

# **Cemex Denmark ApS**

**Harbour House, Sundkrogsgade 21, 2100 Copenhagen, Denmark**

**CVR - No. 25 48 53 51**

**Annual Report for the period  
January 1 to December 31, 2021**

21<sup>th</sup> financial year

Chairman \_\_\_\_\_



The annual report has been presented and approved at Cemex Denmark ApS' board of directors' meeting held in Amsterdam, The Netherlands, 6 July 2022.

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**Annual Report**

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MANAGEMENT'S REPORT

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The Executive Board has today discussed and approved the annual report for the financial year 1. January 2021 – 31 December 2021 for Cemex Denmark ApS (the “Company”).

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 2021 and of the results of the Company's operations for the financial year 1. January 2021 – 31 December 2021.

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 shareholders general meeting.

Amsterdam, The Netherlands, 6 July 2022.

The management



Paola Andrea Hernández Chavez



Jesús Gumaro Cavazos Garza

## THE INDEPENDENT AUDITOR'S REPORT

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### To the shareholders of Cemex Denmark ApS

#### **Opinion**

We have audited the financial statements of Cemex Denmark ApS for the financial year 1 January – 31 December 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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

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### **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

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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.

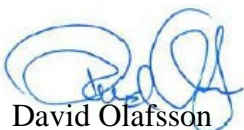
Moreover, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

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, 6 July 2022

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



David Olafsson  
State Authorised  
Public Accountant

Mne19737

MANAGEMENT STATEMENT

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## Company information:

Legal Address	Harbour House, Sundkrogsgade 21, 2100 Copenhagen
Management Address	Barbara Strozilaan 201, 1083 HN Amsterdam, The Netherlands.
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	Paola Andrea Hernández Chavez Jesús Gumaro Cavazos Garza
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 DK-2100 Copenhagen

## MANAGEMENT STATEMENT

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### **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 2021 and the balance sheet as per December 31, 2021.

The result for the period is a loss of DKK 34,233 thousand as a result mainly of additional impairment in shares this year on our subsidiaries in Bahamas of DKK 25,598 thousands and interest expense accrued in the payable loan with Cemex Innovation Holding Ltd. for an amount of DKK 19,054, compensated with a write-up of DKK 11,087 thousands on the shares held in Caribbean Cement Co. Ltd., a company incorporated in Jamaica, where the company holds a 5% participation.

During 2021, the Company received dividends for a total amount of DKK 990 thousands (equivalent to USD 154 thousands) from its associate company MAXCEM Bermuda Ltd. and DKK 227 thousands (equivalent to USD 36 thousands) from its subsidiary Island Cement Company Ltd. recognised in the income statement.

There has been a further investment of USD 228 thousands (equivalent to DKK 1,419 thousands) in Cemex Bahamas Ltd. as a capital increase.

On January 1, 2021, as a result of the Cemex Group corporate simplification process, Lomez International B.V., a Dutch company belonging to the Cemex Group, transferred all its intra-Group banking and lending activities to Cemex Innovation Holding Ltd., a Swiss company also belonging to the Cemex Group.

On January 22nd, 2021, Mr. Pablo Iván Treviño Galván resigned as member of the Executive Board of the Company, being Mr. Antonio Iván Sánchez Ugarte and Ms. Enthuga Sriharitharan appointed members of the Executive Board of the Company on the same day.

On May 26<sup>th</sup>, 2021 the shareholder Cemex España, S.A. made a capital contribution to the Company for a total amount of DKK 224,653 thousands. DKK 1 thousand were documented as share capital and the remaining as share premium.

On July 30<sup>th</sup>, 2021, Mrs. Maria Fernanda González Goveia has been appointed member of the Executive Board of the Company.

On October 1<sup>st</sup>, 2021, the Company changed its management address from World Trade Center Amsterdam, Strawinskylaan 1637, Tower B, Level 16, 1077 XX, Amsterdam, The Netherlands to Barbara Strozziilaan 201, 1083 HN Amsterdam, The Netherlands.



### **Subsequent events and future plans**

On February 15<sup>th</sup>, 2022, the shareholder, Cemex España, S.A. made a capital contribution to the Company for a total amount of DKK 166,650 thousands. DKK 1 thousand were documented as share capital and the remaining as share premium. The funds were used to repay partially the loan payable that the Company has with Cemex Innovation Holding Ltd.

Ms. Sriharitharan has resigned as director of the Company effective as of 9 May 2022, and Mrs. González Goveia and Mr. Sánchez Ugarte have resigned as directors of the Company effective as of 17 May 2022. Thus, the Board is now composed by two members.

