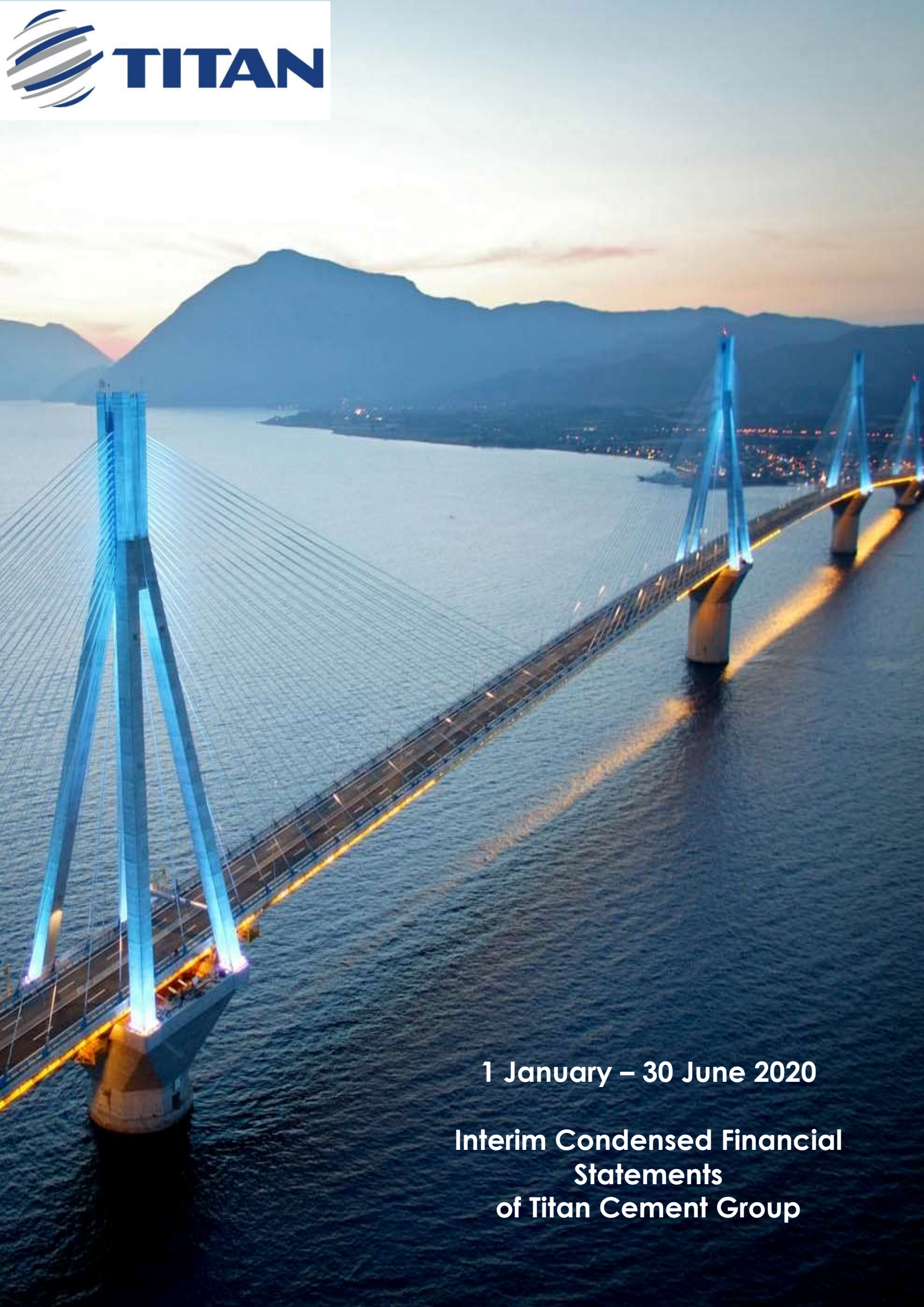




**1 January – 30 June 2020**

**Interim Condensed Financial  
Statements  
of Titan Cement Group**



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The Interim Condensed Financial Statements, presented through pages 8 to 27, have been approved by the Board of Directors on 29th of July 2020.

**Chairman of the Board of Directors**

Efstratios - Georgios (Takis) Arapoglou

**Managing Director and Group CFO**

Michael Colakides

**Company CFO**

Grigorios Dikaïos

**Financial Consolidation Director**

Athanasios Danas

## Declaration by the persons responsible

We certify, to the best of our knowledge, that:

- a) The condensed financial statements for the past Half – Year were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the assets, liabilities, financial position and profit or loss of the reporting entity and of the entities included in the consolidation, and
- b) The enclosed management report presents a fair view of the material events that occurred in the first six months of the financial year, their impact on the condensed set of financial statements, the major related party transaction and a description of the principal risks and uncertainties of the remaining six months of the year.

**Chairman of the Board of Directors**

Efstratios - Georgios (Takis) Arapoglou

**Managing Director and Group CFO**

Michael Colakides

## Financial Performance Overview

### Review of the first half 2020

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TITAN Group achieved stable revenue and growth in profitability in the first half of 2020, amidst the adversities set by COVID-19. Group management's rapid response to shifting market conditions, the refocusing of priorities and the targeted strategy, were crucial in producing this strong and resilient performance. Delivery of such results was only made possible by the collective effort of management and employees while jointly striving to safeguard the lives and livelihoods of the Group's employees and their families, business partners, customers and local communities.

Barring the sudden decrease in activity witnessed with the onset of lockdown measures in March and April, sales recovered significantly in most markets in May and June. Construction was deemed as an essential activity in the markets where the Group operates and all cement plants continued their operation, satisfying local market demand. Group consolidated revenue in the first half 2020 amounted to €786.3m, essentially flat (0.1%) over the same period the previous year.

Targeted cost savings, the prevailing lower prices in solid fuels, combined with overall pricing resilience in our markets, translated into significant margin gains in the first six months of the year. Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) were up 12% reaching €136.8m, while Group EBITDA margin reached 17.4% from 15.6% in the first half of 2019. Net Profit after Taxes and minorities (NPAT) grew by €9m to €22.4m

### Regional review of the first half 2020

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Titan America maintained its positive course in the first half of the year, with operations continuing uninterrupted despite the moderate slowdown of demand recorded in Q2. The effect of lockdown measures was more pronounced during April on our import terminal Essex, which supplies the New York Metro area. By May-June, volumes in our US markets caught up with pent-up demand, ending on a solid note in June.

Operational profitability and margins also improved owing to focused cost management and the benefit of lower fuel prices. In line with long-term goals to reduce its carbon footprint, TITAN invested in the conversion of its cement plants from solid fuels to natural gas. The Roanoke plant in Virginia is currently running at c.90% gas while the Pennsuco plant in Florida is also close to obtaining that flexibility.

***In the first six months of the year, revenue in the US was €475.5m, posting a 0.8% increase. EBITDA reached €87.1m, growing by 3.5%, with EBITDA margin rising to 18.3% year to date.***

In Greece, the year started off better than 2019 but came to an abrupt halt when the epidemic struck and subsequent lockdown measures were imposed in mid-March. Demand bounced back however in May and June. Overall, the domestic market in the first half has hovered at levels similar to the previous year, with projects already under way prior to the onset of the epidemic picking up pace, as well as resilient demand in small scale private construction. Lower fuel costs were counterbalanced by the fact that Greece was the only country in our universe which suffered from higher electricity costs. Exports already planned at lower levels than 2019 due to the new ETS, were further hindered during lockdown as international trade was curtailed globally and lockdowns were imposed in countries where the Group exports. Export volumes did however recover towards the end of the period.

***Total consolidated revenue for region Greece and Western Europe in the first six months of the year reached €113.7m, recording a 7.8% decline, and EBITDA reached €8.2m, posting a 16.4% decline.***

In Southeastern Europe, following the easing of strict lockdown measures, demand bounced back in May and June, supported by the region's solid underlying trends. Moreover, the pre- and post-effects of election cycles in some of the countries in the region served to underpin demand. Revenue levels reflect the combination of lower volumes and resilient prices. Profitability benefited from significantly lower fuel and energy prices, as well as efficient cost curtailment.

***Revenue in Southeastern Europe in the 1st half of 2020 posted a 3.9% decrease to €115.9m, while the combination of a positive pricing environment and lower production costs, resulted in a 19.0% increase in EBITDA compared to the first six months of 2019, which reached to €39.1m.***

After posting a healthy growth rate of 4.4% in Q1, market demand in Egypt declined sharply in Q2 as the epidemic set in, affecting business and bringing total cement consumption for the first six months at -3.3% versus the same period the previous year. The underlying trends and the structural challenges of the market remained unchanged. Pricing remained weak amidst an oversupplied market although the longer-term fundamentals of the market are in place as is evidenced by both the infrastructure projects underway across the country, as well as the demand for residential built-up.

