

Cemex Denmark ApS

Naverland 2, DK 2600 Glostrup, Denmark

CVR - No. 25 48 53 51

**Annual Report for the period
January 1 to December 31, 2017**

17th financial year

Chairman Pernille Ohlsen

The annual report has been presented and approved at the company's ordinary general meeting, Copenhagen, 14th June 2018.

Signed reports

Management's report	1
Auditors' report	2-4

Management statement

Company information.....	5
Statement	6

Annual Report

Income statement.....	7
Balance sheet as at December 31	8-9
Shareholder's Equity	10
Notes to the annual report	11-20

MANAGEMENT'S REPORT

The Executive Board has today discussed and approved the annual report for the financial year 1. January 2017 – 31 December 2017 for Cemex Danmark ApS.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1. January 2017 – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and its financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 14th June 2018.

The management

Niels Christian Wedell-Wedellsborg

Pernille Ohlsen

Søren Søgaard

THE INDEPENDENT AUDITOR'S REPORT

To the shareholders of Cemex Danmark ApS

Opinion

We have audited the financial statements of Cemex Danmark ApS for the financial year 1 January – 31 December 2017, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

THE INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view

THE INDEPENDENT AUDITOR'S REPORT

We communicate with those charged with governance 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 14th June 2018

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

David Olafsson
State Authorised
Public Accountant

Mne 19737

MANAGEMENT STATEMENT

Company information:

Address	Naverland 2, 2600 Glostrup
Nature of Business	The objects of the company are to carry on business within trade and financial activities, including as a holding company, to acquire and posses shares in Danish and foreign companies and to perform other related activities according to decisions made by the management.
Management	Niels Christian Wedell-Wedellsborg Pernille Ohlsen Søren Søgaard
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 DK – 2100 København Ø

MANAGEMENT STATEMENT

Principal activities

The company acts as a holding company in the Mexican group CEMEX whose principal activity is production and sale of building materials. Cemex Denmark ApS has invested in companies which principal activities are sale and distribution of cement in the Caribbean area.

Development in activities and financial position

The company's financial position and the result of the year will be shown in the following income statement of the year 2017 and the balance sheet as per December 31, 2017.

The result for the period is a loss of kDKK 225,945 after writedowns of kDKK 208,540 on Cemex Caribe and kDKK 12,034 on the valuation of shares held in Caribbean Cement Co. Ltd., Trinidad.

There has been a further investment of kUSD 1,050 in Cemex Bahamas Ltd as a capital increase

Apart from substantial losses in Haiti, where the ready-mix business has now been terminated, subsidiaries and associated companies have realized an improvement in the result before interest during 2017.

Management has performed a test of the valuation of the investments in subsidiaries. This has led to a conclusion that the carrying value at cost of the subsidiary Cemex Caribe, Panama needed an adjustment (impairment loss) in an amount of kDKK 208,540.

The Management of the company expects progress in the result and the cash flow in subsidiaries and associated companies, and the Management is of the opinion that the net realization value at least equals the value entered in the annual report.

After restatement of the value of subsidiaries, equity of the company is negative in an amount of kDKK 70,366. The company has therefore lost more than half of the subscribed share capital and is therefore subject to the capital loss requirements of the Danish Company's Act.

The shareholders will during 2018 decide how to restore the capital. In connection with the issuance of the Financial Statements for 2017 the shareholders Cemex España, SA. have issued a letter of support securing the liquidity of the company's operations at least until June 11, 2019.

Subsequent events and future plans

No significant events have occurred after the balance sheet date, which could have influence on the evaluation of the financial statements.

INCOME STATEMENT January 1 - December 31

DKK'000	<u>Note</u>	<u>2017</u>	<u>2016</u>
Costs			
Administrative costs		(951)	(1 104)
Operating income		(951)	(1 104)
Dividend received from subsidiaries and associated companies		0	0
Other interest income and similar income/expenses	2	(4 420)	163
Write-up(down) of financial fixed assets	5 & 7	(220 574)	(296 350)
Profit on sale of financial fixed assets		0	32 569
Income before tax		(225 945)	(264 722)
Tax on the income for the year	3	0	0
PROFIT FOR THE YEAR		<u>(225 945)</u>	<u>(264 722)</u>

BALANCE as at December 31

DKK'000	Note	2017	2016
ASSETS			
Financial fixed assets			
Investment in subsidiaries	5	113 454	315 368
Investment in associated companies	6	27 641	27 641
Other investments	7	68 224	80 258
		<u>209 319</u>	<u>423 267</u>
Due from affiliated companies			
		49 407	63 475
Other receivables		9	9
		<u>49 416</u>	<u>63 484</u>
Cash and bank			
		67	52
		<u>49 483</u>	<u>63 536</u>
TOTAL ASSETS		<u>258 802</u>	<u>486 803</u>

