annual general meeting.
In addition, as a foreign issuer of securities on the BVC and in accordance with Colombian securities exchange rules, the Company presents separate (individual) and consolidated financial statements under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"). The financial statements were approved by the Company's Board of Directors on February 11, 2020 and filed with the Financial Superintendency of Colombia ("SFC" – the Colombian securities market regulator). Those financial statements are not submitted to the shareholders for approval at the annual general meeting. However, the consolidated financial statements may be consulted on the Company's website (*www.cemexlatam.com*) in the Reports Archive section of the Investor Center tab.

(b) Comparative information

The balance sheet, income statement, statement of changes in equity, statement of cash flows and the notes thereto for 2019 include comparative figures for 2018, which formed part of the annual accounts approved by the shareholders at the annual general meeting held on June 28, 2019.

(c) Functional and presentation currency

The figures disclosed in the annual accounts are expressed in thousands of Euros, rounded off to the nearest thousand. The Company's functional currency is the US Dollar, as this is the currency in which most of its transactions are carried out.

The obligation to present the annual accounts in Euros requires the effect of translating the functional currency to be recognized.

The following criteria were applied when translating the functional currency to Euros:

- Assets and liabilities are translated at the closing rate at the reporting date.

- Income and expenses are translated at the average exchange rate for the period.

- All exchange differences arising from such translation are recognized as a separate component under "Translation differences" in equity.

(d) Critical issues regarding the valuation and estimation of relevant uncertainties and judgments used when applying accounting principles

Relevant accounting estimates and judgments and other estimates and assumptions have to be made when applying the Company's accounting principles to prepare the annual accounts. A summary of the items requiring a greater degree of judgment or which are more complex, or where the assumptions and estimates made are significant to the preparation of the annual accounts, is as follows:

The annual accounts of the Company for the years ended December 31, 2019 and 2018 reflect the estimates approved by the Board of Directors to measure certain assets, liabilities and commitments disclosed therein. Estimates affecting the most significant items relate to impairment of equity investments in Group companies and associates, and the projections supporting recognition of tax credits for tax loss carryforwards.

(i) Impairment of equity investments in Group companies and associates

The Company tests equity investments in Group companies and associates for impairment on an annual basis when there are indications of impairment. Calculating the recoverable amount of these equity investments requires the Cemex Latam Group to use estimates. The recoverable amount is the higher of fair value less costs to sell and value in use. The Cemex Latam Group determines these values by applying discounted cash flow methods, which are generally based on the five-year projections in the budgets approved by the Cemex Latam Group.

The flows take into consideration past experience and represent management's best estimate of future market performance. From the final year cash flows are extrapolated using perpetual growth rates and in certain cases, to calculate the residual value, cash flows are normalized. The key assumptions employed when determining fair value less costs to sell and value in use include growth rates, the weighted average cost of capital and tax rates. The estimates, including the methodology used, could have a significant impact on values and impairment.

(ii) Recognition of tax credits for tax loss carryforwards

Tax projections are determined based on the budgets approved by the Board of Directors and other estimates prepared by the Company's different departments. These projections, which encompass a maximum period of 10 years, take into consideration past experience and represent management's best estimate of future market performance.

Although the estimates approved by the Company's Board of Directors were based on the best information available at December 31, 2019, future events may require changes to these estimates in future reporting periods. Any effect on the annual accounts of adjustments to be made in subsequent years would be recognized prospectively.

(3) Distribution of Profit / Application of Loss

The distribution of the Euros 1,397,574.59 profit for the year ended December 31, 2018, proposed by the Board of Directors and approved by the shareholders at their annual general meeting on June 28, 2019, was as follows:

Distribution	Euros
Legal reserve	139,757.46
Voluntary reserves	1,257,817.13
	1,397,574.59

The Board of Directors will propose to the shareholders at their annual general meeting that the entire Euros 9,400,614.53 loss for the year ended December 31, 2019 be carried forward as prior years' losses and subsequently offset against voluntary reserves.

The Company's freely distributable reserves are nonetheless subject to the legal limits. Dividends may not be distributed if equity would be less than share capital as a result. Moreover, the distribution of dividends by the Company with a charge to reserves is subject to the limits set out in the Framework Agreement, as explained in note 16.

(4) Significant Accounting Policies

(a) Leases

The Company has rights to use certain assets through lease contracts.

Leases in which, upon inception, the Company assumes substantially all the risks and rewards incidental to ownership are classified as finance leases, otherwise they are classified as operating leases.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

(b) Financial instruments

The Company recognizes financial instruments when it becomes party to the contract or legal transaction, in accordance with the terms set out therein.

Debt instruments are recognized from the date on which the legal right to receive or legal obligation to pay cash arises. Financial liabilities are recognized at the trade date.

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument.

The Company classifies financial instruments into different categories based on the nature of the instruments and the Company's intentions on initial recognition.

A financial asset and a financial liability are offset only when the Company currently has the legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(i) Loans and receivables

These assets mainly include receivables from Group companies and are initially recognized at fair value, including transaction costs, and subsequently measured at amortized cost using the effective interest method. Nevertheless, financial assets which have no established interest rate, which mature or are expected to be received in the short term, and for which the effect of discounting is immaterial, are measured at their nominal amount.

(ii) *Investments in Group companies and associates*

Group companies are those over which the Company, either directly, or indirectly through subsidiaries, exercises control as defined in article 42 of the Spanish Code of Commerce, or when the companies are controlled by one or more individuals or entities acting jointly or under the same management through contractual agreements or statutory clauses.

Control is the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities. In assessing control, potential voting rights held by the Company or other entities that are exercisable or convertible at the end of each reporting period are considered.

Investments in Group companies are initially recognized at cost, which is equivalent to the fair value of the consideration given net of transaction costs, and are subsequently measured at cost net of any accumulated impairment.

The Company assesses its equity investments in Group companies to determine whether there is any indication of impairment, recognizing an impairment loss where the carrying amount exceeds the recoverable amount.

Dividends from investments in equity instruments are recognized when the Company is entitled to receive them. If the dividends are clearly derived from profits generated prior to the acquisition date because amounts higher than the profits generated by the investment since acquisition have been distributed, the carrying amount of the investment is reduced.

(iii) *Derecognition and modification of financial assets*

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, net of transaction costs, including any new asset obtained less any new liability assumed and any cumulative gain or loss deferred in recognized income and expense, is recorded in profit or loss. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the consideration received is recognized in liabilities. Transaction costs are recognized in profit and loss using the effective interest method.

(iv) *Impairment of financial assets*

A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company recognizes impairment of loans and receivables and debt instruments when estimated future cash flows are reduced or delayed due to debtor insolvency.

For equity instruments, objective evidence of impairment exists when the carrying amount of an asset is uncollectible due to a significant or prolonged decline in its fair value.

(v) *Financial liabilities*

Financial liabilities mainly include payables to Group companies and trade payables and are recognized initially at fair value less any directly attributable transaction costs. After initial recognition, liabilities classified under this category are measured at amortized cost.

Nevertheless, financial liabilities which have no established interest rate, which mature or are expected to be settled in the short term, and for which the effect of discounting is immaterial, are measured at their nominal amount.

(vi) *Derecognition and modification of financial liabilities*

The Company derecognizes all or part of a financial liability when it either discharges the liability by paying the creditor, or is legally released from primary responsibility for the liability either by process of law or by the creditor.

(c) Own equity instruments

Equity instruments acquired by the Company are shown separately at cost of acquisition as a reduction in capital and reserves in the balance sheet. Any gains or losses on transactions with own equity instruments are not recognized in profit or loss.

Transaction costs related to own equity instruments are accounted for as a reduction in reserves, net of any tax effect.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions.

(e) Contributions to defined contribution plans

The Company recognizes the contributions payable to a defined contribution plan in exchange for a service when an employee has rendered services. The contributions payable are recognized as an expense for the period, and as a liability after deducting any contribution already paid.

(f) Revenue from services rendered

Cemex Latam’s revenue represents the pre-VAT value of royalties paid by its direct and indirect subsidiaries for the use of intangible assets, trademarks and management services of Cemex under licensing agreements arranged through the Branch in Switzerland. Revenue is measured at the fair value of the consideration received or receivable and is recognized once the corresponding service has been provided.

(g) Provisions and contingencies

When preparing the annual accounts, the Company’s directors distinguish between:

(i) *Provisions*

Balances payable which cover present obligations arising from past events, the settlement of which is likely to result in an outflow of resources of uncertain timing or amount.

(ii) *Contingent liabilities*

Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

The annual accounts include all the provisions for amounts for which it is considered more likely than not that the obligation will have to be settled. Contingent liabilities are not recognized in the annual accounts, but rather are disclosed in the notes thereto, unless the possibility of their materializing is considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount necessary to settle or transfer the obligation, taking into account available information on the event and its consequences. Any adjustments arising from the restatement of these provisions are recognized as a finance cost as they are accrued.

Reimbursements receivable from third parties on settlement of an obligation are recognized as an asset provided that it is virtually certain that the reimbursement will be received, except where a legal relationship exists whereby part of the risk has been externalized, and by virtue of which the Company will not be held liable; in this situation, the reimbursement will be taken into account when estimating the amount for which the related provision should be recognized, where applicable.

(h) Income tax

The income tax expense or tax income for the year comprises current tax and deferred tax.

Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date.
Current and deferred tax are recognized as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different year, directly in equity, or from a business combination.

The Company has elected to file tax under the tax regime for entities holding foreign securities ("ETVEs" in the Spanish acronym), having submitted the pertinent notification to the Spanish Ministry of Finance on November 28, 2012. ETVEs are defined as entities whose corporate purpose consists of managing and administering equity securities of entities not resident in Spain through the organization of material and human resources. Such entities are regulated under Chapter XIII of Income Tax Law 27/2014 of November 27, 2014.