Turkey also had a relatively solid start to the year, but then took a hit as the epidemic started to be felt and lockdowns imposed. Construction in our local markets was largely unaffected. Demand is supported by public works, while the government is actively attempting to also spur homebuilding activity through a programme of low-interest rate, long-term term loans for certain types of residential construction. The Group's subsidiary in Turkey, Adocim, is actively pursuing a successful export strategy.

***Total revenue in the Eastern Mediterranean region increased by 16.4% in the first half of the year, while operational profitability which had been negative in the first half of 2019, turned positive, so that EBITDA for the first half of 2020, closed at €2.3m.***

In Brazil, the market had a strong start to the year with increased sales volumes, followed by a slowdown due to strict lockdown measures and then a sales rebound recorded in May and June.

***Revenue in Brazil, in local currency, therefore increased while the reduction in fuel costs also resulted in improved profitability for the six-month period for our joint-venture Apodi. Recorded in €-terms however, both revenue and EBITDA declined due to the devaluation of the BRL.***

## Financing & Investments

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Group operating free cash flow in the first half of 2020 reached €69.0m, an increase of €14.9m compared to the first half of 2019. Cash flow generation benefited from higher EBITDA levels, lower capital expenditure and contained working capital requirements.

Group capital expenditure in the first half of 2020 was €40.5m versus €53.3m in the first half of 2019.

Group net debt at the end of the first half of 2020 was €807.9m, lower by €27.8m from the end of 2019, with high cash balances at €240m.

On March 19, 2020 the Board of Directors activated the share buy-back programme for the acquisition of up to 1m TCI shares for an amount up to €10m. During the period from March 20, 2020 until June 4, 2020 the Group acquired 786,278 shares for a total value of €8,811,922. On June 30, 2020 the Group owned in total 5,555,674 treasury shares representing 6.74% of TCI's share capital.

## Post balance sheet events

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In the prevailing environment of lower interest rates, the Group took the opportunity to lower its finance costs and extend debt maturities. On June 29, 2020 Titan Global Finance Plc (TGF), the Group's finance subsidiary, launched a public tender for the purchase from current bond holders of any and all of outstanding notes under the €300m issue, maturing in 2021. On the same date, TGF announced launching in the market of a new €250m bond issue.

On July 2nd, TGF announced the completion of the offering of €250m notes due 2027, with a 2.75 per cent coupon, guaranteed by Titan Cement International S.A. and Titan Cement Company S.A. The proceeds of the Notes were used to purchase tendered 2021 notes in aggregate principal amount of €109,342,000 and for general corporate purposes, including repayment of bank debt.

## COVID-19 Risk Assessment

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Beginning in December 2019, a new strain of the coronavirus ("COVID-19") has spread rapidly throughout the world, including in the United States, Europe and Southeastern Mediterranean, affecting the jurisdictions in which the Group operates. From the emergence of the COVID-19 pandemic, the Group's focus was to protect its employees and their families, along with its business partners, customers and its local communities, particularly the most rural and distant from authorities and public care.

The COVID-19 pandemic and actions taken by governments across the world to reduce the spread of the virus have created significant uncertainty in the markets in which the Group operates. In this context, the Group has taken action to anticipate developments, including improving its liquidity position to approximately €500 million (cash and undrawn committed loan facilities) as of 30th June 2020, reviewing its capital expenditures plan and suspending non-essential expenditure and is in the process of materializing significant cost savings throughout the year 2020. Moreover, the Group successfully completed the offering of a new €250 million notes issue maturing in 2027, the proceeds of which were used to partially prepay the €300 million June 2021 notes issue and other commercial bank debt. The Group closely monitors the situation in order to further adjust to the evolving market dynamics.

For the 1st Half of 2020, the impact of the COVID-19 pandemic on the Group was quite limited. Construction was deemed to be an essential service in most markets and all the Group's cement plants in all geographies continued their operations, adjusting their production to satisfy the level of market demand.

Going forward, the Group faces risks related to the COVID-19 pandemic, which may have an adverse effect on the Group's results of operations, business or financial condition. The pandemic may have negative impact on the Group's business such as causing significant declines in demand for its products, disruptions in the Group's production and supply chain operations, lower capacity utilization at some or all of the Group's facilities, limitations on its employees' ability to work and travel, significant changes in the economic or political conditions in markets in which the Group operates and related currency and commodity volatility.

Given the dynamic nature of this outbreak (including its impact on the global economy and the applicable governmental responses), the extent to which COVID-19 impacts the Group's business, results of operations or

financial condition will depend on future developments which remain uncertain and cannot be accurately predicted at this time.

In summary, the consequences of COVID-19 do not have a material impact on the Group's financial position at 30.6.2020. The Group management concludes that, although COVID-19 may have a more significant impact on the Group's operations in the 2nd Half of 2020, such impact will be absorbable and does not endanger the long-term viability of the Group.

## Outlook 2020

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Amidst a novel global operating framework of shifting factors and considerations shaping policy-making decisions, the outlook for the remainder of the year, is itself very much subject to the manner in which the impact of COVID-19 plays out across different geographies, a second, impactful wave of the epidemic notwithstanding. The favourable cost effects on the energy side witnessed in the first half of the year, should run to the year's end, further enhanced by targeted practices at effective cost management.

In the USA, the Portland Cement Association (PCA) in its preliminary summer forecasts expect cement consumption to decline by 3.8% in 2020, followed by a pick-up of 2.1% of compounded annual growth for the period 2020 – 2025. Residential construction remains a key driver for demand, supported by the historic low interest rates for mortgages and low housing inventory. Titan America maintains its focus on best servicing customer needs and flexibly managing its cost base thereby supporting operational profitability. Importantly, in an election year both ends of the political spectrum have recognized the necessity and unveiled plans focused on building a modern and sustainable infrastructure which may greatly benefit the building materials sector.

In Greece, with the reopening of economic activity, several projects, already under way prior to the onset of the epidemic, have picked up pace and should sustain demand until the end of the year. Major projects due to commence, are expected to have a significant impact visible from 2021-onwards. Exports, already resumed, should continue at somewhat reduced levels for the remainder of the year.

The countries of Southeastern Europe have shown resilience so far, also benefitting from the election cycle in the region. While local economies will most likely be impacted by the pandemic, they are also forecast to pick up in 2021, which should prove supportive both for public and private construction.

In Turkey and Egypt, the cement sector will remain vulnerable to local macroeconomic and structural challenges. Initiatives taken by our teams locally are directed at containing costs and mitigating the unfavourable effects of the epidemic on market demand.

Last, in Brazil, although the long-term fundamentals that drive demand remain robust, much will again depend on the short-term challenges posed by COVID-19.



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For the attention of the Board of Directors

**STATUTORY AUDITOR'S REPORT ON REVIEW OF CONSOLIDATED CONDENSED  
FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2020**

***Introduction***

We have reviewed the accompanying interim condensed statement of financial position of Titan Cement International SA and its subsidiaries as of 30 June 2020 and the related interim condensed income statement and interim condensed statement of comprehensive income, interim condensed statement of changes in equity and interim condensed cash flow statement for the six-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this consolidated condensed financial information in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated condensed financial information based on our review.

***Scope of Review***

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed financial information is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Sint-Stevens-Woluwe, 29 July 2020

The statutory auditor  
PwC Bedrijfsrevisoren BV / PwC Réviseurs d'Entreprises SRL  
Represented by

Marc Daelman  
Bedrijfsrevisor / Réviseur d'Entreprises

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BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

## Interim Condensed Income Statement

(all amounts in Euro thousands)

|                                                |       | For the six months ended 30/6 |                |
|------------------------------------------------|-------|-------------------------------|----------------|
|                                                |       | 2020                          | 2019           |
|                                                | Notes |                               |                |
| Revenue                                        | 5     | 786,285                       | 785,439        |
| Cost of sales                                  |       | -640,930                      | -650,387       |
| <b>Gross profit</b>                            |       | <b>145,355</b>                | <b>135,052</b> |
| Other operating income                         |       | 5,935                         | 5,693          |
| Administrative expenses                        |       | -67,741                       | -68,926        |
| Selling and marketing expenses                 |       | -12,124                       | -12,687        |
| Net impairment losses on financial assets      |       | -1,257                        | -650           |
| Other operating expenses                       |       | -3,824                        | -4,146         |
| <b>Operating profit</b>                        |       | <b>66,344</b>                 | <b>54,336</b>  |
| Finance income                                 |       | 336                           | 1,063          |
| Finance costs                                  |       | -32,457                       | -32,417        |
| Loss from foreign exchange differences         |       | -4,057                        | -4,963         |
| Share of loss of associates and joint ventures | 11    | -1,785                        | -1,773         |
| <b>Profit before taxes</b>                     |       | <b>28,381</b>                 | <b>16,246</b>  |
| Income tax expense                             | 7     | -6,337                        | -3,108         |
| <b>Profit after taxes</b>                      |       | <b>22,044</b>                 | <b>13,138</b>  |
| <b>Attributable to:</b>                        |       |                               |                |
| Equity holders of the parent                   |       | 22,411                        | 13,339         |
| Non-controlling interests                      |       | -367                          | -201           |
|                                                |       | <b>22,044</b>                 | <b>13,138</b>  |
|                                                |       |                               |                |
| <b>Basic earnings per share (in €)</b>         |       | <b>0.2897</b>                 | <b>0.1671</b>  |
| <b>Diluted earnings per share (in €)</b>       |       | <b>0.2884</b>                 | <b>0.1650</b>  |

The primary financial statements should be read in conjunction with the accompanying notes.

