

January 28, 2022

CEMEX, S.A.B. DE C.V.
Board of Directors
Rogelio Zambrano Lozano
Chairman

Pursuant to article 43 of the Mexican Securities Market Law (*Ley del Mercado de Valores*), we hereby submit through you, for consideration by CEMEX, S.A.B. de C.V.'s (the "Company" or "CEMEX") Board of Directors, the following report of activities corresponding to financial year 2021:

- (i) The audited consolidated financial statements of the Company and its subsidiaries for fiscal year 2020; those of the fourth quarter of 2020; the financial statements corresponding to the first three quarters of fiscal year 2021 on a consolidated basis, as well as the individual ones of CEMEX, S.A.B. de C.V. for the same periods, were reviewed. The documents were authorized to be submitted for authorization by the Board of Directors and, as for those corresponding to fiscal year 2020, for the approval by the Ordinary General Shareholders Meeting.
- (ii) The Committee's Report for fiscal year 2020 was approved and the Board of Directors' opinion regarding the Chairman's and Chief Executive Officer's Report was reviewed, for its presentation in the Ordinary General Shareholders Meeting.
- (iii) The Committee was informed of the internal testing plan of the Company with respect to year 2020, and of its scope for fiscal year 2021 in accordance with the SOX 404 regulation.
- (iv) The results of the internal audit procedures were periodically reviewed, the main deficiencies in terms of operational risks at the closing of fiscal year 2020 were reviewed, and the annual program for operational risk assessment and internal audit procedures for 2021 were authorized.
- (v) The Committee was regularly informed of the results of the anonymous and confidential complaint and denunciation mechanisms, the disciplinary measures applied by the Company during 2021, as well as the ETHOS initiatives that were carried out in the same period.

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- (vi) A report on the main legal proceedings in which the Company and/or its subsidiaries are involved was presented at each Committee meeting, specifying potential liabilities, possible economic effects, and their status, in addition to the measures to remediate or strengthen the monitoring and prevention systems to avoid the violation of anti-corruption laws, including the United States Foreign Corruption Practices Act.
- (vii) The KPMG external auditors attended all the sessions of the Committee and reported on their review of the internal control systems. The Committee monitored the relevant events and their impact on the financial statements, the main areas of significant risk and their contingencies, as well as the follow-up given to these issues and the deficiencies identified during the year, which were considered immaterial. The external auditor also informed the Committee about several matters: (1) the main findings of the audit carried out during the fiscal year; (2) the impairment of goodwill and the evaluation of legal and fiscal contingencies; (3) the responsibilities of the Company and the external auditors; (4) the budget for the external audit firm for the periods 2020-2021 and 2021-2022; (5) their unqualified opinion on the financial statements corresponding to fiscal year 2021, which was issued pursuant to IFRS accounting principles and the standards of the *Public Company Accounting Oversight Board*; (6) the impact of COVID-19 on the financial statements; (7) the investigation by the United States Department of Justice (“DOJ”) and the United States Securities and Exchange Commission (“SEC”) in relation to the Maceo project; (8) the criteria for setting the materiality threshold of the quantitative and qualitative aspects of the financial statements at U.S.\$48.63 million; (9) non-auditing services rendered in 2021; and (10) the percentage of fees accrued by KPMG in fiscal year 2021. Based on the foregoing, the Committee issued a favorable recommendation for the authorization of the following: (a) to continue with the services of the External Audit firm KPMG Cárdenas Dosal, S.C. during the year 2021 and until the presentation of the annual report, and (b) the fee budget for the period April 2021 - April 2022.
- (viii) In accordance with the succession plan for the main partner of the external audit firm KPMG, which happens every 5 years, the Committee was informed that as of January 1, 2022, there will be a new partner responsible for the external audit of the Company and its subsidiaries. The Committee was informed of the academic background, certifications, trajectory, and professional experience of the person newly proposed by KPMG to be in charge of the external audit.
- (ix) In terms of cybersecurity, the Committee was updated on the security programs implemented in 2020, as well as the security strategy for 2021, seeking to comply with applicable laws such as the General Data Protection Regulation in Europe and apply the strictest quality standards in the industry (ISO27001) in operations.