BALANCE as at December 31

DKK'000	<u>Note</u>	<u>2017</u>	<u>2016</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		128	128
Other reserves		(70 494)	155 451
Proposed dividend		0	0
Total shareholders' equity		(70 366)	155 579
Debt to affiliated companies		329 054	331 138
Trade accounts payable		114	68
Other liabilities		0	19
Total liabilities		329 168	331 224
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		258 802	486 803

	<u>Note</u>
Accounting principles applied	1
Disposal of net result	4
Related parties and ownership	8
Staff	9
Contingent liabilities etc.	10
Pledges and securities	11

Shareholders equity

DKK'000

	Share capital	Share premium account	Other reserves	Proposed dividend	Total
Equity January 1, 2014	128	0	378 478	69 500	448 106
Result of the year 2014			2 589		2 589
Equity January 1, 2015	128	0	381 067	69 500	450 695
Result of the year 2015			39 106		39 106
Equity January 1, 2016	128	0	420 173	69 500	489 801
Result of the year 2016			(264 722)		(264 722)
Equity January 1, 2017	128	0	155 451	0	155 579
Result of the year 2017			(225 945)		(225 945)
Equity January 1, 2018	128	0	(70 494)	0	(70 366)

The capital stock consists of 128 shares of nominal DKK 1,000 or multiple of this.

The shareholders Cemex España, SA will during 2018 decide how to recapitalize the equity at least to fulfilment of minimum capital requirements.

In order to safeguard the creditors of the company the shareholder Cemex España, SA has issued a letter of support which confirms the shareholders intention to support Cemex Denmark ApS financially at least until 11th June 2019

NOTES TO THE ANNUAL REPORT

1 Accounting principles applied

The annual report of the Company has been prepared in accordance with the Danish Financial Statements Act for Class B companies. As from 1 January 2017, the Company has implemented Act no. 738 of 1 June 2015. The Accounting principles were applied consistently with the principles of prior years financial reporting. The most significant of which are described below.

With reference to section 112, sub-section 2 of the Danish Company Accounts Act of June 7, 2001 no consolidated financial statements have been prepared. The company is included in the consolidated financial statements of Cemex S.A.B. de C.V., Av. Constitucion 444 Pte Monterrey, Nuevo Leon, Mexico.

General information on recognition and measurement

Income is recognized in the income statement as earned. Furthermore, all cost, including amortisation/depreciation and write-downs, are recognized in the income statement.

Assets are recognized in the balance sheet when it is likely that the future financial benefits will accrue to the company and when the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is likely that the future financial benefits will be deducted from the company and when the value of the liability can be measured reliably.

The first recognition measures assets and liabilities at cost. Subsequently, assets and liabilities will be measured individually in respect of each accounting item as described below.

When recognizing and measuring, predictable losses and risk in connection with the presentation of the annual report are considered and which confirm or invalidate events which existed at balance sheet date.

Translation of amounts in foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rates ruling at the transaction date. Exchange rate differences arising between the exchange rates ruling at the transaction date and the exchange rates ruling at the balance sheet date are recognized in the income statement as a financial item. If amounts in foreign currencies are considered as hedging of future cash flows, the value adjustments are recognized directly in the capital and reserves.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates ruling at balance sheet date. Differences between the exchange rates ruling at the balance sheet date and the exchange rate ruling at the time of the receivables/payables occurrence are recognized in the income statement under interest income and expense and similar items.

NOTES TO THE ANNUAL REPORT

1 Accounting principles applied (continued)

Fixed assets purchased in foreign currencies are measured at the exchange rates ruling at the transaction date.

Income statement**Interest income and expense and similar items**

Interest income and expense and similar items are recognized in the income statement with the amounts relating to the financial year. The financial items comprise interest income and expense, realized and unrealized exchange rate gains and losses regarding securities, debt and transactions denominated in foreign currencies as well as additions and compensations under the on-account tax scheme etc.

Dividend from investments in subsidiaries and associates is booked as income in the financial year where the dividend is declared.

Tax on profit for the year

Tax on profit for the year which consists of current tax for the year and deviations in deferred tax is recognized in the income statement with the part which relates to the profit/loss for the year and directly in the capital and reserves with the part which relates to entries directly in the capital and reserves.

Balance sheet**Financial fixed assets**

Investments in subsidiaries and associates are measured based on the cost price. If the cost price exceeds the net realization value, write-down will be made at this lower value. Other investments are measured at market value. The carrying amounts of equity investments in group entities and associates are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to cover anticipated losses.

Dividend

Suggested dividend is recognized as a liability at the time of its approval at the annual general meeting. Dividend, which is expected distributed for the year, is shown as a separate item under the capital and reserves.

NOTES TO THE ANNUAL REPORT

1 Accounting principles applied (continued)**Corporation tax**

Current tax liabilities and outstanding current tax are recognized in the balance sheet as computed tax on the taxable income for the year adjusted for tax on previous years' taxable income as well as for tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between accounting and tax values of assets and liabilities. In cases, e.g. regarding shares where computation of the tax value can be made according to alternative tax rules, deferred tax is measured either on basis of the planned use of the asset or on settlement of the liability.