## Interim Condensed Statement of Comprehensive Income

(all amounts in Euro thousands)

|                                                                                                            |       | For the six months ended 30/6 |               |
|------------------------------------------------------------------------------------------------------------|-------|-------------------------------|---------------|
|                                                                                                            |       | 2020                          | 2019          |
|                                                                                                            | Notes |                               |               |
| <b>Profit after taxes</b>                                                                                  |       | <b>22,044</b>                 | <b>13,138</b> |
| <u>Other comprehensive (loss)/income:</u>                                                                  |       |                               |               |
| <u>Items that may be reclassified to income statement</u>                                                  |       |                               |               |
| Exchange differences on translation of foreign operations                                                  | 14    | -47,907                       | 4,799         |
| Currency translation differences on transactions designated as part of net investment in foreign operation |       | -555                          | 6,166         |
| Income tax relating to these items                                                                         | 7     | 125                           | -1,387        |
| <b>Other comprehensive (loss)/income for the period net of tax</b>                                         |       | <b>-48,337</b>                | <b>9,578</b>  |
| <b>Total comprehensive (loss)/income for the period net of tax</b>                                         |       | <b>-26,293</b>                | <b>22,716</b> |
| <u>Attributable to:</u>                                                                                    |       |                               |               |
| Equity holders of the parent                                                                               |       | -22,608                       | 22,686        |
| Non-controlling interests                                                                                  |       | -3,685                        | 30            |
|                                                                                                            |       | <b>-26,293</b>                | <b>22,716</b> |

The primary financial statements should be read in conjunction with the accompanying notes.

## Interim Condensed Statement of Financial Position

(all amounts in Euro thousands)

|                                                          |       | 30/6/2020        | 31/12/2019       |
|----------------------------------------------------------|-------|------------------|------------------|
| <b>Assets</b>                                            | Notes |                  |                  |
| Property, plant and equipment                            | 8     | 1,649,025        | 1,699,078        |
| Investment properties                                    |       | 11,590           | 11,628           |
| Goodwill                                                 | 9     | 339,906          | 344,523          |
| Intangible assets                                        | 10    | 78,794           | 80,817           |
| Investments in associates and joint ventures             | 11    | 84,239           | 113,858          |
| Receivables from interim settlement of derivatives       | 12    | 14,880           | 12,937           |
| Other non-current assets                                 | 17    | 14,193           | 15,436           |
| Deferred tax assets                                      | 7     | 26,392           | 13,939           |
| <b>Total non-current assets</b>                          |       | <b>2,219,019</b> | <b>2,292,216</b> |
| Inventories                                              |       | 284,439          | 283,519          |
| Receivables and prepayments                              | 18    | 206,127          | 186,565          |
| Income tax receivable                                    |       | 3,695            | 5,657            |
| Derivative financial instruments                         | 12    | 6,061            | 1,245            |
| Receivables from interim settlement of derivatives       | 12    | 3,248            | 3,829            |
| Cash and cash equivalents                                |       | 240,339          | 90,388           |
| <b>Total current assets</b>                              |       | <b>743,909</b>   | <b>571,203</b>   |
| <b>Total Assets</b>                                      |       | <b>2,962,928</b> | <b>2,863,419</b> |
| <b>Equity and Liabilities</b>                            |       |                  |                  |
| Equity and reserves attributable to owners of the parent |       | 1,339,269        | 1,375,165        |
| Non-controlling interests                                |       | 27,797           | 34,626           |
| <b>Total equity (a)</b>                                  |       | <b>1,367,066</b> | <b>1,409,791</b> |
| Long-term borrowings                                     | 12    | 588,664          | 776,694          |
| Long-term lease liabilities                              |       | 44,726           | 46,126           |
| Derivative financial instruments                         | 12    | 14,880           | 11,084           |
| Deferred tax liability                                   | 7     | 99,272           | 96,319           |
| Retirement benefit obligations                           |       | 33,620           | 35,268           |
| Provisions                                               |       | 34,243           | 31,587           |
| Other non-current liabilities                            |       | 56,588           | 55,062           |
| <b>Total non-current liabilities</b>                     |       | <b>871,993</b>   | <b>1,052,140</b> |
| Short-term borrowings                                    | 12    | 398,303          | 86,277           |
| Interest payable                                         |       | 3,578            | 3,863            |
| Short-term lease liabilities                             |       | 16,575           | 17,030           |
| Derivative financial instruments                         | 12    | 4,503            | 2,692            |
| Payables from interim settlement of derivatives          | 12    | 5,507            | 1,092            |
| Trade and other payables                                 |       | 275,505          | 265,519          |
| Current contract liabilities                             |       | 11,261           | 13,580           |
| Income tax payable                                       |       | 2,666            | 3,251            |
| Provisions                                               |       | 5,971            | 8,184            |
| <b>Total current liabilities</b>                         |       | <b>723,869</b>   | <b>401,488</b>   |
| <b>Total liabilities (b)</b>                             |       | <b>1,595,862</b> | <b>1,453,628</b> |
| <b>Total Equity and Liabilities (a+b)</b>                |       | <b>2,962,928</b> | <b>2,863,419</b> |

The primary financial statements should be read in conjunction with the accompanying notes.

## Interim Condensed Statement of Changes in Equity

(all amounts in Euro thousands)

|                                                                    | Attributable to equity holders of the parent |               |                  |               |                          |                           |                          |                   |                  | Non-controlling interests | Total equity     |
|--------------------------------------------------------------------|----------------------------------------------|---------------|------------------|---------------|--------------------------|---------------------------|--------------------------|-------------------|------------------|---------------------------|------------------|
|                                                                    | Ordinary shares                              | Share premium | Preferred shares | Share options | Ordinary treasury shares | Preferred treasury shares | Other reserves (note 14) | Retained earnings | Total            |                           |                  |
| <b>Balance at 1 January 2019</b>                                   | <b>265,869</b>                               | <b>22,826</b> | <b>26,113</b>    | <b>3,742</b>  | <b>-109,930</b>          | <b>-2,954</b>             | <b>738,487</b>           | <b>449,980</b>    | <b>1,394,133</b> | <b>77,157</b>             | <b>1,471,290</b> |
| Change in accounting policy                                        | -                                            | -             | -                | -             | -                        | -                         | -                        | -4,448            | -4,448           | -                         | -4,448           |
| <b>Restated balance at 1 January 2019</b>                          | <b>265,869</b>                               | <b>22,826</b> | <b>26,113</b>    | <b>3,742</b>  | <b>-109,930</b>          | <b>-2,954</b>             | <b>738,487</b>           | <b>445,532</b>    | <b>1,389,685</b> | <b>77,157</b>             | <b>1,466,842</b> |
| Profit for the period                                              | -                                            | -             | -                | -             | -                        | -                         | -                        | 13,339            | 13,339           | -201                      | 13,138           |
| Other comprehensive income                                         | -                                            | -             | -                | -             | -                        | -                         | 9,347                    | -                 | 9,347            | 231                       | 9,578            |
| <b>Total comprehensive income for the period</b>                   | <b>-</b>                                     | <b>-</b>      | <b>-</b>         | <b>-</b>      | <b>-</b>                 | <b>-</b>                  | <b>9,347</b>             | <b>13,339</b>     | <b>22,686</b>    | <b>30</b>                 | <b>22,716</b>    |
| Dividends distributed (note 15)                                    | -                                            | -             | -                | -             | -                        | -                         | -                        | -12,695           | -12,695          | -979                      | -13,674          |
| Treasury shares purchased (note 13)                                | -                                            | -             | -                | -             | -5,589                   | -106                      | -                        | -                 | -5,695           | -                         | -5,695           |
| Costs for share capital increase in subsidiaries                   | -                                            | -             | -                | -             | -                        | -                         | -                        | -1,260            | -1,260           | -                         | -1,260           |
| Sale - disposal of treasury shares                                 | -                                            | -             | -                | -             | 1,595                    | -                         | -                        | -954              | 641              | -                         | 641              |
| Non-controlling interest's participation in share capital increase | -                                            | -             | -                | -             | -                        | -                         | -                        | -                 | -                | 1,330                     | 1,330            |
| Acquisition of non-controlling interest                            | -                                            | -             | -                | -             | -                        | -                         | -                        | -44               | -44              | -23                       | -67              |
| Non-controlling interest's put option recognition                  | -                                            | -             | -                | -             | -                        | -                         | -131                     | -                 | -131             | -375                      | -506             |
| Share based payment transactions                                   | -                                            | -             | -                | 845           | -                        | -                         | -                        | -                 | 845              | -                         | 845              |
| Transfers among reserves                                           | -                                            | -             | -                | -652          | -                        | -                         | 3,399                    | -2,747            | -                | -                         | -                |
| <b>Balance at 30 June 2019</b>                                     | <b>265,869</b>                               | <b>22,826</b> | <b>26,113</b>    | <b>3,935</b>  | <b>-113,924</b>          | <b>-3,060</b>             | <b>751,102</b>           | <b>441,171</b>    | <b>1,394,032</b> | <b>77,140</b>             | <b>1,471,172</b> |

The primary financial statements should be read in conjunction with the accompanying notes.