The Company files consolidated tax returns with Cemex España, S.A. and the Cemex España Group companies that are resident in Spain for tax purposes (the "Tax Group"). These companies are Cemex España Operaciones, S.L.U., Cementos Andorra, S.A., Corporación Cementera Latinoamericana, S.L.U., CCL Business Holdings, S.L.U., Business Material Funding, S.L., Macoris Investments, Solvades, S.L.U., Cemex Ventures España, S.L.U., Cemex España Gestión y Servicios, S.L.U., Construcción Digital Keobra, S.L., Materiales Express España S.L., Links Connecting the dots, S.L. and Neoris, S.L. The Company recognizes income tax payable or recoverable with a debit or credit to receivables from or payables to Group companies in accordance with the figures included in the consolidated income tax return.

The Company only recognizes deferred tax assets when it is probable that future taxable profit will be generated against which they may be offset within the period stipulated in applicable tax legislation, up to a maximum period of ten years, unless there is evidence that their recovery in a longer period of time is probable and tax legislation provides for their utilization in a longer period or stipulates no time limit for their utilization.

It is considered probable that the Company will generate sufficient taxable profit to recover deferred tax assets when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which are expected to reverse in the same tax period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from a deductible temporary difference can be carried back or forward.

In order to determine future taxable profit the Company takes into account tax planning opportunities, provided it intends or is likely to adopt them.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the years when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted. The tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognized in the balance sheet under non-current assets or liabilities, irrespective of the expected date of recovery or settlement.

(i) Share-based payment transactions

On January 16, 2013, having received a report from the Appointments and Remuneration Committee approving the initiative, the Company's Board of Directors approved a long-term incentive scheme for certain Cemex Latam Group executives in the form of annual remuneration programs with payment in Company shares, effective from January 1, 2013.

The cost associated with these long-term incentive schemes is the fair value of the shares at the delivery date and is recognized in the income statements of the CEMEX Latam Group companies in which the executives adhering to the scheme render their services. The shares underlying the scheme, which are treasury shares of the Company, are delivered fully paid-in over a period of four years under each annual program. The Company recognizes a reduction in treasury shares with a charge to other capital reserves in the amount of the shares delivered to the executives at the delivery date thereof.

(j) Classification of assets and liabilities as current and non-current

The Company classifies assets and liabilities in the balance sheet as current and non-current. Assets and liabilities are classified as current when they are expected to be realized or settled within 12 months after the reporting date. All other assets and liabilities are classified as non-current.

(k) Transactions between Group companies

Transactions between Group companies are recognized at the fair value of the consideration given or received. Any difference between this value and the amount agreed is recognized in line with the underlying economic substance of the transaction.

(l) Foreign currency transactions, balances and cash flows

Foreign currency transactions have been translated to US Dollars using the spot exchange rate applicable at the transaction date.

Monetary assets and liabilities denominated in foreign currencies have been translated to US Dollars at the closing rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate applicable at the transaction date.

In the statement of cash flows, cash flows from foreign currency transactions have been translated to US Dollars at the exchange rates at the dates the cash flows occur.

The effect of exchange rate fluctuations on cash and cash equivalents denominated in foreign currencies is recognized separately in the statement of cash flows as effect of exchange rate fluctuations.

Exchange gains and losses arising on the settlement of foreign currency transactions and the translation to US Dollars of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

(5) Operating Leases - Lessee

Since July 1, 2012 the Company has rented 100m² of space in a building located at Calle Hernández de Tejada, 1 (Madrid) from Cemex España, S.A. under an operating lease. On September 29, 2015, due to Cemex España, S.A. selling the buildings in which the aforementioned space is located to Hermandad

Nacional de Arquitectos Superiores y Químicos, Mutualidad de Previsión Social a Prima Fija, and the ensuing lease agreement between the two parties, the Company entered into a new sublease agreement, as sublessee, with Cemex España, S.A. for rental of that same space. The previous lease agreement was therefore terminated. On June 12, 2017 the sublease agreement was amended to reduce the leased surface area and the associated rent, in line with the Company's needs. The remaining terms and conditions of the sublease agreement are unchanged. The new sublease agreement has a term of 10 years and may be extended for two additional periods of two and three years, respectively.

Similarly, since November 2012 the Swiss Branch has leased 300m^2 of office space from Cemex Research Group AG ("CRG") in Brügg, Switzerland. On September 1, 2017, following the amendment of the aforementioned agreement with the consent of the parties, the lease was extended for a further five years, and is automatically renewable for additional one-year periods unless either of the parties gives written notice to the contrary one month in advance of the expiry date of the period in question.

Operating lease payments recognized as expenses amounted to Euros 122 thousand in 2019 and Euros 140 thousand in 2018.

Forecast future minimum payments under non-cancelable operating leases are as follows:

	Thousands of Euros	
	2019	2018
Up to one year	64	143
One to five years	153	195
More than five years	89	98
	306	356

(6) Risk Management Policy

The Company's activities are exposed to various financial risks, primarily liquidity risk, cash flow interest rate risk and capital risk. The Company's global risk management program focuses on uncertainties in its sector of operations and in financial markets, and aims to minimize the potentially adverse effects on the Company's financial performance.

The Company's Finance and Administration departments ("Comptroller, Internal Control and Internal Audit") work in coordination to jointly oversee the management of the Company's risks based on the policies, procedures and systems ("the Policies and Systems") in place and/or adopted specifically by the Company and other Cemex Latam Group companies. The strategic planning, tax and legal areas are also involved in the process. These departments identify, measure and manage the operating and financial risks to which the Company is exposed, in close collaboration with other Group areas and always under the supervision of the Company's senior management.

For the purpose of managing some of these risks, the Company's Board of Directors has determined the strategy for addressing risks such as cash flow interest rate risk, capital risk and liquidity risk, considering the policies issued by Cemex, S.A.B. de C.V.

The main risks and uncertainties identified are:

(a) Liquidity risk

The Company applies a prudent policy to cover its liquidity risks based on having sufficient cash, as well as sufficient financing through credit facilities. One of the objectives of the Treasury department of the Company and of the Cemex Group is to maintain flexible financing through drawdowns on credit facilities arranged with Cemex Group companies. Details of financial liabilities by contractual maturity date are provided in notes 10 and 11 (b). In addition, the parent of the Cemex Group to which the Company belongs has expressed in writing its commitment to provide any financial support required in the short term.

(b) Cash flow interest rate risk

The Company is exposed to interest rate risk through borrowings (loans and credit facilities) extended by Cemex Group companies. Fixed-rate loans are exposed to fair value interest rate risk, and are subject to review by the Cemex Group to confirm whether market interest rates are being used.

(c) Capital risk

At December 31, 2019 and 2018 the Company has no financial instruments or transactions involving treasury shares or shares of Cemex S.A.B. de C.V. or third parties, except for the share-based payment plans applicable to executives. As such, the Company does not expect any changes in forecast cash flows due to variations in share prices.

(7) **Investments in Equity Instruments of Group Companies and Associates**

Information on equity investments in Group companies and associates is provided in Appendices I and II.

Details of and movement in equity investments in Group companies and associates in 2019 and 2018 are as follows:

	Thousands of Euros				
Equity investment (*)	31.12.2018	Additions	Disposals	Translation differences	31.12.2019
Corporación Cementera Latinoamericana, S.L.U.	1,660,403	-	-	36,149	1,696,552
Cementos de Centroamérica, S.A.	99	-	-	2	101
Inversiones Secoya, S.A...............................	69	-	-	2	71
Total	1,660,571	-	-	36,153	1,696,724

	Thousands of Euros				
Equity investment (*)	31.12.2017	Additions	Disposals	Translation differences	31.12.2018
Corporación Cementera Latinoamericana, S.L.U.	1,585,059	-	-	75,344	1,660,403
Cementos de Centroamérica, S.A.	94	-	-	5	99
Inversiones Secoya, S.A...............................	67	-	-	2	69
Total	1,585,220	-	-	75,351	1,660,571

(*) *The Company's equity investments in Cemex El Salvador, S.A. de C.V., Cemex Transportes de Colombia, S.A., Cemex Guatemala, S.A. and Central de Mezclas, S.A. are not listed in the above table because the amounts are less than one thousand Euros.*

On September 27, 2018, with the approval of the pertinent authorities, the Company and its subsidiary Corporación Cementera Latinoamericana, S.L.U. ("CCL") sold their operations in Brazil through the sale of the Brazilian company Cimento Vencemos Do Amazonas, Ltda., as part of the binding agreements entered into with Votorantim Cimentos N/NE S.A., for approximately US Dollars 31 million (Euros 27 million).

The functional currencies of foreign operations are the currencies of the countries in which they are domiciled.

In the last quarter of each year, the Company performs the annual impairment testing to verify the recoverability of those equity investments for which there are indications of impairment. For the purpose of analyzing impairment of the significant equity investment for which there are indications of impairment, namely the stake in Corporación Cementera Latinoamericana, S.L.U., the cash flows generated by this company's investees have been taken into consideration. In 2019, on the basis of the discounted cash flow projection models, it was determined that no equity investments were impaired.

Impairment testing considers long-term economic variables. Discounted cash flow projections are highly sensitive to the estimation of future product prices, increases or decreases in volumes, changes in operating expenses, local and international economic trends in the construction industry, long-term growth expectations in the different markets, and the discount rates and perpetuity growth rates used, among other factors. The Company considers that its discounted cash flows and the discount rates used reasonably reflect the economic conditions at the calculation date.

At December 31, 2019 and 2018, the discount rates used to determine the discounted cash flows in the investees of CCL were between 8.4% and 11.3% (9.1% and 12.6% in 2018), while the estimated long-term growth rates used were between 1.5% and 5.5% (2.2% and 5.5% in 2018).