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- (x) The Committee was periodically informed about the status of the Company regarding compliance with the Sole Circular of External Auditors (*Circular Única de Auditores Externos*) (“CUAE”) issued by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) (“CNBV”), about the activities carried out to comply with it, and about the confirmation of compliance with the provisions of the CUAE.
- (xi) The Committee reviewed, and authorized presenting to the Board of Directors, information on the impacts derived from the legislative reform in Mexico regarding outsourcing of services, as well as the activities that were carried out to comply with the law without affecting the workers’ rights.
- (xii) The main disclosures included in the Company’s annual report filed with the SEC and with the CNBV in Mexico on April 23, 2021, were reviewed.
- (xiii) The most relevant transactions during 2021 were the following:
 - 1. On January 12, 2021, CEMEX issued U.S. \$1.075 billion aggregate principal amount of Senior Secured Notes due in July 2031, with an interest rate of 3.875%.
 - 2. On February 16, 2021, CEMEX redeemed (i) \$750 million of its Senior Secured Notes due in 2025 with an interest rate of 5.700% (“January 2025 USD Notes”), and (ii) the entire principal amount of U.S. \$1 billion of its Senior Secured Notes due in 2026 with an interest rate of 7.750%.
 - 3. On March 25, 2021, CEMEX held an Ordinary General Shareholders Meeting , and the most relevant agreements were the following: (a) to set the amount of U.S. \$500 million or its equivalent in Mexican pesos as the maximum amount of resources that, during fiscal year 2021 and until CEMEX’s next Ordinary General Shareholders Meeting is held, may be used for the acquisition of CEMEX’s own shares or securities representing such shares; (b) to reduce the variable portion of CEMEX’s share capital through the cancellation of (i) 1,134,484,680 shares repurchased during fiscal year 2020, and (ii) 3,409,510,974 shares authorized to support any new issue of convertible securities and/or to be subscribed and paid in a public offering or private subscription; and (c) to appoint the members of CEMEX’s Board of Directors and of the Audit, Corporate Practices and Finance, and Sustainability Committees .
 - 4. On March 25, 2021, an Extraordinary General Shareholders Meeting was held. Its most relevant agreement was to amend Article 2 of CEMEX’s By-Laws to specify its corporate purpose as a share and asset holding company, as well as to determine the activities that it may carry out to fulfill its corporate purpose.

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5. On April 21, 2021, CEMEX redeemed the entire outstanding principal amount of U.S. \$321 million of its January 2025 USD Notes.
6. On May 26, 2021, Fitch Ratings ("Fitch"), (a) affirmed CEMEX's Long-Term Foreign and Local Currency Issuer Default Ratings ("IDR") at "BB-"; (b) upgraded CEMEX's National Scale Long-Term Rating to "A(mex)" from "A-(mex)"; (c) affirmed CEMEX's National Scale Short-Term rating at "F1(mex)"; and (d) revised CEMEX's Rating Outlook of the long-term ratings from Negative to Stable. Subsequently, on November 30, 2021, Fitch upgraded CEMEX's Foreign and Local Currency IDRs to "BB" from "BB-", as well as its notes' to "BB" from "BB-", and revised CEMEX's Rating Outlook to Positive from Stable.
7. On June 8, 2021, CEMEX issued U.S. \$1.0 billion aggregate principal amount of Subordinated Hybrid Notes with No Fixed Maturity that will accrue semi-annual interest at an initial rate of 5.125% per annum.
8. On June 24, 2021, CEMEX announced its commitment to mitigate climate change by setting a new target of less than 475 kg of CO₂ by 2030 for its cement business, meaning a reduction of more than 40% of CO₂ emissions compared to the 1990 industry baseline which is aligned with the Science Based Target Initiative's ("SBTi") *Well Below Two Degrees* scenario. It was also announced that the goal of 520 kg of CO₂ per ton that CEMEX had previously set for 2030, equivalent to a 35% reduction in emissions compared to the 1990 industry baseline, is being brought forward to 2025. In addition, CEMEX announced its commitment to reduce its CO₂ emissions in the concrete business by 35% compared to the 1990 industry baseline, reaching 165 Kg of CO₂ per cubic meter by 2030, in line with the industry's commitment to achieve neutrality by 2050, and anticipating an investment of approximately U.S. \$60 million per year to achieve the goal by 2030.
9. On June 30, 2021, 4 entities that are fully consolidated by CEMEX redeemed in full the outstanding aggregate principal amount of U.S. \$371 million and €64 million of 4 issuances of Perpetual Debentures with interest rates of 6.196%, 6.640%, 6.722% and 6.277%, respectively, together with unpaid accrued interest as of that date.
10. On July 9, 2021, CEMEX announced the completion of the sale of the white cement business, including the white cement plant in Buñol, Spain, for approximately U.S.\$155 million.
11. On July 12, 2021, CEMEX redeemed €450 million of its Senior Secured Notes due in 2024 with an interest rate of 2.750%.