## Interim Condensed Statement of Changes in Equity (continued)

(all amounts in Euro thousands)

|                                                         | Attributable to equity holders of the parent |               |               |                          |                          |                   |                  | Non-controlling interests | Total equity     |
|---------------------------------------------------------|----------------------------------------------|---------------|---------------|--------------------------|--------------------------|-------------------|------------------|---------------------------|------------------|
|                                                         | Ordinary shares                              | Share premium | Share options | Ordinary treasury shares | Other reserves (note 14) | Retained earnings | Total            |                           |                  |
| <b>Balance at 31 December 2019</b>                      | <b>1,159,348</b>                             | <b>5,974</b>  | <b>4,904</b>  | <b>-117,139</b>          | <b>-106,947</b>          | <b>429,025</b>    | <b>1,375,165</b> | <b>34,626</b>             | <b>1,409,791</b> |
| Profit for the period                                   | -                                            | -             | -             | -                        | -                        | 22,411            | 22,411           | -367                      | 22,044           |
| Other comprehensive loss                                | -                                            | -             | -             | -                        | -45,019                  | -                 | -45,019          | -3,318                    | -48,337          |
| <b>Total comprehensive (loss)/income for the period</b> | <b>-</b>                                     | <b>-</b>      | <b>-</b>      | <b>-</b>                 | <b>-45,019</b>           | <b>22,411</b>     | <b>-22,608</b>   | <b>-3,685</b>             | <b>-26,293</b>   |
| Deferred tax on treasury shares held by subsidiary      | -                                            | -             | -             | -                        | 9,299                    | -                 | 9,299            | -                         | 9,299            |
| Distribution of reserves                                | -                                            | -             | -             | -                        | -15,414                  | -                 | -15,414          | -                         | -15,414          |
| Dividends distributed                                   | -                                            | -             | -             | -                        | -                        | -                 | -                | -1,318                    | -1,318           |
| Purchase of treasury shares (note 13)                   | -                                            | -             | -             | -8,816                   | -                        | -                 | -8,816           | -                         | -8,816           |
| Sale - disposal of treasury shares for option plan      | -                                            | -             | -             | 818                      | -                        | -471              | 347              | -                         | 347              |
| Share based payment transactions                        | -                                            | -             | 925           | -                        | -                        | -                 | 925              | -                         | 925              |
| Acquisition of non-controlling interest                 | -                                            | -             | -             | -                        | 852                      | -481              | 371              | -1,826                    | -1,455           |
| Transfer among reserves                                 | -                                            | -             | -1,067        | -                        | -2,569                   | 3,636             | -                | -                         | -                |
| <b>Balance at 30 June 2020</b>                          | <b>1,159,348</b>                             | <b>5,974</b>  | <b>4,762</b>  | <b>-125,137</b>          | <b>-159,798</b>          | <b>454,120</b>    | <b>1,339,269</b> | <b>27,797</b>             | <b>1,367,066</b> |

The primary financial statements should be read in conjunction with the accompanying notes.

## Interim Condensed Cash Flow Statement

(all amounts in Euro thousands)

| (all amounts in Euro thousands)                                                               |       | For the six months ended 30/6 |          |
|-----------------------------------------------------------------------------------------------|-------|-------------------------------|----------|
|                                                                                               |       | 2020                          | 2019     |
| Cash flows from operating activities                                                          | Notes |                               |          |
| Profit after taxes                                                                            |       | 22,044                        | 13,138   |
| Depreciation and amortization of assets                                                       | 8,10  | 70,448                        | 67,843   |
| Interest and related expenses                                                                 |       | 31,479                        | 30,805   |
| Provisions                                                                                    |       | 3,693                         | 1,962    |
| Other non-cash items                                                                          |       | 13,340                        | 11,408   |
| Income tax paid                                                                               |       | -2,144                        | -4,915   |
| Changes in working capital                                                                    |       | -31,535                       | -18,089  |
| Net cash generated from operating activities (a)                                              |       | 107,325                       | 102,152  |
| Cash flows from investing activities                                                          |       |                               |          |
| Payments for property, plant and equipment                                                    | 8     | -39,833                       | -48,630  |
| Payments for intangible assets                                                                | 10    | -685                          | -4,648   |
| Payments for share capital increase in associates and joint ventures                          |       | -355                          | -        |
| Proceeds from sale of PPE, intangible assets and investment property                          | 8     | 187                           | 1,807    |
| Proceeds from dividends                                                                       |       | 646                           | 891      |
| Interest received                                                                             |       | 336                           | 1,049    |
| Net cash flows used in investing activities (b)                                               |       | -39,704                       | -49,531  |
| Cash flows from financing activities                                                          |       |                               |          |
| Proceeds from non-controlling interest's participation in subsidiary's share capital increase |       | -                             | 1,330    |
| Acquisition of non-controlling interests                                                      |       | -1,455                        | -67      |
| Payments due to share capital decreases                                                       |       | -                             | -1,262   |
| Dividends paid                                                                                |       | -239                          | -12,873  |
| Payments for shares bought back                                                               |       | -8,816                        | -5,695   |
| Proceeds from sale of treasury shares                                                         |       | 347                           | 641      |
| Proceeds from government grants                                                               |       | -                             | 98       |
| Interest and other related charges paid                                                       |       | -24,271                       | -28,224  |
| Principal elements of lease payments                                                          |       | -7,896                        | -7,546   |
| Proceeds from borrowings and derivative financial instruments                                 |       | 171,736                       | 158,900  |
| Payments of borrowings and derivative financial instruments                                   |       | -46,283                       | -106,821 |
| Net cash flows from/(used in) financing activities (c )                                       |       | 83,123                        | -1,519   |
| Net increase in cash and cash equivalents (a)+(b)+(c)                                         |       | 150,744                       | 51,102   |
| Cash and cash equivalents at beginning of the year                                            |       | 90,388                        | 171,000  |
| Effects of exchange rate changes                                                              |       | -793                          | 1,968    |
| Cash and cash equivalents at end of the period                                                |       | 240,339                       | 224,070  |

The primary financial statements should be read in conjunction with the accompanying notes.

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## 1. General information

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TITAN Cement International S.A. (the Company or TCI) is a société anonyme incorporated under the laws of Belgium. The Company's corporate registration number is 0699.936.657 and its registered address is Rue de la Loi 23, 7th floor, box 4, 1040 Brussels, Belgium, while it has established a place of business in the Republic of Cyprus in the address Arch. Makariou III, 2-4 Capital Center, 9th floor, 1065, Nicosia, Cyprus. The Company's shares are traded on Euronext Brussels, with a parallel listing on Athens Stock exchange and Euronext Paris.

The Company and its subsidiaries (collectively the Group) are engaged in the production, trade and distribution of a wide range of construction materials, including cement, concrete, aggregates, cement blocks, dry mortars and fly ash. The Group operates primarily in Greece, the Balkans, Egypt, Turkey, the USA and Brazil.

On 16 April 2019, TCI submitted a voluntary offer to the shareholders of Titan Cement Company S.A. (Titan S.A.), the Group's former parent company, for the exchange of all ordinary and preference shares issued by Titan S.A. with new shares of TCI. Eventually, on 19 August 2019, the Company acquired 100% of the ordinary and preference shares of Titan S.A..

This transaction was a reorganisation of the Group that did not change the substance of the reporting Group. The consolidated financial statements of TCI were presented using the values from the consolidated financial statements of Titan S.A.. The Group equity structure reflected the share capital and share premium of TCI, while the other amounts in Group equity were those of the consolidated financial statements of Titan S.A..

These interim condensed financial statements (the financial statements) were approved for issue by the Board of Directors on 29 July 2020.

## 2. Basis of preparation and summary of significant accounting policies

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These financial statements for the six-month period ended 30 June 2020 have been prepared by management in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2019.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual group financial statements.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2019, except for the new or revised standards, amendments and/or interpretations that are mandatory for the periods beginning on or after 1 January 2020.

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2020 and have been endorsed by the European Union:

- Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020). The revised Conceptual Framework includes a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance—in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.
- Amendments to the definition of material in IAS 1 and IAS 8 (effective 1 January 2020). The amendments clarify the definition of material and make IFRSs more consistent. The amendment clarifies that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that

information. It also states that an entity assesses materiality in the context of the financial statements as a whole. The amendment also clarifies the meaning of “primary users of general purpose financial statements” to whom those financial statements are directed, by defining them as “existing and potential investors, lenders and other creditors” that must rely on general purpose financial statements for much of the financial information they need. The amendments are not expected to have a significant impact on the preparation of financial statements.