The Company confirms the reasonableness of its conclusions by analyzing the sensitivity to changes in the variables, altering the value in use with a reasonably possible independent increase of 1% in the discount rate, a reasonably possible independent decrease of 1% in the long-term growth rate, and using cash flow multiples, for which the Company determined an average cash flow multiple observed in recent mergers and acquisitions in the industry. This multiple was applied to the cash flow amounts and the results were compared with the carrying amount. The Company considered the average cash flow multiple observed in the industry of 11.5 times in 2019 and 11.1 times in 2018.

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

The discount rate used by Cemex Latam in its cash flow projections in most countries dropped by between 0.6% and 1.3% in 2019 compared with 2018, mainly due to the reduction in borrowing costs in the industry in 2019, which slid from 7.3% in 2018 to 5.4% in 2019. The risk-free rate applicable to Cemex Latam remained largely unchanged at 2.9%, while the specific risk rate of each country declined slightly in 2019 in most cases. These reductions were partially offset by the debt weighting in the calculation of the discount rate, which slid from 33.5% in 2018 to 31.7% in 2019.

With regard to the aforementioned variables used by the Company, no impairment came to light as a result of the sensitivity analyses entailing independent changes in each of the relevant variables, or from the analysis by multiples.

(8) Financial Assets

The classification of financial assets by category and class, except for equity investments in Group companies and associates, at December 31, 2019 and 2018 is as follows:

	2019		2018	
	Non-current	Current	Non-current	Current
	At amortized cost or cost	At amortized cost or cost	At amortized cost or cost	At amortized cost or cost
Loans and receivables				
Other financial assets				
Group companies and associates (note 13 (a))	3	-	3	-
Investments...	6	-	5	-
Trade receivables from Group companies and associates (note 13 (a))	-	20,970	-	1,141
Personnel	-	26	-	22
Total financial assets..	9	20,996	8	1,163

The carrying amount of trade and other receivables does not differ significantly from their fair value.

At December 31, 2019, trade receivables from Group companies and associates reflect the balances receivable from the Cemex Latam Group subsidiaries to which the Company charges royalties for use of intangible assets, trademarks and Cemex management services provided through the Swiss Branch. At December 31, 2018, this item primarily comprised income tax receivable from Cemex España, S.A., the parent of the Spanish tax group (see note 12).

(9) Equity

Details of equity and movement during the year are shown in the statement of changes in equity.

(a) Capital

At December 31, 2019 and 2018 the Company’s share capital amounts to Euros 578,278,342, represented by 578,278,342 ordinary shares with a par value of Euros 1 each. All the shares are subscribed and fully paid in.

The Company’s shares are listed on the Colombian Stock Exchange (“BVC”) under the ticker CLH.

(b) Share premium

The share premium includes contributions made by shareholders where shares are issued above par.
The share premium is unrestricted, unless there are negative reserves or losses that reduce equity to below share capital.

(c) Reserves

Details of reserves and profit/loss and movement during the year are shown in Appendix III.

(i) *Legal reserve*

The legal reserve has been appropriated in compliance with article 274 of the Spanish Companies Act, which requires that companies transfer 10% of profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of share capital.

The legal reserve is not distributable to shareholders and if it is used to offset losses, in the event that no other reserves are available, the reserve must be replenished with future profits.

(ii) *Voluntary reserves*

The Company's voluntary reserves are freely distributable, subject to the legal limits. Dividends may not be distributed if equity would be less than share capital as a result.

(iii) *Other reserves*

Other reserves include the cumulative effect of items and transactions recognized directly in equity. In 2019 and 2018, other reserves were reduced by Euros 2,003 thousand and Euros 1,322 thousand, respectively, primarily as a result of transactions involving own equity instruments in relation to the Company shares delivered to executives of the Cemex Latam Group under the share-based payment plans.

(d) Treasury shares

At December 31, 2019 and 2018 the Company holds 20,805,258 and 21,199,113 treasury shares, respectively.

In 2019 and 2018, treasury shares were reduced by Euros 2,014 thousand and Euros 1,322 thousand, respectively, as a result of the shares delivered to executives of the Cemex Latam Group under the aforementioned share-based payment plans (see note 4 (h)).

(10) Financial Liabilities

The classification of financial liabilities by category and class at December 31, 2019 and 2018 is as follows:

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

	Thousands of Euros					
	2019			2018		
	Non-current	Current	Total	Non-current	Current	Total
Payables to Group companies and associates (note 13 (a))						
Fixed-rate loans (note 11)	89,529	-	89,529	82,149	-	82,149
Fixed-rate credit facilities (note 11)	104,210	-	104,210	63,406	-	63,406
	193,739	-	193,739	145,555	-	145,555
Trade and other payables						
Other payables	-	509	509	-	630	630
Trade payables to Group companies and associates (note 13 (a))	-	7,763	7,763	-	19,558	19,558
Personnel	-	359	359	-	388	388
	-	8,631	8,631	-	20,576	20,576
Total financial liabilities	193,739	8,631	202,370	145,555	20,576	166,131

Debts and payables, for both trade and non-trade transactions, are measured at amortized cost or cost, which is a reasonable approximation of fair value.

At December 31, 2019 and 2018, trade payables to Group companies and associates essentially reflect the balance payable to CRG and Cemex Operaciones México, S.A. de C.V. for royalties on technical assistance agreements, use of licenses and trademarks received by Cemex Latam Holdings through the Branch, as well as the amount payable to Cemex Colombia, S.A. for administrative services provided to the Group.

Details of gains and losses on financial liabilities recognized in the income statement in 2019 and 2018 are as follows:

	Thousands of Euros	
	2019	2018
Finance costs at amortized cost	10,482	10,036
	10,482	10,036

(11) **Payables and Trade Payables**

(a) Main characteristics of financial debt

The terms and conditions of loans and financial debt at December 31, 2019 and 2018 are as follows:

2019						Thousands of Euros	
						Amortized cost	
Type	Currency	% effective and nominal rate	Start	Maturity	Nominal amount in original currency (thousands)	Current	Non-current
Group companies and associates							
Fixed-rate loans							
Lomez International B.V.	USD	5.65%	2012	2023	229,507	-	89,529
Fixed-rate credit facilities							
Lomez International B.V.	USD	5.65%	2012	2023	300,000	-	104,210
						-	193,739

2018

Type	Currency	% effective and nominal rate	Start	Maturity	Nominal amount in original currency (thousands)	Thousands of Euros Amortized cost Current	Non-current
Group companies and associates							
Fixed-rate loans							
Lomez International B.V.	USD	5.65%	2012	2023	229,507	-	82,149
Fixed-rate credit facilities							
Lomez International B.V.	USD	5.65%	2012	2023	300,000	-	63,406
						-	145,555

On March 1, 2018, as part of the process to simplify the Cemex Group's corporate structure, New Sunward Holding, B.V. ("NSH") transferred to Lomez International, B.V., a Dutch firm that is also part of the Cemex Group, the loans that had been extended by NSH to the Company. The terms and conditions of these loans have not been affected by the transfer.

(b) Classification of non-current financial liabilities by maturity

At December 31, 2019 and 2018 the classification by maturity of non-current financial liabilities, all of which are payables to Group companies and associates, is as follows:

	Thousands of Euros 2019	2018
Four years	193,739	-
Five years	-	145,555
	193,739	145,555

(c) Average supplier payment period

The information required by additional provision three of Law 15/2010 of July 5, 2010 (amended by final provision two of Law 31/2014 of December 3, 2014) is provided below. This information has been prepared in accordance with the Spanish Accounting and Auditing Institute (ICAC) resolution of January 29, 2016 on the information to be included in the notes to the annual accounts in relation to the average supplier payment period in trade operations.

Details of the average supplier payment period are as follows:

	Days 2019	2018
Average supplier payment period..........	41	31
Transactions paid ratio..........	44	33
Transactions payable ratio..........	28	27

	Thousands of Euros 2019	2018
Total payments made	44,890	40,347
Total payments outstanding..........	7,444	19,907

In accordance with the ICAC resolution, the average supplier payment period has been calculated on the basis of trade operations involving the delivery of goods or provision of services that have accrued since the entry into force of Law 31/2014 of December 3, 2014.

For the sole purpose of providing the information envisaged in this resolution, suppliers are considered to be trade payables to suppliers of goods or services recorded as other payables and payables to Group companies and associates under liabilities on the balance sheet.

The average supplier payment period is understood as the period from the date the invoice is received until actual payment.

(12) Taxation

Details of current balances vis-à-vis public entities at December 31, 2019 and 2018 are as follows:

	Thousands of Euros	
	2019	2018
Assets		
Value added tax and similar taxes	1,062	991
Current tax assets	107	-
	1,169	991
Liabilities		
Current tax liabilities	-	3,270
Withholdings	137	148
Social Security	157	216
	294	3,634

Details by company of intercompany balances resulting from the tax effect of filing consolidated tax returns are as follows:

	Thousands of Euros	
	2019	2018
Current assets		
Cemex España. S.A.	95	752
	95	752

In accordance with current legislation, taxes cannot be considered definitive until they have been inspected by the taxation authorities or before the four-year inspection period has elapsed.

In accordance with Spanish corporate income tax legislation, losses declared may be carried forward to be offset against profits of future accounting periods, indefinitely. Losses are offset when the tax return is filed, without prejudice to the taxation authorities' power of inspection. However, on December 3, 2016 Royal Decree-Law 3/2016 of December 2, 2016, adopting tax-related measures aimed at consolidating public finances and other urgent welfare measures, was published. Pursuant to this legislation, among other tax matters, with effect from January 1, 2016 tax losses may be offset up to a limit of 25% of taxable income before application of the carryforward.

The Company files consolidated income tax returns with its main shareholder, Cemex España, S.A., and the other Cemex Group entities that are resident in Spain for tax purposes. The standard rate of tax is 25%, which may be reduced by certain credits.

The Company is also subject to the tax regime applicable to entities holding foreign securities (ETVEs), in accordance with Title VII, Chapter XIII of Spanish Income Tax Law 27/2014 of November 27, 2014. Under this regime, dividends paid by the Company to shareholders not resident in Spain are not subject to taxation in Spain, unless the shareholder is a resident of a tax haven as defined in Spanish taxation terms, and provided that the dividends originate from tax-exempt income of the Company.