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at expected realizable value, either by payment of tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Deferred net tax assets, if any, are measured at net realizable value.

Deferred tax is measured on basis of the tax rules and tax rates ruling at balance sheet date, when the deferred tax is expected to become current tax. Changes in deferred tax because of changes in tax rates are recognized in the income statement. The current tax rate is 22%.

Liabilities other than provisions

Liabilities other than provisions are measured at the time of raising the loan to the received proceeds after deduction of transaction costs paid. In subsequent periods the liabilities other than provisions are measured at amortized cost.

NOTES TO THE ANNUAL REPORT

DKK'000	2017	2016
2 Other interest income and similar income		
Interest income.	1	965
Interest expenses.	(2 945)	(101)
Exchange rate adjustments of accounts with affiliates	(1 476)	(701)
	(4 420)	163
3 Tax on the income for the year		
Tax on the income for the year	0	0
Change in deferred tax	0	0
	0	0
Unaccounted tax deferred assets amount to approx kDKK. 1,000 relating to tax losses.		
4 Disposition of annual result		
DKK'000	2017	2016
Result of the year	(225 945)	(264 722)
Retained earnings	155 451	420 173
At disposal	(70 494)	155 451
Which the management suggests to be disposed as follows		
Dividend	0	0
Transferred to other reserves	(70 494)	155 451
	(70 494)	155 451

DKK'000	<u>2 017</u>	<u>2 016</u>
5 Investments in subsidiaries		
Cost at January 1	791 856	540 609
Addition during the year	6 626	534 111
Disposals during the year	0	(282 865)
Cost at December 31	<u>798 482</u>	<u>791 856</u>
Writedown at January 1.	(476 488)	(215 324)
Writeup (down) current year	(208 540)	(261 164)
Accumulated writedown	<u>(685 028)</u>	<u>(476 488)</u>
Carrying amount at December 31	<u>113,454</u>	<u>315,368</u>

NOTES TO THE ANNUAL REPORT

DKK'000

5 Investments in subsidiaries (continued)

Company	Ownership share	local currency	Nominal capital local currency	Result of the year	Capital and reserves
				DKK'000	DKK'000
Island Cement Co. Ltd, Nassau Bahama	51%	BSD	50 000	1 682	30 377
Southington Limited, Port au Prince, Haiti	90%	HTG	85 000	877	198
Le Ciment du Nord SA, Cap Haitien, Haiti	97%	HTG	4 000 000	0	238
Ciment la Pierre, Port au Prince, Haiti	60%	HTG	100 000	(6 864)	(78 208)
Cemex Bahamas, Freeport, Bahamas	100%	BSD	5 000	(4 109)	(16 428)
Cemex Caribe Panama	100%	USD	1	(12)	(16 650)
Cemex Concrete SA, Port au Prince, Haiti	100%	HTG	200 000	(3 136)	796
Cemex Haiti SA, * A shares	0%	HTG	50 000		
Port au Prince, Haiti B pref shares	100%	HTG	50 000	(12 879)	115 827

*Cemex Haiti A shares are held by Southington and Le Ciment du Nord, the new capital is in B preference shares held 100% by Cemex Denmark

Not all the financial statements of the subsidiaries have been audited. The result and equity statement above applies the local accounting policies from the countries in which the companies are domiciled.

NOTES TO THE ANNUAL REPORT

DKK'000

	2017	2016
6 Investments in associates		
Cost at January 1	27 641	27 641
Addition during the year	0	0
Cost at December 31	27 641	27 641
Value adjustment at December 31	0	0
Carrying amount at December 31	27 641	27 641

Company	Ownership share	Nominal capital local currency	Result of the year	Capital and reserves
			DKK'000	DKK'000
National Cement Ltd., Cayman Island, KYD	30%	153	6 487	82 140
MAXCEM Bermuda Ltd., Bermuda Bermuda, BMD	39%	144 000	2 855	13 512

NOTES TO THE ANNUAL REPORT

	<u>2017</u>	<u>2016</u>
7 Other investments		
Cost at January 1	15 045	15 045
Revaluation at January 1.	65 213	30 599
Value adjustment during the year	(12 034)	34 614
Accumulated revaluation at December 31.	53 179	65 213
Carrying amount at December 31	<u>68 224</u>	<u>80 258</u>

NOTES TO THE ANNUAL REPORT

8 Related parties

Cemex Denmark ApS' related parties comprise the following:

Controlling interests:

Cemex España, SA, Hernández de Tejada 1, Madrid, Spain, owns all shares

Cemex S.A.B. .de C.V., AV. Constitucion 444 Pte Monterrey, Nuevo Leon, Mexico is the group's ultimate parent company. This company is listed on the New York Stock Exchange and annual reports can be obtained at www.cemex.com.

There were no transactions with related parties during 2017.

9 Staff costs

There has been 1 employee in the Company during the period. Salaries amounted to kDKK 549 plus pensions and social charges of kDKK 46.

NOTES TO THE ANNUAL REPORT

10 Contingent liabilities etc.

None

11 Pledges and securities

None