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (effective 1 January 2020). The amendments require qualitative and quantitative disclosures to enable users of financial statements to understand how an entity’s hedging relationships are affected by the uncertainty arising from interest rate benchmark reform.
- Amendments to the guidance of IFRS 3 Business Combinations that revises the definition of a business (effective 1 January 2020). The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organised workforce. The changes to the definition of a business will likely result in more acquisitions being accounted for as asset acquisitions across all industries, particularly real estate, pharmaceutical, and oil and gas. Application of the changes would also affect the accounting for disposal transactions.

The Group had either no impact or an immaterial impact from the adoption of the aforementioned amendment of standards.

The following new standards and amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2020 and have not been endorsed by the European Union:

- Amendments to IAS 1 ‘Presentation of Financial Statements: Classification of Liabilities as current or non-current’ (effective 1 January 2022), affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The IASB has issued an exposure draft to defer the effective date to 1 January 2023. They:
  - Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the “right” to defer settlement by at least twelve months and make explicit that only rights in place “at the end of the reporting period” should affect the classification of a liability;
  - Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
- IFRS 17 ‘Insurance contracts’ (effective 1 January 2023). This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. On 17 March 2020, IASB decided to defer the effective date to annual reporting periods beginning on or after 1 January 2023. The Board expects to issue the amendments to IFRS 17 in the second quarter of 2020.
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (effective 01/01/2022). The package of amendments includes narrow-scope amendments to three Standards as well as the Board’s Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards.
  - Amendments to IFRS 3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

- Amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making.
  - Annual Improvements make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.
- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (effective 01/06/2020, with early application permitted). If certain conditions were met, the Amendment would permit lessees, as a practical expedient, not to assess whether particular covid-19-related rent concessions are lease modifications. Instead, lessees that apply the practical expedient would account for those rent concessions as if they were not lease modifications.

The Group is currently assessing possible impacts in its financial statements from the adoption of the aforementioned standard or/and amendment of standards.

The following standard is mandatory since the financial year beginning 1 January 2016 (however not yet subjected to EU endorsement). The European Commission has decided not to launch the endorsement process of this interim standard but to wait for the final standard:

- IFRS 14, 'Regulatory deferral accounts' (effective 1 January 2016). It concerns an interim standard on the accounting for certain balances that arise from rate-regulated activities. IFRS 14 is only applicable to entities that apply IFRS 1 as first-time adopters of IFRS. It permits such entities, on adoption of IFRS, to continue to apply their previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The interim standard also provides guidance on selecting and changing accounting policies (on first-time adoption or subsequently) and on presentation and disclosure.

### 3. Estimates

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The preparation of the interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim condensed financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2019.

### 4. Seasonality of operations

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The Group is a supplier of cement, concrete, aggregates and other building materials. The demand for these products is seasonal in temperate countries such as in Europe and North America. Therefore, the Group generally records lower revenues and operating profits during the first and fourth quarters when adverse weather conditions are present in the northern hemisphere. In contrast, sales and profitability tend to be higher during the second and third quarters, as favorable weather conditions support construction activity.

## 5. Operating segment information

For management information purposes, the Group is structured in five operating segments: Greece and Western Europe, North America, South Eastern Europe, Eastern Mediterranean and Joint Ventures. Each operating segment is a set of countries. The aggregation of countries is based mainly on geographic position.

Each region has a regional Chief Executive Officer (CEO) who is a member of the Group Executive Committee and reports to the Group's CEO. In addition, the Group's finance department is organized by region for effective financial control and performance monitoring.

Management monitors the operating results of its business units separately for the purpose of making decisions, allocating resources and assessing performance. Segment performance is evaluated based on earnings before interest, taxes, depreciation, amortization & impairment (EBITDA). EBITDA calculation includes the operating profit plus depreciation, amortization and impairment of tangible and intangible assets and amortization of government grants.

### Information by operating segment

(all amounts in Euro thousands)

|                                                                                     | Greece and Western Europe |                | North America  |                | South Eastern Europe |                | Eastern Mediterranean |               | Total          |                |
|-------------------------------------------------------------------------------------|---------------------------|----------------|----------------|----------------|----------------------|----------------|-----------------------|---------------|----------------|----------------|
| Period from 1/1-30/6                                                                | 2020                      | 2019           | 2020           | 2019           | 2020                 | 2019           | 2020                  | 2019          | 2020           | 2019           |
| Gross revenue                                                                       | 147,958                   | 162,428        | 475,532        | 471,884        | 115,940              | 120,705        | 81,097                | 69,669        | 820,527        | 824,686        |
| Inter-segment revenue                                                               | -34,242                   | -39,138        | -              | -109           | -                    | -              | -                     | -             | -34,242        | -39,247        |
| <b>Revenue from external customers</b>                                              | <b>113,716</b>            | <b>123,290</b> | <b>475,532</b> | <b>471,775</b> | <b>115,940</b>       | <b>120,705</b> | <b>81,097</b>         | <b>69,669</b> | <b>786,285</b> | <b>785,439</b> |
| Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA) | 8,245                     | 9,861          | 87,118         | 84,174         | 39,100               | 32,852         | 2,329                 | -4,708        | 136,792        | 122,179        |
| Depreciation, amortization and impairment of tangible and intangible assets         | -10,876                   | -10,758        | -37,137        | -36,494        | -12,428              | -11,893        | -10,007               | -8,698        | -70,448        | -67,843        |
| Operating (loss)/profit                                                             | -2,631                    | -898           | 49,981         | 47,680         | 26,672               | 20,960         | -7,678                | -13,406       | 66,344         | 54,336         |

|                                                          | Greece and Western Europe |                | North America    |                  | South Eastern Europe |                | Eastern Mediterranean |                | Total            |                  |
|----------------------------------------------------------|---------------------------|----------------|------------------|------------------|----------------------|----------------|-----------------------|----------------|------------------|------------------|
|                                                          | 30/6/2020                 | 31/12/2019     | 30/6/2020        | 31/12/2019       | 30/6/2020            | 31/12/2019     | 30/6/2020             | 31/12/2019     | 30/6/2020        | 31/12/2019       |
| <b>Total assets of segments excluding joint ventures</b> | <b>632,143</b>            | <b>534,564</b> | <b>1,156,587</b> | <b>1,106,234</b> | <b>492,284</b>       | <b>483,419</b> | <b>605,600</b>        | <b>634,204</b> | <b>2,886,614</b> | <b>2,758,421</b> |
| Investment in joint ventures                             |                           |                |                  |                  |                      |                |                       |                | 76,314           | 104,998          |
| <b>Total assets</b>                                      |                           |                |                  |                  |                      |                |                       |                | <b>2,962,928</b> | <b>2,863,419</b> |

|                          | 30/6/2020      | 31/12/2019     | 30/6/2020      | 31/12/2019     | 30/6/2020      | 31/12/2019    | 30/6/2020      | 31/12/2019     | 30/6/2020        | 31/12/2019       |
|--------------------------|----------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|------------------|------------------|
| <b>Total liabilities</b> | <b>420,980</b> | <b>378,306</b> | <b>692,765</b> | <b>663,746</b> | <b>152,038</b> | <b>94,115</b> | <b>330,079</b> | <b>317,461</b> | <b>1,595,862</b> | <b>1,453,628</b> |

### Reconciliation of profit

Net finance costs, and other income/loss are not allocated to individual segments as the underlying instruments are managed on a Group basis.

(all amounts in Euro thousands)

|                                        | For the six months ended 30/6 |               |
|----------------------------------------|-------------------------------|---------------|
|                                        | 2020                          | 2019          |
| <b>Operating profit</b>                | <b>66,344</b>                 | <b>54,336</b> |
| Net finance costs                      | -32,121                       | -31,354       |
| Loss from foreign exchange differences | -4,057                        | -4,963        |
| Share of profit of associates          | 306                           | 998           |
| Share of loss of joint ventures        | -2,091                        | -2,771        |
| <b>Profit before taxes</b>             | <b>28,381</b>                 | <b>16,246</b> |

## 6. Number of employees

The average number of Group employees for the reporting period was 5,372.

## 7. Income tax

The Group calculates the period income tax using the tax rate that would be applicable to the expected total annual earnings.