The Branch in Switzerland is a permanent establishment there for the purposes of the double taxation treaty between Switzerland and Spain, and is subject to Swiss tax legislation. It is liable for Swiss corporate income tax, which has a nominal rate of over 10%.

Income tax is calculated based on accounting profit or loss obtained by applying generally accepted accounting principles, which is not necessarily the same as the taxable income or tax loss. A provisional reconciliation of the accounting profit/loss for 2019 and 2018 with the taxable income/tax loss is as follows:

	Thousands of Euros	
	2019	2018
Profit/(loss) before income tax	(5,773)	7,843

Permanent differences		
Pre-tax profit/(loss) of the Branch	(6,555)	(19,765)
Temporary differences		
Finance costs for the year	8,978	4,911
Taxable accounting income/(tax loss)	(3,350)	(7,011)
Taxable income/(tax loss) of the Company	(3,350)	(7,011)

Negative permanent differences of the foreign Branch relate to income it obtained in Switzerland that is exempt from taxation in Spain.

The temporary differences arising in Spain in 2019 are the result of finance costs that are not deductible in the year. These finance costs may be deducted in subsequent tax periods up to the limits established in income tax regulations.

The Company has not recognized any deferred tax assets or liabilities at December 31, 2019 or 2018.

Details of the income tax expense related to profit/loss for 2019 and 2018 are as follows:

	Thousands of Euros		
	2019		
	Company	Branch	Total
Profit/(loss) for the year before tax	(12,328)	6,555	(5,773)
Tax paid abroad	-	(4,470)	(4,470)
Temporary differences	8,978	-	8,978
	(3,350)	2,085	(1,265)
Tax at 25%/9.64% (*)	(838)	201	(637)
Tax credits not capitalized in the year	743	-	743
Tax paid abroad	-	4,470	4,470
Other (adjustment of tax for prior year)	(33)	(914)	(948)
	(128)	3,756	3,628

	Thousands of Euros		
	2018		
	Company	Branch	Total
Profit/(loss) for the year before tax	(11,922)	19,765	7,843
Tax paid abroad	-	(5,701)	(5,701)
Temporary differences	4,911	-	4,911
	(7,011)	14,064	7,053
Tax at 25%/9.64% (*)	(1,753)	1,356	(397)
Tax credits not capitalized in the year	1,647	-	1,647
Tax paid abroad	-	5,701	5,701
Other (adjustment of tax for prior year)	(626)	120	(506)
	(732)	7,177	6,445

(*) The Branch is subject to a dual tax regime entailing full taxation at federal level and partial exemption at cantonal and local level. The tax rate of 9.64% is the effective rate applicable to the Branch.

At December 31, 2019 tax paid abroad, amounting to Euros 4,470 thousand (Euros 5,701 thousand at December 31, 2018) mainly reflects withholdings in the countries where the Swiss Branch receives royalties from the Company's subsidiaries.

In 2019 and 2018 the Company incurred a tax loss on an individual basis, which was utilized by other tax group companies and, therefore, the Company recognized tax income of Euros 95 thousand and Euros 106 thousand, respectively, from Cemex España, S.A., the parent of the Spanish tax group, with a charge to trade receivables from Group companies and associates.

Details of the income tax expense (income) in 2019 and 2018 are as follows:

	Thousands of Euros	
	2019	2018
Current tax		
Present year	4,576	6,951

Other (adjustment of final tax for prior year)	(948)	(506)
	3,628	6,445

(13) Related Party Balances and Transactions

Balances and transactions with the Parent reflect those carried out with the principal shareholder, Cemex España, S.A. Balances and transactions with Group companies and other related parties are those conducted with Cemex Latam Group companies and other Cemex Group companies, respectively.

(a) Related party balances

Details of balances with related parties at December 31, 2019 and 2018 are as follows:

	2019 Thousands of Euros			
	Parent	Group companies	Other related parties	Total
Non-current investments in Group companies and associates				
Equity instruments (note 7)	-	1,696,724	-	1,696,724
Other financial assets (note 8)	3	-	-	3
Total non-current assets	3	1,696,724	-	1,696,727
Trade and other receivables				
Trade receivables from Group companies and associates (note 8)	95	20,863	12	20,970
Total non-current assets	95	20,863	12	20,970
Total assets	98	1,717,587	12	1,717,697
Payables to Group companies and associates, non-current (note 10)	-	-	193,739	193,739
Total non-current liabilities	-	-	193,739	193,739
Trade and other payables				
Trade payables to Group companies and associates (note 10)	26	1,125	6,612	7,763
Total current liabilities	26	1,125	6,612	7,763
Total liabilities	26	1,125	200,351	201,502

	2018			
	Thousands of Euros			
	Parent	Group companies	Other related parties	Total
Non-current investments in Group companies and associates				
Equity instruments (note 7)	-	1,660,571	-	1,660,571
Other financial assets (note 8)	3	-	-	3
Total non-current assets	3	1,660,571	-	1,660,574
Trade and other receivables				
Trade receivables from Group companies and associates (note 8)	756	359	26	1,141
Total non-current assets	756	359	26	1,141
Total assets	759	1,660,930	26	1,661,715
Payables to Group companies and associates, non-current (note 10)	-	-	145,555	145,555
Total non-current liabilities	-	-	145,555	145,555
Trade and other payables				
Trade payables to Group companies and associates (note 10)	58	4,056	15,444	19,558
Total current liabilities	58	4,056	15,444	19,558
Total liabilities	58	4,056	160,999	165,113

(b) Related party transactions

The amounts of transactions with related parties in 2019 and 2018 are as follows:

	2019				
	Thousands of Euros				
	Parent	Group companies	Directors	Other related parties	Total
Income					
Income from royalties or licenses	-	36,931	-	-	36,931
Use of trademark	-	3,975	-	-	3,975
Management services	-	15,440	-	-	15,440
Other services rendered	-	8	-	-	8
Total income	-	56,354	-	-	56,354
Expenses					
Expenses for royalties or licenses	-	-	-	29,306	29,306
Use of trademark	-	-	-	3,749	3,749
Management services	21	3,576	-	11,153	14,750
Other services received	14	-	-	108	122
Personnel expenses	-	-	384	-	384
Finance costs	-	-	-	10,476	10,476
Total expenses	35	3,576	384	54,792	58,787

	2018				
	Thousands of Euros				
	Parent	Group companies	Directors	Other related parties	Total
Income					
Income from royalties or licenses	-	51,419	-	-	51,419
Use of trademark	-	3,948	-	-	3,948
Management services	-	17,362	-	-	17,362
Other services rendered	-	7	-	-	7
Total income	-	72,736	-	-	72,736
Expenses					
Expenses for royalties or licenses	-	-	-	30,351	30,351
Use of trademark	-	-	-	3,829	3,829
Management services	-	3,723	-	12,821	16,544
Other services received	37	-	-	103	140
Personnel expenses	-	-	345	-	345
Finance costs	-	-	-	10,029	10,029
Total expenses	37	3,723	345	57,133	61,238

On February 9, 2016 the Company signed a guarantee arrangement for the credit facility agreements entered into by its direct and indirect subsidiaries with Citigroup Inc. or any of the latter's subsidiaries, whereby the Company undertakes to act as guarantor in the event that any of its subsidiaries should fail to meet their payment obligations to Citigroup Inc. under those credit facilities. The Company would only be liable for an amount of up to US Dollars 30,000 thousand. At December 31, 2019 Cemento Bayano, S.A. and Cemex Costa Rica, S.A. have drawn down US Dollars 5,810 thousand and US Dollars 2,165 thousand, respectively, from the aforementioned credit facilities (US Dollars 5,777 thousand and US Dollars 2,500 thousand at December 31, 2018, respectively).

(c) Information on the Company's directors and senior management personnel

During the years ended December 31, 2019 and 2018, the Company’s directors did not carry out any transactions outside the ordinary course of business or that were not under market conditions.

The Company has no senior management personnel other than the members of the Board of Directors.

In 2019 and 2018 the members of the Board of Directors did not receive any loans or advances, nor did the Company extend any guarantees on their behalf or pay any public liability insurance premiums for damage or loss caused by actions or omissions in the performance of their duties. The Company has no pension or life insurance obligations with its former or current directors.

In 2019 and 2018 the members of the Board of Directors accrued Euros 384 thousand and Euros 345 thousand, respectively, as remuneration and allowances for attendance at meetings of the Board and its Committees. These amounts were paid during the years in question.

The directors of the Company and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Spanish Companies Act.

(14) Income and Expenses

(a) Revenue

Revenue includes royalties from the use of intangible assets and trademarks, and the services provided to direct and indirect subsidiaries through the human and material resources located in the Swiss Branch. Details of revenue by category of activity are provided in note 13 (b). All of this revenue is generated in Latin America and is accrued in US Dollars.

(b) Personnel expenses and employee information

Details of personnel expenses in 2019 and 2018 are as follows:

	Thousands of Euros	
	2019	2018
Salaries, wages and similar costs		
Salaries and wages	1,380	1,427
Transfers to defined contribution plans	9	8
Other remuneration	247	348
	1,636	1,783
Employee benefits expense		
Social Security payable by the Company	195	224
Other employee benefits expenses	244	279
	439	503
	2,075	2,286

The average number of employees and directors of the Company in 2019 and 2018, by professional category, is as follows:

	Number	
	2019	2018
Directors	9	9

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

Management	1	1
Middle management and supervisors	12	15
	22	25

The distribution of personnel by gender at December 31, 2019 and 2018 is as follows:

	Number			
	2019		2018	
	Female	Male	Female	Male
Directors	2	7	3	6
Management	-	1	-	1
Middle management and supervisors	6	6	8	7
	8	14	11	14

In 2019 and 2018 the Company had no employees with a disability rating of 33% or higher on its workforce.