12. On October 6, 2021, the liens over certain assets owned by the Company and its subsidiaries that were granted as collateral to guarantee obligations under the facilities agreement dated July 19, 2017 (the “2017 Facilities Agreement”) and the senior secured notes issued by CEMEX were released.
13. On October 29, 2021, CEMEX signed a new credit agreement for U.S.\$3.25 billion with 21 financial institutions, which includes term loans for U.S.\$1.5 billion to be amortized over 5 years and a committed 5-year revolving loan for U.S.\$1.75 billion (the “2021 Credit Agreement”).
14. On November 8, 2021, using funds obtained from the 2021 Credit Agreement, CEMEX repaid in full all outstanding indebtedness under the 2017 Facilities Agreement, which amounted to approximately U.S.\$1.9 billion. As a result of this repayment, the guarantor structure of CEMEX’s senior debt was simplified and CEMEX España, S.A. (“CEMEX España”), CEMEX Asia B.V., CEMEX Finance LLC, CEMEX Africa & Middle East Investments B.V., CEMEX France Gestion (SAS) and CEMEX UK ceased to be guarantors.
15. On December 1, 2021, CEMEX informed that CEMEX España will request to the Spanish Supreme Court the admission of a cassation appeal against the adverse resolution it received from the National Court (*Audiencia Nacional*) in Spain in relation to the tax matter that resulted in fines imposed on CEMEX España in 2011 arising from the tax audit covering the years 2006 to 2009.
16. On December 10, 2021, CEMEX informed that, in relation to the tax audit process covering the tax years 2010 to 2014 in Spain for which an assessment for income taxes, plus late interest, had been notified to CEMEX España on March 26, 2021, the Spanish tax authorities then notified CEMEX España of a penalty assessment for an amount of approximately €68 million. This assessment will be appealed before the Administrative Tax Court (*Tribunal Económico Administrativo Central*). The payment of the penalty or the provision of any guarantees are not required until the resolution of the appeal.
17. On December 10, 2021, CEMEX informed that the DOJ notified CEMEX that it closed its investigation of possible antitrust law violations in connection with sales (and related sales practices) of grey Portland cement and slag by subsidiaries of CEMEX in the United States and its territories.
18. On December 20, 2021, CEMEX entered into a credit agreement for an amount in Mexican pesos equivalent to U.S.\$250 million with Banco Mercantil del Norte, S.A. under terms and conditions substantially similar to those of the 2021 Credit Agreement.

19. On December 29, 2021, CEMEX redeemed the entire outstanding principal amount of €200 million of its Senior Secured Notes due in 2024 with an interest rate of 2.750%.

20. On December 29, 2021, an agreement for the sale of CEMEX's operations in Costa Rica and El Salvador for an aggregate amount of approximately U.S.\$335 million was signed. This agreement is subject to the satisfaction of closing conditions.

The Committee ensured that Management properly followed the suggestions and corrective actions recommended by the external auditors, with no irregularities or material flaws being found, and issued its opinion on the various matters within its purview which were submitted to the Board of Directors. Additionally, compliance with the resolutions of the Shareholders Meeting and the Board of Directors was reviewed.

The opinion of the external auditors on the Company's financial statements, both individual and consolidated, is that they reasonably reflect the financial situation and results of the Company and its subsidiaries; that material events have been adequately disclosed; and, that application of the accounting principles and policies has been consistent and adequate.

Finally, it is stated that, for the preparation of this report, the Committee has listened to the relevant executives of the Company, without any difference of opinion existing among them.

By the Audit Committee

Everardo Elizondo Almaguer
Chairman

Roger Saldaña Madero
Secretary