The major components of income tax in the interim consolidated income statement and the interim statement of comprehensive income are:

|                                                                       | For the six months ended 30/6 |               |
|-----------------------------------------------------------------------|-------------------------------|---------------|
|                                                                       | 2020                          | 2019          |
| (all amounts in Euro thousands)                                       |                               |               |
| Current income tax - expense                                          | -3,587                        | -3,184        |
| Provision for other taxes                                             | 130                           | -27           |
| Deferred tax (expense)/benefit                                        | -2,880                        | 103           |
| <b>Income tax recognised in income statement</b>                      | <b>-6,337</b>                 | <b>-3,108</b> |
| Income tax benefit/(expense) recognised in other comprehensive income | 125                           | -1,387        |
| <b>Total income tax - (expense)</b>                                   | <b>-6,212</b>                 | <b>-4,495</b> |

The movement of the net deferred tax liabilities is analyzed as follows:

|                                                                            | For the six months ended 30/6 |               |
|----------------------------------------------------------------------------|-------------------------------|---------------|
|                                                                            | 2020                          | 2019          |
| (all amounts in Euro thousands)                                            |                               |               |
| <b>Opening balance 1/1 *</b>                                               | <b>82,380</b>                 | <b>84,245</b> |
| Tax expenses/(income) during the period recognised in the income statement | 2,880                         | -103          |
| Deferred tax on treasury shares held by subsidiary (note 14)               | -9,299                        | -             |
| Income tax (benefit)/expense recognised in other comprehensive income      | -125                          | 1,387         |
| Exchange differences                                                       | -2,956                        | -740          |
| <b>Ending balance 30/6</b>                                                 | <b>72,880</b>                 | <b>84,789</b> |

\* Restated on 1/1/2019 for IFRS 16 - transition adjustments

Deferred income taxes are calculated in full on temporary differences under the liability method using the principal tax rates that apply to the countries in which the companies of the Group operate.

## 8. Property, plant and equipment

|                                 | Property, plant and equipment | Right of use assets | Total property, plant and equipment |
|---------------------------------|-------------------------------|---------------------|-------------------------------------|
| (all amounts in Euro thousands) |                               |                     |                                     |
| <b>Balance at 1/1/2020</b>      | <b>1,641,594</b>              | <b>57,484</b>       | <b>1,699,078</b>                    |
| Additions                       | 33,791                        | 6,042               | 39,833                              |
| Interest capitalization         | 279                           | -                   | 279                                 |
| Disposals (net book value)      | -217                          | -29                 | -246                                |
| Depreciation/impairment         | -60,789                       | -7,414              | -68,203                             |
| Transfers to other accounts     | -174                          | -75                 | -249                                |
| Exchange differences            | -21,392                       | -75                 | -21,467                             |
| <b>Ending balance 30/6/2020</b> | <b>1,593,092</b>              | <b>55,933</b>       | <b>1,649,025</b>                    |
| <b>Balance at 1/1/2019</b>      | <b>1,635,441</b>              | <b>12,451</b>       | <b>1,647,892</b>                    |
| Change in accounting policy     | -                             | 53,528              | 53,528                              |
| Additions                       | 47,041                        | 1,589               | 48,630                              |
| Disposals (net book value)      | -1,066                        | -1,146              | -2,212                              |
| Depreciation/impairment         | -58,783                       | -7,155              | -65,938                             |
| Transfers to other accounts     | -148                          | -                   | -148                                |
| Exchange differences            | 12,325                        | 569                 | 12,894                              |
| Other                           | 875                           | 45                  | 920                                 |
| <b>Ending balance 30/6/2019</b> | <b>1,635,685</b>              | <b>59,881</b>       | <b>1,695,566</b>                    |

## 8. Property, plant and equipment (continued)

On the Turkish subsidiaries Adocim Cimento Beton Sanayi ve Ticaret A.S. and Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S. assets, there are mortgages of €35.5 million and €4.6 million respectively, securing bank credit facilities. On 30.6.2020, utilization under these credit facilities amounted to €4.8 million and €1.05 million respectively.

Assets with a net book value of €246 thousand were disposed of by the Group during the six months ended 30 June 2020 (1.1-30.6.2019: €2,212 thousand) resulting in a net loss of €59 thousand (1.1-30.6.2019: loss €405 thousand).

## 9. Goodwill

(all amounts in Euro thousands)

|                        | 30/6/2020      | 30/6/2019      |
|------------------------|----------------|----------------|
| <b>Opening balance</b> | <b>344,523</b> | <b>338,400</b> |
| Exchange differences   | -4,617         | 1,671          |
| <b>Ending balance</b>  | <b>339,906</b> | <b>340,071</b> |
| North America          | 195,319        | 192,197        |
| Bulgaria               | 45,440         | 45,440         |
| Egypt                  | 49,736         | 47,549         |
| Turkey                 | 32,337         | 37,807         |
| Other                  | 17,074         | 17,078         |
| <b>Total</b>           | <b>339,906</b> | <b>340,071</b> |

On 30.6.2020, the Group decided to reassess the year-end key assumptions, which were used to test impairment of goodwill, due to the adversities set by Covid -19 and the decrease in Group's market capitalization. After re-examining the tests of all cash-generating-units (CGUs), the Group mainly focused on the Egyptian and Turkish CGUs, as they operating in challenging trading, economic and political environments.

The key assumptions used in the evaluation of the impairment test models remained the same as of the year-end 2019. Specifically, the perpetual growth rates, used to perform the tests of Egyptian and Turkish CGUs, were 8% and 9.5% respectively. In addition, their discount rates used were 17.5% for Egypt and 16% for Turkey.

### Sensitivity of recoverable amounts

On 30.6.2020, the Group analyzed the sensitivities of the recoverable amounts to the reasonably change in key assumptions. With respect to Turkey and Egypt additional sensitivity have been performed in order to assess the changes in the perpetuity growth rate or in the operational plan as the basis for cash flow estimates or the discount rate, which would cause the carrying amount to be equal to the recoverable amount.

- Reduction of perpetuity growth rate by: 5.2% for Turkey and 5.2% for Egypt
- Increase in the Discount rate by: 2.5% for Turkey and 2.0% for Egypt
- Decrease in the operating results (EBITDA) for each year of planning as well as in the terminal value of around 6.5% for Turkey and around 6% for Egypt

For the remaining CGUs, the sensitivity analysis did not show a situation in which the carrying value of the CGUs would exceed their recoverable amount as there was significant headroom and no reasonably possible change in assumptions would lead to impairment.

In conclusion, no impairment loss for goodwill was recorded in the Group's half-year results, as none of the cash generated unit's carrying amount exceeded its recoverable amount, despite the economic consequences of the pandemic.

## 10. Intangible assets

(all amounts in Euro thousands)

|                             | 2020          | 2019          |
|-----------------------------|---------------|---------------|
| <b>Opening balance 1/1</b>  | <b>80,817</b> | <b>66,821</b> |
| Additions                   | 685           | 4,648         |
| Transfers to other accounts | -160          | 15            |
| Amortization/impairment     | -2,349        | -2,018        |
| Exchange differences        | -199          | 2,060         |
| <b>Ending balance 30/6</b>  | <b>78,794</b> | <b>71,526</b> |

## 11. Investments in associates and joint ventures

On 16 March 2020, Nordeco S.A., 100% subsidiary of Ecorecovery S.A., was merged with its parent company.

The movement of the Group's participation in associates and joint ventures is analyzed as follows:

(all amounts in Euro thousands)

|                                                       | 30/6/2020      | 31/12/2019     |
|-------------------------------------------------------|----------------|----------------|
| <b>Opening balance 1/1</b>                            | <b>113,858</b> | <b>117,567</b> |
| Share of (loss)/gain of associates and joint ventures | -1,785         | 1,366          |
| Dividends received                                    | -1,612         | -3,321         |
| Share capital increase                                | 355            | 312            |
| Foreign exchange differences                          | -26,577        | -2,038         |
| Other comprehensive loss                              | -              | -28            |
| <b>Ending balance</b>                                 | <b>84,239</b>  | <b>113,858</b> |

## 12. Financial instruments and fair value measurement

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial instruments.

(all amounts in Euro thousands)

|                                                                  | Carrying amount |            | Fair value |            |
|------------------------------------------------------------------|-----------------|------------|------------|------------|
|                                                                  | 30/6/2020       | 31/12/2019 | 30/6/2020  | 31/12/2019 |
| <b>Financial assets</b>                                          |                 |            |            |            |
| <b>At amortised cost</b>                                         |                 |            |            |            |
| Other non-current financial assets                               | 5,389           | 5,521      | 5,389      | 5,521      |
| Trade receivables                                                | 128,395         | 111,850    | 128,395    | 111,850    |
| Cash and cash equivalents                                        | 240,339         | 90,388     | 240,339    | 90,388     |
| Other current financial assets                                   | 28,890          | 34,309     | 28,890     | 34,309     |
| <b>Fair value through profit and loss</b>                        |                 |            |            |            |
| Other non-current financial assets                               | 181             | 181        | 181        | 181        |
| Receivables from interim settlement of derivatives - non current | 14,880          | 12,937     | 14,880     | 12,937     |
| Derivative financial instruments - current                       | 6,061           | 1,245      | 6,061      | 1,245      |
| Receivables from interim settlement of derivatives - current     | 3,248           | 3,829      | 3,248      | 3,829      |
| Other current financial assets                                   | 30              | 30         | 30         | 30         |
| <b>Financial liabilities</b>                                     |                 |            |            |            |
| <b>At amortised cost</b>                                         |                 |            |            |            |
| Long term borrowings                                             | 588,664         | 776,694    | 593,125    | 801,245    |
| Other non-current financial liabilities                          | 41,470          | 41,470     | 41,470     | 41,470     |
| Short term borrowings                                            | 398,303         | 86,277     | 401,461    | 86,277     |
| Other current financial liabilities                              | 250,081         | 250,717    | 250,081    | 250,717    |
| <b>Fair value through profit and loss</b>                        |                 |            |            |            |
| Derivative financial instruments - non current                   | 14,880          | 11,084     | 14,880     | 11,084     |
| Derivative financial instruments - current                       | 4,503           | 2,692      | 4,503      | 2,692      |
| Payables from interim settlement of derivatives - current        | 5,507           | 1,092      | 5,507      | 1,092      |

Note: Derivative financial instruments consist of fx forwards, cross currency interest rate swaps (CCS) and interim settlements for derivatives that consist of cash, which covers fluctuations in the market value of the aforementioned derivatives.