(c) Other operating expenses

Other operating expenses mainly include royalty payments for use of intangible assets and trademarks recognized in the Swiss Branch, and management services provided by the Cemex Group.

(15) Audit Fees

The auditor of the Company's annual accounts, KPMG Auditores, S.L., accrued the following fees in 2019 and 2018 in respect of professional services rendered to the Company:

	Euros	
	2019	2018
Audit services	27,550	27,051
	27,550	27,051

In addition, KPMG Auditores, S.L. provides services to Cemex Latam Holdings, S.A. for the purposes of its listing on the Colombian Stock Exchange (“BVC”), consisting of the audit of the individual and consolidated annual financial statements, and audit reviews of the individual and consolidated interim financial statements under international standards. The fees for such services in 2019 and 2018 amount to Euros 327,125 and Euros 321,346, respectively.

The amounts shown above reflect the fees for 2019 and 2018, irrespective of the date of invoice.

(16) Commitments

At December 31, 2019 the Company has the following relevant commitments:

- On November 15, 2012 Cemex Latam, through its Branch in Switzerland, entered into an agreement with Cemex, S.A.B. de C.V. for use of Cemex trademarks. This agreement has a term of five years and is automatically renewable for equal periods, unless it is terminated by either of the parties one month in advance of the expiry date in question. In 2017 the agreement was renewed for a five-year period until July 1, 2022. The Cemex Latam Group’s operating companies must pay an annual amount for use of the trademarks. Such royalties are calculated based on net annual sales of goods and services, and market prices. The total royalty charge recognized in the income statement for the use of the trademark amounts to Euros 3,749 thousand at December 31, 2019 (Euros 3,829 thousand in 2018).

- On November 15, 2012 Cemex Latam, through its Branch in Switzerland, entered into an agreement with CRG for the use, operation and exploitation of intangible assets. This agreement was replaced on January 1, 2014. The agreement has a term of five years as of the novation date and is automatically renewable for equal periods, unless it is terminated by either of the parties one month in advance of the expiry date in question. The Cemex Latam Group’s operating companies must pay an annual royalty calculated based on net annual sales of goods and services, and market prices.

The total royalty charge recognized in the income statement for the use of intangible assets amounts to Euros 29,306 thousand at December 31, 2019 (Euros 30,351 thousand in 2018).

- On November 15, 2012 Cemex Latam, through its Branch in Switzerland, entered into a technical assistance agreement with Cemex Central, S.A. de C.V., for the technical, financial, market analysis, legal, human resources and IT areas, and other technical assistance. This agreement has a term of five years and is automatically renewable for equal periods, unless it is terminated by either of the parties one month in advance of the expiry date in question. In 2017 the agreement was renewed for a five-year period until July 1, 2022. The Cemex Latam Group's operating companies must pay an annual amount for technical assistance based on net annual sales of goods and services, and market prices. The total expense recognized in the income statement for services received amounts to Euros 11,153 thousand at December 31, 2019 (Euros 12,821 thousand in 2018).

In respect of these three agreements, Cemex Latam has agreed to pay Cemex an amount equivalent to 5% of the Cemex Latam Group's annual consolidated revenue. The 5% rate approved for these agreements cannot be increased without the consent of Cemex Latam's independent directors.

With respect to the IPO (see note 1 (b)) and to prevent potential conflicts of interest, on October 5, 2012 the Company also entered into a framework agreement with Cemex, S.A.B. de C.V. and Cemex España (the "Framework Agreement"). Under the Framework Agreement and in order to help Cemex honor its debt obligations, the Cemex Latam Group will require the prior consent of Cemex S.A.B. de C.V. and Cemex España:

- To carry out any consolidation, merger or cooperation arrangement (joint venture) with any natural or legal person other than Cemex S.A.B. de C.V. or its subsidiaries;

- To carry out any sale, lease, exchange or other arrangement, or acquisition from any person other than Cemex S.A.B. de C.V. or its subsidiaries;

- To issue or sell any shares or equity derivatives or to operate any share-based incentive plans, except (i) the issue of shares by the Company to Cemex S.A.B. de C.V. or its subsidiaries, (ii) the issue of shares to carry out the long-term incentive plan for executives, for an amount not exceeding US Dollars 1.75 million;

- To declare, resolve or pay out dividends, or other distributions by the Company related to its shares, other than (i) through the issuance of ordinary shares of the Company or pre-emptive subscription rights to shareholders of the Company in proportion to their stakes, provided that no cash is paid and no other assets of Cemex S.A.B. de C.V. or its subsidiaries (or any interest in the cash or asset) related to such distribution or interest are transferred to another person who does not belong to Cemex S.A.B. de C.V. or its subsidiaries (other than the Company) and/or (ii) in proportion to non-controlling interests in the Company, provided that each shareholder receives their share of any dividend, distribution or payment of interest at the same time;

- For the Company to (i) create, assume, grant or guarantee any type of debt, and (ii) pledge or encumber any assets for a total amount of more than US Dollars 25 million at any time (considering both (i) and (ii));

- To grant loans or assume a creditor position in respect of any type of debt, except (i) with respect to trade loans granted to customers under normal trade terms and in the ordinary course of business, (ii) as deferred consideration in respect of any sale, lease, exchange or other arrangement which the Company or its subsidiaries are authorized to perform without the consent of Cemex S.A.B. de C.V. and Cemex España; and

- To take any action that could reasonably cause Cemex S.A.B. de C.V. or its subsidiaries to breach any agreement or contract, including the debt agreement reached by Cemex S.A.B. de C.V. or its subsidiaries with a banking syndicate and any refinancing, substitution or amendment thereto, and comply with the notification requirements of Cemex S.A.B. de C.V. or its subsidiaries set out in the Framework Agreement for contracts or agreements other than (i) the debt agreement and any refinancing, substitution or amendment thereto, and (ii) the deeds of issuance of Cemex S.A.B. de C.V. or its subsidiaries and any substitution or amendment thereto.

The Framework Agreement may be amended or terminated if agreed in writing between Cemex, S.A.B. de C.V., Cemex España and Cemex Latam, subject to authorization by the independent directors. In addition, the Framework Agreement will be rendered null and void if the Company ceases to be subordinate to Cemex or if Cemex ceases to recognize its investment in Cemex Latam according to the full consolidation or equity method of accounting (or any other method applying similar principles). At its meeting held on March 28, 2017 the Board of Directors approved an amendment to the Framework Agreement to include a mutual interest principle between Cemex, S.A.B. de C.V., Cemex España and the Company in relation to the management of and response to legal proceedings, administrative matters and investigations conducted by governmental authorities or regulators.

(17) Contingencies

On March 16, 2018, certain investors that acquired shares in Cemex, S.A.B de C.V. between August 14, 2014 and March 13, 2018 filed a securities class action lawsuit at the United States District Court for the Southern District of New York against the aforementioned company, a member of its board of directors (the CEO) and another employee (the CFO). The lawsuit alleges violations on the basis of press releases and information submitted to the U.S. Securities and Exchange Commission ("SEC") that contained false and misleading declarations in relation to purported deficiencies in the construction of a cement plant carried out by Cemex Colombia, S.A. in the municipality of Maceo and the potential legal or criminal proceedings that could arise as a result of such deficiencies.

On July 12, 2019, the judge upheld a motion filed by Cemex to dismiss the class action, albeit allowing the plaintiffs to amend the lawsuit. On August 1, 2019, the plaintiffs submitted their amended lawsuit, alleging the same violations but altering the relevant period during which the shares in Cemex, S.A.B. de C.V. were purchased, which now begins on April 23, 2015 (instead of August 14, 2014), and including the Company as a defendant in addition to Cemex, S.A.B. de C.V.

On September 5, 2019, the defendants filed a motion to dismiss the claim. On October 11, 2019, the plaintiffs lodged a statement of opposition, and the defendants submitted their response thereto on November 1, 2019. At December 31, 2019, neither Cemex, S.A.B de C.V. nor the Company could reliably measure the probability of an adverse outcome arising from this lawsuit in view of the current status and preliminary nature thereof. Nor was it possible to assess whether an eventual adverse outcome would have a significant negative impact on the results of the Company's operations, its liquidity and its financial position (see note 18).

(18) Events after the Reporting Period

(a) Securities class action lawsuit brought against Cemex, S.A.B. de C.V. and CLH

On February 11, 2020, the United States District Court for the Southern District of New York handed down its decision on the securities class action lawsuit described above, wherein it once again upheld the motion filed by Cemex, S.A.B. de C.V. and the Company to dismiss the lawsuit, with prejudice. Having regard to the Company, in its decision the Court concurred with one of the arguments submitted, on the basis that the class action against the Company was already statute-barred when the plaintiffs decided to include the Company in the amended lawsuit. The proceedings have culminated and the dismissal is final. Accordingly, the proceedings against all of the defendants have been closed, inasmuch as the plaintiffs have not lodged any appeals.

(b) COVID-19: international pandemic

On 11 March 2020, the World Health Organization declared the outbreak of Coronavirus disease 2019 (COVID-19) to be a pandemic, due to its rapid spread across the globe, having affected over 150 countries. The majority of governments are taking restrictive measures to contain the spread, including: isolation, confinement, quarantine and restrictions on the free movement of people, the closure of public and private premises (except for basic necessities and health services), border closures and a drastic reduction in air, sea, rail and land transport. In Spain, the government enacted Royal Decree 463/2020 of March 14, 2020, declaring a state of emergency to manage the health crisis triggered by COVID-19, which, a priori, will remain in force for 15 calendar days. In addition, on March 22 the government announced its intention to prolong the state of emergency for the Coronavirus crisis by 15 calendar days. This measure is expected be approved by the Lower House of the Spanish Parliament at the plenary session on Wednesday March 25, 2020.

