

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, 2020**

20th financial year

Chairman _____



The annual report has been presented and approved at Cemex Denmark ApS' board of directors' meeting Amsterdam, The Netherlands, 18th June 2021.

Signed reports

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MANAGEMENT'S REPORT

The Executive Board has today discussed and approved the annual report for the financial year 1. January 2020 – 31 December 2020 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 2020 and of the results of the Company's operations for the financial year 1. January 2020 – 31 December 2020.

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, 18th June 2021.

The management



Paola Andrea Hernández Chavez



Jesús Gumaro Cavazos Garza



Antonio Iván Sánchez Ugarte



Enthuga Sriharitharan
(represented by Paola Andrea Hernández Chávez
as per PoA dated 26 April 2021)

THE INDEPENDENT AUDITOR'S REPORT

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 2020, 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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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, 18 June 2021

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



David Olafsson
State Authorised
Public Accountant

Mne19737

MANAGEMENT STATEMENT

Company information:

Legal Address	Harbour House, Sundkrogsgade 21, 2100 Copenhagen
Management Address	World Trade Center (WTC), Strawinskylaan 1637, Tower B, 16th floor, 1077 XX 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 possess 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 Antonio Iván Sánchez Ugarte Enthuga Sriharitharan
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 DK-2100 Copenhagen

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 2020 and the balance sheet as per December 31, 2020.

The result for the period is a loss of DKK 225,151 thousands after including the following impairments: DKK 63,757 thousands on the shares held in Caribbean Cement Co. Ltd., a company incorporated in Jamaica, where the company holds a 5% participation. Additionally, during the period the Company impaired a capital contribution made to its subsidiary Ciment La Pierre S.A. for an amount of DKK 79,532 thousands. The funds were used by the latter to repay intercompany debt as a first step for its liquidation, which is expected during 2021. Finally an impairment amounting DKK 64,196 thousands was included in our investments on our subsidiaries in Haiti due to the low performance during the last years.

There has been a further investment of USD 1.212 thousands (equivalent to DKK 8,067 thousands) in Cemex Bahamas Ltd as a capital increase.

During 2020, the Company received dividends for a total amount of USD 193 thousands (equivalent to DKK 1,300 thousands) from its associate company MAXCEM Bermuda Ltd. recognised in the income statement.

Due mainly to restatement of the value of subsidiaries, included in previous and current year, the equity of the Company is negative in an amount of DKK 232,066 thousands. 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.

By December 2, 2019, the Company moved its place of daily management as well as Board Meetings to WTC, Strawinskylaan 1637, Tower B, 16th. Floor, 1077 XX Amsterdam, The Netherlands.

The shareholders will during 2021 decide how to restore the capital. In connection with the issuance of the Financial Statements for 2020, the shareholder Cemex España, S.A. has issued a letter of support securing the liquidity of the Company's operations at least until 23rd May 2022.

Subsequent events and future plans

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 May 26th, 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.

The shareholder Cemex España, SA will before year end 2021 decide how to recapitalize the equity at least to fulfilment of minimum capital requirements.

INCOME STATEMENT January 1 - December 31

DKK'000	Note	2020	2019
Costs			
Administrative costs		(300)	(1 342)
Operating income		(300)	(1 342)
Dividend received from subsidiaries and associated companies		1 300	2 436
Other interest income and similar income/expenses	2	(18 667)	(8 251)
Write-up(down) of financial fixed assets	5 & 7	(207 484)	84 937
Loss on sale of financial fixed assets		0	(32 192)
Income before tax		(225 151)	45 587
Tax on the income for the year	3	0	0
PROFIT FOR THE YEAR		(225 151)	45 587

BALANCE as at December 31

DKK'000	Note	2020	2019
ASSETS			
Financial fixed assets			
Investment in subsidiaries	5	25 371	87 670
Investment in associated companies	6	27 641	27 641
Other investments	7	113 122	176 879
		166 134	292 190
Due from affiliated companies		30 870	52 405
Other receivables		3	2
		30 873	52 407
Cash and bank		114	217
		30 987	52 624
TOTAL ASSETS		197 121	344 814

BALANCE as at December 31

DKK'000	<u>Note</u>	<u>2020</u>	<u>2019</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		128	128
Other reserves		(232 194)	(7 043)
Proposed dividend		0	0
Total shareholders' equity		(232 066)	(6 915)
Debt to affiliated companies		429 093	351 606
Trade accounts payable		94	123
Total liabilities		429 187	351 729
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		197 121	344 814

	<u>Note</u>
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Shareholders equity

DKK'000

	Share capital	Share premium account	Other reserves	Proposed dividend	Total
Equity January 1, 2019	128	0	(52 630)	0	(52 502)
Result of the year 2019			45 587		45 587
Equity January 1, 2020	128	0	(7 043)	0	(6 915)
Result of the year 2020			(225 151)		(225 151)
Equity December 31, 2020	128	0	(232 194)	0	(232 066)

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

The shareholder Cemex España, SA will during 2021 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, S.A. has issued a letter of support which confirms the shareholders intention to support Cemex Denmark ApS financially at least until 23rd May 2022.

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 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

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

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	2020	2019
2 Other interest income and similar income		
Interest income.	0	2
Interest expenses.	(19 663)	(8 210)
Exchange rate adjustments of accounts with affiliates	996	(43)
	(18 667)	(8 251)
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		
Result of the year	(225 151)	45 587
Retained earnings	(7 043)	(52 630)
	(232 194)	(7 043)
At disposal		
Which the management suggests to be disposed as follows		
Transferred to other reserves	(232 194)	(7 043)
	(232 194)	(7 043)

NOTES TO THE ANNUAL REPORT

DKK'000	2 020	2 019
5 Investments in subsidiaries		
Cost at January 1	772 698	800 426
Addition during the year	87 599	5 789
Disposals during the year	(6 171)	(33 517)
Cost at December 31	854 126	772 698
Writedown at January 1.	(685 028)	(685 028)
Writeup (down) current year	(143 727)	0
Accumulated writedown	(828 755)	(685 028)
Carrying amount at December 31	25.371	87.670
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

NOTES TO THE ANNUAL REPORT

DKK'000	2020	2019
7 Other investments		
Cost at January 1	15 045	15 045
Revaluation at January 1.	161 834	76 897
Value adjustment during the year	(63 757)	84 937
Accumulated revaluation at December 31.	98 077	161 834
Carrying amount at December 31	113 122	176 879

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.

9 Staff costs

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