## 12. Financial instruments and fair value measurement (continued)

The management assessed that the cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### Offsetting derivative financial instruments with interim settlement of derivatives

On 30.06.2020, the Group subsidiary in U.S.A., Titan America LLC (TALLC), has in force cross currency interest rate swap agreements (CCS) and EUR-USD forward contracts in order to hedge foreign currency risk or /and interest rate risk created by loans with the Group subsidiary Titan Global Finance PLC.

The next table shows the gross amounts of the aforementioned derivative financial instruments in relation with their interim settlement, that is received or paid, as they are representing in the statements of financial position as at 30.6.2020 and 31.12.2019, in order to summarize the total net position of the Group.

|                                        | Asset /(Liability)        |                                   | Net balance  |
|----------------------------------------|---------------------------|-----------------------------------|--------------|
|                                        | Fair value of derivatives | Interim settlement of derivatives |              |
| <b>Balance at 30 June 2020</b>         |                           |                                   |              |
| Forwards - expired in 2020             | 6,061                     | -5,507                            | 554          |
| Cross currency swaps - expired in 2024 | -19,383                   | 18,128                            | -1,255       |
|                                        | <b>-13,322</b>            | <b>12,621</b>                     | <b>-701</b>  |
| <b>Balance at 31 December 2019</b>     |                           |                                   |              |
| Forwards - expired in 2020             | -1,447                    | 2,737                             | 1,290        |
| Cross currency swaps - expired in 2024 | -11,084                   | 12,937                            | 1,853        |
|                                        | <b>-12,531</b>            | <b>15,674</b>                     | <b>3,143</b> |

### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of the assets and liabilities by valuation method:

Level 1: based on quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: based on valuation techniques whereby all inputs having a significant effect on the fair value are observable, either directly or indirectly and includes quoted prices for identical or similar assets or liabilities in markets that are not so much actively traded.

Level 3: based on valuation techniques whereby all inputs having a significant effect on the fair value are not observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

|                                                              | Fair value |            | Fair value hierarchy |
|--------------------------------------------------------------|------------|------------|----------------------|
|                                                              | 30/6/2020  | 31/12/2019 |                      |
| <b>Assets</b>                                                |            |            |                      |
| Investment property                                          | 11,590     | 11,628     | Level 3              |
| Other financial assets at fair value through profit and loss | 211        | 211        | Level 3              |
| Derivative financial instruments                             | 6,061      | 1,245      | Level 2              |
| Receivables from interim settlement of derivatives           | 18,128     | 16,766     | Level 2              |
| <b>Liabilities</b>                                           |            |            |                      |
| Long-term borrowings                                         | 352,316    | 671,189    | Level 2              |
| Long-term borrowings                                         | 240,809    | 130,056    | Level 3              |
| Short-term borrowings                                        | 290,308    | -          | Level 2              |
| Short-term borrowings                                        | 111,153    | 86,277     | Level 3              |
| Derivative financial instruments                             | 19,383     | 13,776     | Level 2              |
| Payables from interim settlement of derivatives              | 5,507      | 1,092      | Level 2              |

There were no transfers between level 1 and 2 fair value measurements during the period and no transfers into or out of level 3 fair value measurements during the six-month period ended 30 June 2020.

### 13. Share capital and premium

(all amounts are shown in Euro thousands unless otherwise stated)

#### Shares issued and fully paid

|                           | Ordinary shares  |           | Preference shares |        | Share premium | Total            |           |
|---------------------------|------------------|-----------|-------------------|--------|---------------|------------------|-----------|
|                           | Number of shares | €'000     | Number of shares  | €'000  | €'000         | Number of shares | €'000     |
| Balance at 1 January 2019 | 77,063,568       | 265,869   | 7,568,960         | 26,113 | 22,826        | 84,632,528       | 314,808   |
| Balance at 30 June 2019   | 77,063,568       | 265,869   | 7,568,960         | 26,113 | 22,826        | 84,632,528       | 314,808   |
| Balance at 1 January 2020 | 82,447,868       | 1,159,348 | -                 | -      | 5,974         | 82,447,868       | 1,165,322 |
| Balance at 30 June 2020   | 82,447,868       | 1,159,348 | -                 | -      | 5,974         | 82,447,868       | 1,165,322 |

(all amounts are shown in Euro thousands unless otherwise stated)

#### Treasury shares

|                           | Ordinary shares  |         | Preference shares |       | Total            |         |
|---------------------------|------------------|---------|-------------------|-------|------------------|---------|
|                           | Number of shares | €'000   | Number of shares  | €'000 | Number of shares | €'000   |
| Balance at 1 January 2019 | 4,361,171        | 109,930 | 197,310           | 2,954 | 4,558,481        | 112,884 |
| Treasury shares purchased | 280,603          | 5,589   | 5,520             | 106   | 286,123          | 5,695   |
| Treasury shares sold      | -64,057          | -1,595  | -                 | -     | -64,057          | -1,595  |
| Balance at 30 June 2019   | 4,577,717        | 113,924 | 202,830           | 3,060 | 4,780,547        | 116,984 |
| Balance at 1 January 2020 | 4,804,140        | 117,139 | -                 | -     | 4,804,140        | 117,139 |
| Treasury shares purchased | 786,278          | 8,816   | -                 | -     | 786,278          | 8,816   |
| Treasury shares sold      | -34,744          | -818    | -                 | -     | -34,744          | -818    |
| Balance at 30 June 2020   | 5,555,674        | 125,137 | -                 | -     | 5,555,674        | 125,137 |

In the first half of prior year, the average price of Titan Cement Company S.A. ordinary shares was €18.90 and its trading price on 30 June 2019 was €17.16. In the first half of 2020, the average shares stock price of the new parent Titan Cement International S.A. is €13.49 and the closing stock price on 30 June 2020 is €10.80.

## 14. Other reserves

| <i>(all amounts in Euro thousands)</i>             | Legal reserve  | Special reserve | Non-Distributable reserve | Distributable reserve | Re-organization reserve | Contingency reserves | Tax exempt reserves under special laws | Revaluation reserve | Actuarial differences reserve | Currency translation differences on derivative hedging position | Foreign currency translation reserve | Total other reserves |
|----------------------------------------------------|----------------|-----------------|---------------------------|-----------------------|-------------------------|----------------------|----------------------------------------|---------------------|-------------------------------|-----------------------------------------------------------------|--------------------------------------|----------------------|
| <b>Balance at 1 January 2019</b>                   | <b>96,687</b>  | <b>574,018</b>  | -                         | -                     | -                       | <b>335,405</b>       | <b>24,608</b>                          | <b>38,563</b>       | <b>-1,409</b>                 | <b>41,115</b>                                                   | <b>-370,500</b>                      | <b>738,487</b>       |
| Other comprehensive income                         | -              | -               | -                         | -                     | -                       | -                    | -                                      | -                   | -                             | -                                                               | 9,347                                | 9,347                |
| Non-controlling interest's put option recognition  | -              | -               | -                         | -                     | -                       | -                    | -                                      | -131                | -                             | -                                                               | -                                    | -131                 |
| Transfer among reserves                            | 1,538          | 83              | -                         | -                     | -                       | 656                  | 3,770                                  | -2,702              | -                             | -                                                               | 54                                   | 3,399                |
| <b>Balance at 30 June 2019</b>                     | <b>98,225</b>  | <b>574,101</b>  | -                         | -                     | -                       | <b>336,061</b>       | <b>28,378</b>                          | <b>35,730</b>       | <b>-1,409</b>                 | <b>41,115</b>                                                   | <b>-361,099</b>                      | <b>751,102</b>       |
| <b>Balance at 1 January 2020</b>                   | <b>101,034</b> | <b>637,817</b>  | <b>84,994</b>             | <b>200,654</b>        | <b>-1,188,374</b>       | <b>272,885</b>       | <b>26,457</b>                          | <b>64,200</b>       | <b>-2,064</b>                 | <b>41,115</b>                                                   | <b>-345,665</b>                      | <b>-106,947</b>      |
| Other comprehensive losses                         | -              | -               | -                         | -                     | -                       | -                    | -                                      | -                   | -                             | -                                                               | -45,019                              | -45,019              |
| Deferred tax on treasury shares held by subsidiary | -              | -               | -                         | -                     | -                       | -                    | -                                      | 9,299               | -                             | -                                                               | -                                    | 9,299                |
| Distribution of reserves                           | -              | -               | -                         | -15,414               | -                       | -                    | -                                      | -                   | -                             | -                                                               | -                                    | -15,414              |
| Acquisition of non-controlling interest            | 220            | 25              | -                         | -                     | -                       | -                    | 7                                      | 1,737               | -                             | -                                                               | -1,137                               | 852                  |
| Transfer to retained earnings                      | -              | -               | -                         | -1,027                | -                       | -                    | -869                                   | -1,740              | -                             | -                                                               | -                                    | -3,636               |
| Transfer from share options                        | -              | -               | -                         | -                     | -                       | 1,067                | -                                      | -                   | -                             | -                                                               | -                                    | 1,067                |
| Transfer among reserves                            | -              | -               | 4,615                     | -4,615                | -                       | -                    | -                                      | -                   | -                             | -                                                               | -                                    | -                    |
| <b>Balance at 30 June 2020</b>                     | <b>101,254</b> | <b>637,842</b>  | <b>89,609</b>             | <b>179,598</b>        | <b>-1,188,374</b>       | <b>273,952</b>       | <b>25,595</b>                          | <b>73,496</b>       | <b>-2,064</b>                 | <b>41,115</b>                                                   | <b>-391,821</b>                      | <b>-159,798</b>      |