This situation is having a significant impact on the global economy due to the interruption or slowdown of supply chains and the substantial increase in economic uncertainty, evidenced by greater volatility in asset prices and exchange rates, and a drop in long-term interest rates.

To mitigate the economic impacts of this crisis, on Wednesday March 18, Royal Decree-Law 8/2020 of March 17, 2020 on extraordinary urgent measures to address the economic and social impact of COVID-19 was published in Spain.

The consequences derived from COVID-19 are considered an event after the reporting period that does not require an adjustment in the annual accounts for 2019, but must be disclosed in the annual accounts for 2020.

Although no consequences have arisen at the date the annual accounts were authorized for issue, the Company expects significant events to arise in the future, which cannot be reliably estimated. In this respect, the Company considers that there could be an impact on the measurement of investments in Group companies as regards the estimated future cash flows considered, although it is not in a position to quantify the extent of such impact.

During 2020, the Company will assess the impact of the above-mentioned events on the equity and financial position at 31 December 2020 and on the results of operations and cash flows for the year then ended.

CEMEX LATAM HOLDINGS, S.A.

Information on Group Companies and Associates
December 31, 2019

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

Name	Registered office	Activity	Auditor
Subsidiaries..			
Apollo Re, Ltd...	Bridgetown (Barbados)	Insurance company	KPMG
Cemento Bayano, S.A.	Panama City (Republic of Panama)	Manufacture and sale of cement and concrete	KPMG
Cemex El Salvador, S.A de C.V...	La Libertad (El Salvador)	Sale of cement	KPMG
Cemex Nicaragua, S.A.	Managua (Nicaragua)	Manufacture and sale of cement	KPMG
Cemex Transportes de Colombia, S.A................................	Bogotá (Colombia)	Freight	KPMG
Central de Mezclas, S.A..	Bogotá (Colombia)	Mining permits	KPMG
Corporación Cementera Latinoamericana, S.L.U..................	Madrid (Spain)	Holding company	KPMG
Cementos de Centroamérica, S.A.	Guatemala City (Guatemala)	Finance	KPMG
Cemex Guatemala, S.A.	Puerto Quetzal (Guatemala)	Manufacture and sale of cement and concrete	KPMG
Cemex Colombia, S.A.	Bogotá (Colombia)	Manufacture and sale of cement and concrete	KPMG
Cemex Costa Rica, S.A...	San José (Costa Rica)	Manufacture and sale of cement	KPMG
Lomas del Tempisque, S.R.L.	San José (Costa Rica)	Holding company	KPMG
Pavimentos Especializados, S.A.	Panama City (Republic of Panama)	Consultancy, advisory, studies, design and consumer services	KPMG
Cemex Lan Trading Corporation	Bridgetown (Barbados)	Sale of cement	-
Cemex Premezclados de Colombia, S.A.	Bogotá (Colombia)	Manufacture and sale of construction materials	KPMG
Inversiones Secoya, S.A..	Managua (Nicaragua)	Manufacture and sale of construction materials	KPMG
CCL Business Holdings, S.L.U...	Madrid (Spain)	Holding company	-
Cemex Finance Latam B.V.	Amsterdam (Netherlands)	Finance	-
Superquímicos de Centroamérica, S.A.	Panama City (Republic of Panama)	Manufacture of chemicals for industry	-
Zona Franca Especial Cementera del Magdalena Medio S.A.S.	Maceo (Colombia)	Sale of construction materials and cement production	Carlos Alvarado Consultores Auditores S.A.S.

This appendix forms an integral part of note 7 to the annual accounts for 2019, in conjunction with which it should be read.

CEMEX LATAM HOLDINGS, S.A.

Information on Group Companies and Associates
December 31, 2018

Name	Registered office	Activity	Auditor
Subsidiaries			
Apollo Re, Ltd.	Bridgetown (Barbados)	Insurance company	KPMG
Cemento Bayano, S.A.	Panama City (Republic of Panama)	Manufacture and sale of cement and concrete	KPMG
Cemex El Salvador, S.A de C.V.	La Libertad (El Salvador)	Sale of cement	KPMG
Cemex Nicaragua, S.A.	Managua (Nicaragua)	Manufacture and sale of cement	KPMG
Cemex Transportes de Colombia, S.A.	Bogotá (Colombia)	Freight	KPMG
Central de Mezclas, S.A.	Bogotá (Colombia)	Mining permits	KPMG
Corporación Cementera Latinoamericana, S.L.U.	Madrid (Spain)	Holding company	KPMG
Cementos de Centroamérica, S.A.	Guatemala City (Guatemala)	Finance	KPMG
Cemex Guatemala, S.A.	Puerto Quetzal (Guatemala)	Manufacture and sale of cement and concrete	KPMG
Cemex Colombia, S.A.	Bogotá (Colombia)	Manufacture and sale of cement and concrete	KPMG
Cemex Costa Rica, S.A.	San José (Costa Rica)	Manufacture and sale of cement	KPMG
Lomas del Tempisque, S.R.L.	San José (Costa Rica)	Holding company	KPMG
Pavimentos Especializados, S.A.	Panama City (Republic of Panama)	Consultancy, advisory, studies, design and consumer services	KPMG
Cemex Lan Trading Corporation	Bridgetown (Barbados)	Sale of cement	-
Cemex Premezclados de Colombia, S.A.	Bogotá (Colombia)	Manufacture and sale of construction materials	KPMG
Inversiones Secoya, S.A.	Managua (Nicaragua)	Manufacture and sale of construction materials	KPMG
CCL Business Holdings, S.L.U.	Madrid (Spain)	Holding company	-
Cemex Finance Latam B.V.	Amsterdam (Netherlands)	Finance	-
Superquímicos de Centroamérica, S.A.	Panama City (Republic of Panama)	Manufacture of chemicals for industry	-
Zona Franca Especial Cementera del Magdalena Medio S.A.S.	Maceo (Colombia)	Sale of construction materials and cement production	Carlos Alvarado Consultores Auditores S.A.S.

This appendix forms an integral part of note 7 to the annual accounts for 2019, in conjunction with which it should be read.

CEMEX LATAM HOLDINGS, S.A.

Other Information on Group Companies and Associates
December 31, 2019
(Thousands of Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Thousands of Euros									
	% ownership						Profit/(loss)			
Name	Direct	Indirect	Total	Capital	Reserves	Other equity components	Operating activities	Continuing operations	Total equity	Carrying amount
Subsidiaries										
Apollo Re, Ltd.	-	100.00%	100.00%	21,939	-	(17,419)	16,716	18,681	23,201	-
Cemento Bayano, S.A. [(3)]	-	99.48%	99.48%	127,357	31,939	227	7,928	1,328	160,851	-
Cemex El Salvador, S.A de C.V. [(2)]	0.01%	99.99%	100.00%	2,280	13,211	180	180	(322)	15,349	-
Cemex Nicaragua, S.A.	-	98.85%	98.85%	7	72,133	(11,263)	6,870	7,350	68,227	-
Cemex Transportes de Colombia, S.A. [(1) (2)]	-	100.00%	100.00%	100	3,809	1,302	1,545	1,006	6,217	-
Central de Mezclas, S.A. [(1) (2)]	-	100.00%	100.00%	534	6,948	1,854	(30)	(62)	9,274	-
Corporación Cementera Latinoamericana, S.L.U.	100.00%	-	100.00%	1,314,761	(31,229)	244,658	(63,216)	(91,034)	1,437,156	1,696,552
Cementos de Centroamérica, S.A.	1.00%	99.00%	100.00%	1	17,003	592	63	342	17,938	101
Cemex Guatemala, S.A. [(1) (2) (3)]	-	100.00%	100.00%	14,752	212,794	7,386	(4,468)	(6,315)	228,617	-
Cemex Colombia, S.A. [(3)]	-	99.74%	99.74%	2,536	710,775	9,183	28,893	(1,353)	721,141	-
Cemex Costa Rica, S.A. [(3)]	-	98.92%	98.92%	360	146,859	(2,212)	10,476	(814)	144,193	-
Lomas del Tempisque, S.R.L.	-	99.74%	99.74%	108,738	41,345	(43,212)	(11)	(4,132)	102,739	-
Pavimentos Especializados, S.A.	-	99.74%	99.74%	137	(1,693)	(23)	(338)	(487)	(2,066)	-
Cemex Lan Trading Corporation	-	100.00%	100.00%	-	24,289	(241)	2,604	3,078	27,126	-
CCL Business Holdings, S.L.U.	-	100.00%	100.00%	4	64	(2)	-	(4)	62	-
Cemex Premezclados de Colombia, S.A.	-	100.00%	100.00%	28	598	(64)	762	332	894	-
Inversiones Secoya, S.A.	1.00%	99.00%	100.00%	7,131	3,757	(1,697)	2,544	916	10,107	71
Cemex Finance Latam B.V.	-	100.00%	100.00%	2,025	351	(101)	(36)	187	2,462	-
Superquímicos de Centroamérica, S.A.	-	100.00%	100.00%	8	2,521	85	1,181	1,165	3,779	-
Zona Franca Especial Cementera del Magdalena Medio S.A.S.	-	99.74%	99.74%	1,036	18,537	2,979	(3,045)	(7,326)	15,226	-
										1,696,724

This appendix forms an integral part of notes 1 and 7 to the annual accounts for 2019, in conjunction with which it should be read.

(1) One share is held by Cemex Latam Holdings, S.A.

(2) The Company's equity investments in Cemex El Salvador, S.A. de C.V., Cemex Transportes de Colombia, S.A., Cemex Guatemala, S.A. and Central de Mezclas, S.A. are not listed in the above table because the amounts are less than one thousand Euros.

(3) Consolidated figures.

CEMEX LATAM HOLDINGS, S.A.