**Costs**

Administrative costs		( 291)	( 300)
		<hr/>	<hr/>
<b>Operating income</b>		( 291)	( 300)
Dividend received from subsidiaries and associated companies		1 216	1 300
Other interest income and similar income/expenses	2	( 20 648)	( 18 667)
Write-up(down) of financial fixed assets	5 & 7	( 14 511)	( 207 484)
Loss on sale of financial fixed assets		0	0
		<hr/>	<hr/>
<b>Income before tax</b>		( 34 233)	( 225 151)
Tax on the income for the year	3	0	0
		<hr/>	<hr/>
<b>PROFIT FOR THE YEAR</b>		<b><u>( 34 233)</u></b>	<b><u>( 225 151)</u></b>

## BALANCE as at December 31

DKK'000	Note	2021	2020
<b>ASSETS</b>			
Financial fixed assets			
Investment in subsidiaries	5	0	25 371
Investment in associated companies	6	27 641	27 641
Other investments	7	124 209	113 122
<b>Total fixed assets</b>		<b>151 850</b>	<b>166 134</b>
Due from affiliated companies		33 133	30 870
Other receivables		0	3
<b>Total receivables</b>		<b>33 133</b>	<b>30 873</b>
Cash and bank		9	114
<b>Total current assets</b>		<b>33 142</b>	<b>30 987</b>
<b>TOTAL ASSETS</b>		<b>184 991</b>	<b>197 121</b>

BALANCE as at December 31

DKK'000	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Share capital		129	128
Other reserves		( 41 775)	( 232 194)
Proposed dividend		0	0
<b>Total shareholders' equity</b>		<b>( 41 646)</b>	<b>( 232 066)</b>
Debt to affiliated companies		226 549	429 093
Trade accounts payable		89	94
<b>Total liabilities</b>		<b>226 638</b>	<b>429 187</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>184 991</b>	<b>197 121</b>

	<u>Note</u>
<i>Pledges and securities</i>	
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**Shareholders equity**

DKK'000

	Share capital	Other reserves	Proposed dividend	Total
Equity January 1, 2020	128	( 7 043)	0	( 6 915)
Result of the year 2020		( 225 151)		( 225 151)
Equity December 31, 2020	128	( 232 194)	0	( 232 066)
Capital and share premium increase	1	224 652		224 653
Result of the year 2021		( 34 233)		( 34 233)
Equity December 31, 2021	129	( 41 775)	0	( 41 646)

The capital stock consists of 129 shares of nominal DKK 1,000 or multiple of this.

The company equity is negative at year end 2021. Hence the company shareholders have to act in accordance with the Danish Company law. The measures undertaken are as follows:

- In order to safeguard the creditors of the Company the shareholder Cemex España, S.A. has issued a letter of support which confirms the shareholder intention to support Cemex Denmark ApS financially at least until 14 June 2023.
- On February 15<sup>th</sup>, 2022, the shareholder, Cemex España, S.A. made a capital contribution to the Company for a total amount of DKK 166,650 thousands. DKK 1 thousand were documented as share capital and the remaining as share premium. The funds were used to repay partially the loan payable that the Company has with Cemex Innovation Holding Ltd.

## NOTES TO THE ANNUAL REPORT

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### **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 2018, 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 España, S.A., Hernández de Tejada 1, Madrid, Spain, and Cemex S.A.B. de C.V., Av. Constitucion 444 Pte Monterrey, Nuevo León, México.

#### **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

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### **1 Accounting principles applied (continued)**

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.

#### **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.

##### **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

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### **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	2021	2020
<b>2 Other interest income and similar income</b>		
Interest income.	0	0
Interest expenses.	( 19 059)	( 19 663)
Exchange rate adjustments of accounts with affiliates	( 1 589)	996
	( 20 648)	( 18 667)
<b>3 Tax on the income for the year</b>		
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.		
<b>4 Disposition of annual result</b>		
Result of the year	( 34 233)	( 225 151)
Retained earnings	( 232 194)	( 7 043)
	( 266 427)	( 232 194)
<b>At disposal</b>	( 266 427)	( 232 194)
Which the management suggests to be disposed as follows		
Transferred to other reserves	( 266 427)	( 232 194)
	( 266 427)	( 232 194)

## NOTES TO THE ANNUAL REPORT

DKK'000	2 021	2 020
<b>5 Investments in subsidiaries</b>		
Cost at January 1	854 126	772 698
Addition during the year	1 419	87 599
Disposals during the year	( 1 192)	( 6 171)
Cost at December 31	854 353	854 126
Writedown at January 1.	( 828 755)	( 685 028)
Writeup (down) current year	( 25 598)	( 143 727)
Accumulated writedown	( 854 353)	( 828 755)
Carrying amount at December 31	0	25.371
<b>6 Investments in associates</b>		
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

## NOTES TO THE ANNUAL REPORT

DKK'000	2021	2020
<b>7 Other investments</b>		
Cost at January 1	15 045	15 045
Revaluation at January 1.	98 077	161 834
Value adjustment during the year	11 087	( 63 757)
Accumulated revaluation at December 31.	109 164	98 077
Carrying amount at December 31	124 209	113 122

**8 Related parties**

Cemex Denmark ApS' related parties comprise the following:

Controlling interests:

Cemex España, S.A., Hernández de Tejada 1, Madrid, Spain, owns all shares

Cemex S.A.B. de C.V., Av. Constitución 444 Pte Monterrey, Nuevo León, Mexico is the group's ultimate parent company. This company is listed on the Mexican and New York Stock Exchange and annual reports can be obtained at [www.cemex.com](http://www.cemex.com).

**9 Staff costs**

There has been no employees in the Company during the period.  
The executive board has received no remuneration during the period.