In the statement of other comprehensive income, the exchange differences resulting from the translation of foreign operations in the first six months of 2020 amounted to a net loss of €47.9 mil. (30.6.2019: gain of €4.8 mil.), of which loss € 44.6 mil. (30.6.2019: gain €5.0 mil.) are attributable to the shareholders of the Parent Company and loss €3.3 mil. (30.6.2019: loss €0.2 mil.) to the non-controlling interests. The increase in net loss of €52.7 mil. between the two periods is mainly due to the weakening of both Turkish pound and Brazilian real against Euro.

## 15. Dividends and return of capital

### For the year ended 30.6.2020

Following the authorization granted to the Board of Directors by the Extraordinary General Meeting of the Company's Shareholders dated 13 May 2019, the Board of Directors of Titan Cement International SA decided on 19.3.2020 the return of capital of €0.20 (20 cents) per share to all Shareholders recorded on May 14, 2020 (Record Date). The Board of Directors decided on 13.5.2020 that the payment of the capital return would be made on 7.7.2020.

### For the year ended 30.6.2019

The Annual General Meeting, which was held on 7 June 2019, approved the distribution of dividend of a total amount of €12,694,879.20 i.e. €0.15 per share. Pursuant to article 16 paragraph 8 of L. 2190/1920, the final amounts distributed per share were increased by the amount, corresponding to the treasury shares held by the Titan Cement S.A..

## 16. Contingencies and commitments

### Contingent liabilities

(all amounts in Euro thousands)

|                        | 30/6/2020     | 31/12/2019    |
|------------------------|---------------|---------------|
| Bank guarantee letters | 13,996        | 18,614        |
| Other                  | -             | 130           |
|                        | <b>13,996</b> | <b>18,744</b> |

### Contingent assets

(all amounts in Euro thousands)

|                                                       | 30/6/2020     | 31/12/2019    |
|-------------------------------------------------------|---------------|---------------|
| Bank guarantee letters for securing trade receivables | 23,047        | 24,332        |
| Other collaterals against trade receivables           | 8,683         | 8,546         |
|                                                       | <b>31,730</b> | <b>32,878</b> |
| Collaterals against other receivables                 | 1,411         | 1,427         |
|                                                       | <b>33,141</b> | <b>34,305</b> |

## Commitments

### Capital commitments

Capital commitments contracted for at the balance sheet date but not recognized in the financial statements are as follows:

| (all amounts in Euro thousands) | 30/6/2020 | 31/12/2019 |
|---------------------------------|-----------|------------|
| Property, plant and equipment   | 1,700     | 1,835      |

### Purchase commitments

Energy supply contracts (Gas, electricity, etc.)

| (all amounts in Euro thousands) | 30/6/2020 | 31/12/2019 |
|---------------------------------|-----------|------------|
|                                 | 2,009     | 2,145      |

In addition to the aforementioned purchase commitments, the Group's US subsidiaries have entered a contract to purchase raw materials and manufacturing supplies as part of their on-going operations in Florida. This includes a contract to buy construction aggregates through a multi-year agreement at prevailing market prices.

## 17. Other non-current assets

(all amounts in Euro thousands)

|                            | 30/6/2020     | 31/12/2019    |
|----------------------------|---------------|---------------|
| Utility deposits           | 2,833         | 2,842         |
| Excess benefit plan assets | 2,263         | 3,826         |
| Other non-current assets   | 9,097         | 8,768         |
|                            | <b>14,193</b> | <b>15,436</b> |

## 18. Receivables and prepayments

Receivables and prepayments increased by €19.6 mil. mainly due to trade receivables that increased by €16.5 mil.. This increase reflects mainly the seasonality of the business as well as market conditions in which the Group operates.

## 19. Events after the reporting period

On July 2nd, Titan Global Finance Plc announced the completion of the offering of €250 mil. notes due 2027, with a 2.75 per cent coupon, guaranteed by Titan Cement International S.A. and Titan Cement Company S.A.. The proceeds of the Notes were used to purchase tendered 2021 notes in aggregate principal amount of €109,342,000 and for general corporate purposes, including repayment of bank debt.

## 20. Covid-19 implications

The Covid-19 pandemic and actions taken by governments across the world to reduce the spread of the virus have created significant uncertainty in the markets in which the Group operates. In this context of uncertainty, the Group has taken the following action to anticipate developments:

- Improving its liquidity position to approximately over €500 mil. (cash and undrawn committed loan facilities) as of 30 June 2020,
- Reviewing its capital expenditures plan and suspending non-essential expenditure,
- Being in the process of materializing significant cost savings throughout the year 2020 and
- Completed the offering of a new €250 mil. seven year bond issue at a coupon of 2.75%, the proceeds of which were mostly used to repay existing debt, thus extending debt maturities and reducing financing costs.

Given the present economic downturn impact and in addition with the aforementioned actions, the Group has re-examined for impairment both non-financial and financial assets.

For the purpose of goodwill impairment testing, the Group used adjusted cash flows projections based on revised financial budgets to calculate the value-in-use and thus the recoverable amount of its cash generated units. This semi-annual goodwill impairment testing process resulted in no impairment of goodwill for the Group, as none of the cash generated unit's carrying amount exceeded its recoverable amount.

For reassessing trade and other receivables allowances, the Group used provisional rates based on, among others, revised forecasts of future economic conditions, in addition with specific information for individual receivables. The reassessment shows that the recoverability of the receivables was not affected significantly due to the revision of the near-future economic projections.

For deferred tax assets, the Group reassessed forecasted taxable profits and concluded that deferred tax assets should not be reduced due to revised forecasts.

Moreover, a governmental measure applicable in the USA has allowed the Group's subsidiary, Titan America LLC (TALLC), to accelerate the refund of €4.1 mil. of outstanding alternative minimum tax credits. Originally, these tax credits would have been refunded in equal payments in 2021 and 2022, but will now be fully refunded in 2020. Another measure in USA has allowed TALLC to defer social security and medicare payments of €2.2 mil.. Payment of all deferred 2020 funds will occur equally in December 2021 and December 2022.

In summary, the consequences of Covid-19 do not have a material impact on the Group's financial position at 30.6.2020. The Group management concludes that, although Covid-19 may have a more significant impact on the Group's operations in the 2nd Half of 2020, such impact will be absorbable and does not endanger the Group's ability to continue as a going concern.

## 21. Principal exchange rates

| Spot rates    | 30/06/2020  | 31/12/2019  | 30/6/2020 vs 31/12/2019 |
|---------------|-------------|-------------|-------------------------|
| €1 = USD      | 1.12        | 1.12        | -0.3%                   |
| €1 = EGP      | 18.14       | 18.00       | 0.8%                    |
| €1 = TRY      | 7.68        | 6.68        | 14.8%                   |
| €1 = BRL      | 6.13        | 4.53        | 35.4%                   |
| €1 = RSD      | 117.58      | 117.59      | 0.0%                    |
| 1USD=EGP      | 16.20       | 16.02       | 1.2%                    |
| Average rates | Ave 6M 2020 | Ave 6M 2019 | Ave 6M 2020 vs 6M 2019  |
| €1 = USD      | 1.10        | 1.13        | -2.5%                   |
| €1 = EGP      | 17.46       | 19.56       | -10.8%                  |
| €1 = TRY      | 7.15        | 6.36        | 12.4%                   |
| €1 = BRL      | 5.41        | 4.34        | 24.7%                   |
| €1 = RSD      | 117.57      | 118.10      | -0.4%                   |
| 1USD=EGP      | 15.84       | 17.31       | -8.5%                   |