Other Information on Group Companies and Associates
December 31, 2018
(Thousands of Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Thousands of Euros									
	% ownership						Profit/(loss)			
Name	Direct	Indirect	Total	Capital	Reserves	Other equity components	Operating activities	Continuing operations	Total equity	Carrying amount
Subsidiaries										
Apollo Re, Ltd.	-	100.00%	100.00%	56,080	-	(1,985)	16,203	17,517	71,612	-
Cemento Bayano, S.A. [3]	-	99.48%	99.48%	127,357	24,625	(3,230)	15,942	7,703	156,455	-
Cemex El Salvador, S.A de C.V. [2]	0.01%	99.99%	100.00%	2,280	15,343	(209)	213	(294)	17,120	-
Cemex Nicaragua, S.A.	-	98.85%	98.85%	7	64,102	(9,529)	8,893	8,092	62,672	-
Cemex Transportes de Colombia, S.A. [1] [2]	-	100.00%	100.00%	100	3,405	1,029	856	406	4,940	-
Central de Mezclas, S.A. [1] [2]	-	100.00%	100.00%	534	7,058	1,871	(30)	(109)	9,354	-
Corporación Cementera Latinoamericana, S.L.U.	100.00%	-	100.00%	1,314,761	130,063	211,857	(132,331)	(161,292)	1,495,389	1,660,403
Cementos de Centroamérica, S.A.	1.00%	99.00%	100.00%	1	16,008	140	(73)	996	17,145	99
Cemex Guatemala, S.A. [1] [2] [3]	-	100.00%	100.00%	14,366	237,596	1,328	4,076	4,292	257,582	-
Cemex Colombia, S.A. [3]	-	99.74%	99.74%	2,536	807,965	(15,676)	30,814	(81,200)	713,625	-
Cemex Costa Rica, S.A. [3]	-	98.92%	98.92%	360	126,977	(13,594)	23,934	13,861	127,604	-
Lomas del Tempisque, S.R.L.	-	99.74%	99.74%	108,002	15,319	(7,855)	(34)	5,201	120,667	-
Pavimentos Especializados, S.A.	-	99.74%	99.74%	137	(1,317)	9	(146)	(374)	(1,545)	-
Cemex Lan Trading Corporation	-	100.00%	100.00%	-	21,465	(747)	2,518	2,823	23,541	-
CCL Business Holdings, S.L.U.	-	100.00%	100.00%	4	71	(3)	-	(4)	68	-
Cemex Premezclados de Colombia, S.A.	-	100.00%	100.00%	28	479	(71)	690	109	545	-
Inversiones Secoya, S.A.	1.00%	99.00%	100.00%	7,131	2,699	(1,453)	3,097	1,053	9,430	69
Cemex Finance Latam B.V.	-	100.00%	100.00%	2,025	(24)	(150)	(5)	375	2,226	-
Superquímicos de Centroamérica, S.A.	-	100.00%	100.00%	8	966	29	1,559	1,556	2,559	-
Zona Franca Especial Cementera del Magdalena Medio S.A.S.	-	99.74%	99.74%	1,036	27,952	4,953	(3,218)	(9,376)	24,565	-
										1,660,571

This appendix forms an integral part of notes 1 and 7 to the annual accounts for 2019, in conjunction with which it should be read.

(1) One share is held by Cemex Latam Holdings, S.A.

(2) The Company's equity investments in Cemex El Salvador, S.A. de C.V., Cemex Transportes de Colombia, S.A., Cemex Guatemala, S.A. and Central de Mezclas, S.A. are not listed in the above table because the amounts are less than one thousand Euros.

(3) Consolidated figures.

CEMEX LATAM HOLDINGS, S.A.

Details of Reserves
December 31, 2019 and 2018
(Thousands of Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Legal reserve	Voluntary reserves	Other reserves	Total
Balance at December 31, 2017	17,385	154,159	(11,746)	159,798
Distribution of profit	1,378	12,396	-	13,774
Other changes in equity	-	-	(1,322)	(1,322)
Balance at December 31, 2018	18,763	166,555	(13,068)	172,250
Distribution of profit	140	1,258	-	1,398
Other changes in equity	-	-	(2,003)	(2,003)
Balance at December 31, 2019	18,903	167,813	(15,071)	171,645

This appendix forms an integral part of note 9 to the annual accounts for 2019, in conjunction with which it should be read.

CEMEX LATAM HOLDINGS, S.A.

Directors' Report
2019

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

(1) **Nature and activities of the Company**

Cemex Latam Holdings, S.A. (hereinafter the “Company” or “Cemex Latam”, interchangeably) was incorporated on April 17, 2012 as a public limited liability company (“sociedad anónima”), for an unlimited period. Its registered office is located at Calle Hernández de Tejada, 1, in Madrid.

The Company was incorporated to head a group of companies engaged in the cement business, the parent of which is Cemex S.A.B. de C.V. (hereinafter “Cemex” or the “Cemex Group”), in certain South and Central American countries, including Colombia, Panama, Costa Rica, Nicaragua, Guatemala and El Salvador (hereinafter the “Group” or the “Cemex Latam Group”, interchangeably), for the purpose of carrying out an Initial Public Offering on the Colombian Stock Exchange (hereinafter interchangeably referred to as “the Initial Public Offering” or the “IPO”), which was completed on November 15, 2012. The Company’s shares, all of the same class, have been traded on the Colombian Stock Exchange (“BVC”) since November 16, 2012.

The statutory and principal activities of the Company consist of the management and administration of equity securities primarily of entities not resident in Spain through the organization of material and human resources, as well as the subscription, buy-back, holding, use, management or disposal of securities and stakes in companies, except those subject to specific legislation.

Without prejudice to the foregoing, the Company’s statutory activity also includes the following activities:

- Rendering technical assistance, business management and support services to other companies in its group;

- Research and development in the field of construction materials;

- The manufacture, production, purchase, sale, distribution, transportation, marketing, export and import of cement, aggregates, concrete, mortar and any other construction materials, as well as any other product or activity directly or indirectly related to the cement industry and construction materials, and the exploration and operation of mines; and

- Management of all types of by-products and/or waste, in the broadest sense, including the collection, transportation by road, sorting, recovery, marketing, treatment, conversion into fuel or raw materials, and disposal.

At December 31, 2019 the first two activities listed above are carried out directly by the Company, while the activities described in the last two points are conducted through its subsidiaries.

The Company has investments in subsidiaries and associates, and is the parent of a group of companies engaged mainly in the manufacture of cement, concrete and mortar, the extraction of aggregates, and the sale and distribution of the products extracted and manufactured. For the purposes of clarification, (i) the definition provided in this document for the terms “Group” and “Cemex Latam Group” is not contained in the provisions of Title VII, Chapter VI of Income Tax Law 27/2014 of November 27, 2014 on consolidated tax groups, and (ii) although the Company is the parent of a group of companies as defined under legislation in force, and therefore obliged to file consolidated annual accounts, it does not prepare consolidated annual accounts in Spain because the group of which it is the parent forms part of a higher level Spanish group headed by Cemex España, S.A. (hereinafter “the Cemex España Group” or “Cemex España”), which presents individual and consolidated annual accounts pursuant to article 43.2 of the Spanish Code of Commerce.

Cemex España's registered office is located at Calle Hernández de Tejada, 1, in Madrid. The consolidated annual accounts of Cemex España will be filed at the Madrid Mercantile Registry once they have been approved by the shareholders at the annual general meeting.

The Company is part of the Cemex Group, the ultimate parent of which is Cemex, S.A.B. de C.V., which is domiciled in Monterrey (Mexico) and listed on the Mexican Stock Exchange (BMV) and the New York Stock Exchange (NYSE).

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In the period from January 1, 2019 to December 31, 2019 the Company's revenue mainly consisted of royalties paid by its direct and indirect subsidiaries for use of intangible assets, trademarks and Cemex management services under licensing agreements arranged through the Branch in Switzerland. This revenue forms part of the Company's main business operations and the amount recorded in 2019 is Euros 56,354 thousand.

(2) Business performance of the Cemex Latam Group

Key indicators for 2019 include the following:

- Consolidated volumes of domestic gray cement remained stable during the year, while volumes of concrete and aggregates were down 8% and 9%, respectively, on 2018.

- When adjusted for exchange rate fluctuations, prices per ton of domestic gray cement and concrete declined by 1% and 2%, respectively, compared to the prior year, and climbed 2% year-on-year in the case of aggregates.

- Consolidated net sales were down 11% on 2018, amounting to US Dollars 989 million (Euros 884 million). Higher sales in Colombia and El Salvador were more than attenuated by the reductions seen in the other countries where we operate, in terms of local currency.

- Consolidated EBITDA for 2019 dropped 20% with respect to the prior year, from US Dollars 249 million (Euros 223 million) to US Dollars 199 million (Euros 178 million), mainly because of the lower volumes and the rise in variable costs, partially offset by higher prices and by savings on administrative expenses and costs of sales in relation to our plan, "A stronger CEMEX".

The main performance trends of the Cemex Latam Group's businesses in the South and Central American markets in which it operates are summarized below:

Colombia

Volumes of domestic gray cement, concrete and aggregates rose by 9%, 5% and 1%, respectively, in 2019 compared to 2018. Prices of domestic gray cement, concrete and aggregates in local currency rose by 5%, 0% and 4%, respectively, compared to 2018.

In 2019 EBITDA in Colombia fell by 6% to US Dollars 91 million (Euros 81 million), compared to US Dollars 97 million (Euros 87 million) in 2018, while net sales contracted by 4% to US Dollars 504 million (Euros 451 million) during the same period. In addition to the drop in volumes in 2018, both fuel and freight costs increased, contributing negatively to EBITDA.

Panama

Our volumes of domestic gray cement, concrete and aggregates dropped by 15%, 28% and 29%, respectively, in 2019 compared to the same period of 2018.

Net sales totaled US Dollars 181 million (Euros 162 million) in 2019, down 18% on the same period in the prior year.

EBITDA dropped 26% to US Dollars 49 million (Euros 44 million) in 2019 with respect to 2018. Demand for cement continued to be affected by the high inventory levels for apartments and offices, and by the slowing economy. In the infrastructure sector, cement consumption in the Corredor de las Playas project was slower than expected, while the project to build a fourth bridge over the Panama Canal underwent design amendments that delayed the start-up of the construction works. Projects such as the new wind farm, the Corredor Norte highway and the Transisthmian Route served as back-up volume in the last quarter of the year.

Costa Rica

Volumes of domestic gray cement, concrete and aggregates decreased by 21%, 30% and 13%, respectively, in 2019 compared to 2018. Demand for cement was affected by the uncertainty surrounding the implementation of the tax reform, and by the slow pace of infrastructure projects.

Net sales were down 27% on the previous year, to US Dollars 102 million (Euros 91 million). Domestic gray cement and aggregates prices in local currency dropped by 3% and 9%, respectively, while concrete prices in local currency rose by 2%, compared to 2018.

EBITDA totaled US Dollars 30 million (Euros 27 million) during the year, down 33% on the same period of the prior year. Efficiencies in administrative expenses and costs of sales were not sufficient to offset the drop in sales and the higher distribution costs.

Other Cemex Latam Group countries

In the “Rest of CLH” region, which includes our operations in Nicaragua, Guatemala and El Salvador, volumes of domestic gray cement, concrete and aggregates dropped by 6%, 46% and 27%, respectively, in 2019 compared to 2018.

In Nicaragua, domestic demand for cement was weak throughout 2019 due to the socio-political crisis. In Guatemala, domestic demand for cement picked up in 2019, bolstered by vertical housing and industrial projects in Guatemala City. Cement volumes remained stable in 2019, although performance lagged behind the market due to the lesser market share of our concrete business, inasmuch we concentrate on the most profitable projects, and to higher imports.

Net sales in 2019 totaled US Dollars 217 million (Euros 194 million), down 9% on 2018. EBITDA for the year amounted to US Dollars 60 million (Euros 54 million), which is 21% less than in the same period of the prior year.

(3) <u>Outlook for the Cemex Latam Group</u>

In 2020, cement volumes are expected to decline by between 4% and 6%, concrete volumes are forecast to climb by between 3% and 5%, while the variation in aggregates is expected to range between a rise of 1% and a drop of 1%, compared with 2019. Investments in property, plant and equipment for maintenance and strategic purposes are forecast to total US Dollars 40 million and US Dollars 5 million (Euros 36 million and Euros 4 million), respectively.

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(4) Risks and uncertainties

The Company's activities are exposed to various financial risks, primarily liquidity risk, cash flow interest rate risk and capital risk. The Company's global risk management program focuses on uncertainties in its sector of operations and in financial markets, and aims to minimize the potentially adverse effects on the Company's financial performance.

The Company's Finance and Administration departments ("Comptroller, Internal Control and Internal Audit") work in coordination to jointly oversee the management of the Company's risks based on the policies, procedures and systems ("the Policies and Systems") in place and/or adopted specifically by the Company and other Cemex Latam Group companies. The strategic planning, tax and legal areas are also involved in the process. These departments identify, measure and manage the operating and financial risks to which the Company is exposed, in close collaboration with other Group areas and always under the supervision of the Company's senior management.

For the purpose of managing some of these risks, the Board of Directors of Cemex Latam has determined the strategy for addressing risks such as cash flow interest rate risk, capital risk and liquidity risk, considering the policies issued by Cemex, S.A.B. de C.V.

The main risks and uncertainties identified are:

(a) Liquidity risk

The Company applies a prudent policy to cover its liquidity risks based on having sufficient cash, as well as sufficient financing through credit facilities. One of the objectives of the Treasury department of the Company and of the Cemex Group is to maintain flexible financing through drawdowns on credit facilities arranged with Cemex Group companies. In addition, the parent of the Cemex Group to which the Company belongs has expressed in writing its commitment to provide any financial support required in the short term.

(b) Cash flow interest rate risk

The Company is exposed to interest rate risk through borrowings (loans and credit facilities) extended by Cemex Group companies. Fixed-rate loans are exposed to fair value interest rate risk, and are subject to review by the Cemex Group to confirm whether market interest rates are being used.

(c) Capital risk

At December 31, 2019 the Company has no financial instruments or transactions involving treasury shares or shares of Cemex S.A.B. de C.V. or third parties, except for the share-based payment plans applicable to executives. As such, the Company does not expect any changes in forecast cash flows due to variations in share prices.

(5) Research and development activities (R&D)

Through its Branch in Switzerland, the Company has developed Cemex Group industrial property aimed at and adapted for Latin American countries.

As a result, the Branch now adapts the Cemex Group's intangible assets to meet the specific needs of the Latin American markets in which the Cemex Latam Group operates.

Cemex Latam Holdings, S.A. (Swiss Branch) has therefore signed agreements to provide services and to manage and develop industrial property, sublicensing the use of this industrial property to the Latin American countries in question. It has also signed licensing agreements with the Cemex Group.

(6) Treasury shares

At December 31, 2019 the Company held 20,805,258 treasury shares. These shares were bought back on December 12, 2012 when the put option granted to the underwriters in the aforementioned Initial Public Offering was exercised.

In 2019, a total of 816,491 treasury shares were blocked due to the implementation of the long-term incentive scheme approved by the Board of Directors at its meeting held on January 16, 2013, with effect from January 1, 2013, following receipt of a report from the Appointments and Remuneration Committee approving the initiative. This scheme is an annual remuneration program for certain Cemex Latam Group executives based on Company shares, which are delivered fully paid-in in four 25% blocks per year under each of the annual programs.

In 2019, 393,855 shares were delivered to certain executives, corresponding to the portion accrued under the program for the prior year.

(7) Average supplier payment period

The average supplier payment period is 41 days, which lies within the legal payment period.

(8) Derivative financial instruments

The Company does not operate with derivative financial instruments.

(9) Events after the reporting period

(a) Securities class action lawsuit brought against Cemex, S.A.B. and CLH

On February 11, 2020, the United States District Court for the Southern District of New York handed down its decision on the securities class action lawsuit, wherein it once again upheld the motion filed by Cemex, S.A.B. de C.V. and the Company to dismiss the lawsuit, with prejudice. Having regard to the Company, in its decision the Court concurred with one of the arguments submitted, on the basis that the class action against the Company was already statute-barred when the plaintiffs decided to include the Company in the amended lawsuit. The proceedings have culminated and the dismissal is final. Accordingly, the proceedings against all of the defendants have been closed, inasmuch as the plaintiffs have not lodged any appeals.

(b) COVID-19: international pandemic

On 11 March 2020, the World Health Organization declared the outbreak of Coronavirus disease 2019 (COVID-19) to be a pandemic, due to its rapid spread across the globe, having affected over 150 countries. The majority of governments are taking restrictive measures to contain the spread, including: isolation, confinement, quarantine and restrictions on the free movement of people, the closure of public and private premises (except for basic necessities and health services), border closures and a drastic reduction in air, sea, rail and land transport. In Spain, the government enacted Royal Decree 463/2020 of March 14, 2020, declaring a state of emergency to manage the health crisis triggered by COVID-19, which, a priori, will remain in force for 15 calendar days. In addition, on March 22 the government announced its intention to prolong the state of emergency for the Coronavirus crisis by 15 calendar days. This measure is expected be approved by the Lower House of the Spanish Parliament at the plenary session on Wednesday March 25, 2020.

This situation is having a significant impact on the global economy due to the interruption or slowdown of supply chains and the substantial increase in economic uncertainty, evidenced by greater volatility in asset prices and exchange rates, and a drop in long-term interest rates.
To mitigate the economic impacts of this crisis, on Wednesday March 18, Royal Decree-Law 8/2020 of March 17, 2020 on extraordinary urgent measures to address the economic and social impact of COVID-19 was published in Spain.

The consequences derived from COVID-19 are considered an event after the reporting period that does not require an adjustment in the annual accounts for 2019, but must be disclosed in the annual accounts for 2020.

Although no consequences have arisen at the date the annual accounts were authorized for issue, the Company expects significant events to arise in the future, which cannot be reliably estimated. In this respect, the Company considers that there could be an impact on the measurement of investments in Group companies as regards the estimated future cash flows considered, although it is not in a position to quantify the extent of such impact.

During 2020, the Company will assess the impact of the above-mentioned events on the equity and financial position at 31 December 2020 and on the results of operations and cash flows for the year then ended.

CEMEX LATAM HOLDINGS, S.A.

Authorization of the annual accounts

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

Mr. Juan Pelegrí y Girón, in his capacity as Director and Secretary to the Board of Directors of Cemex Latam Holdings, S.A. (the "Company"), hereby certifies that the accompanying document comprises the Annual Accounts and Directors' Report for 2019, which were duly authorized for issue by the Board of Directors at their meeting held on March 23, 2020 using virtual communications technology, pursuant to the requirements of article 253.2 of the Spanish Companies Act and article 37 of the Spanish Code of Commerce, and are printed on plain paper as follows:

- The Balance Sheet is transcribed on sheet 1.
- The Income Statement is transcribed on sheet 2.
- The Statement of Changes in Equity is transcribed on sheets 3 and 4.
- The Statement of Cash Flows is transcribed on sheet 5.
- The Notes to the Annual Accounts are transcribed on sheets 6 to 29, to which three Appendices numbered I to III are attached.
- The directors' report is transcribed on sheets 1 to 6.

Certification of the foregoing by means of the signatures of the directors is reflected on separate sheets, inasmuch as the directors were in different locations and connected to one another via virtual communications technology.

Mr. Jaime Muguiro Domínguez

Mr. Jesús González Herrera

Mr. Juan Pablo San Agustín Rubio

Mr. Jaime Gerardo Elizondo Chapa

Mr. José Luis Orti García

Ms. Coloma Armero Montes

Ms. Mónica Aparicio Smith

Mr. Rafael Santos Calderón

Mr. Juan Pelegrí y Girón