TITAN CEMENT GROUP

Integrated Annual Report 2019

TITAN

About the Report

The 2019 TITAN Cement Group Integrated Annual Report (IAR 2019) has been prepared in accordance with the Belgian Law, the 2020 Belgian Code on Corporate Governance, the International Financial Reporting Standards (IFRS) and the International Integrated Reporting Council (IIRC) principles for integrated reporting.

Other reporting frameworks followed by TITAN Group in the development and presentation of the IAR 2019 are the UN Global Compact Communication on Progress Guidelines, the Charter and the Global Cement and Concrete Association Guidelines and the UN SDGs 2030 as presented in the Non-Financial Review.

The separate and consolidated financial statements of the IAR 2019 were audited by PWC. The Non-Financial Performance Overview and statements were independently verified at a reasonable level by ERM Certification and Verification Services (ERM CVS), in accordance with the guidelines and protocols of the Global Cement and Concrete Association (GCCA), as well as the "advanced" level criteria for Communication on Progress of the United Nations' Global Compact (UNGC).

UN Global Compact
COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

SUSTAINABLE DEVELOPMENT GOALS

gcca

The independent auditor's report by PWC and the independent assurance statement by ERM CVS are included in the IAR 2019 and are available online at www.titan-cement.com/integratedannualreport2019. You may enter the IAR 2019 link by scanning the QR code with your mobile device.

We welcome your feedback, which you can send to us through the link above.

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2019 Highlights

Financial

€1,609.8m
Revenue

€267.1m
EBITDA
(Earnings before interest, tax, depreciation and amortization)

€50.9m
NPAT
(Net profit after tax)

"BB"
on a stable outlook
Credit rating (S&P)

€1,409.8m
Total Group Equity

Non-Financial

5,400
Employees
(as at 31 December 2019)

769
New hires across the Group

1.44
Lost Time Injuries Frequency Rate (LTIFR) for employees

675.7
Specific net direct CO_2 emissions
($kg/t_{Product}$)[1]

14.7
Specific dust emissions
($g/t_{Clinker}$)

255.9
Specific water consumption
(lt/t_{Cement})

[1] Product means cementitious product as defined by GCCA.

Message from the Chairman of the BoD

Dear Shareholders and Stakeholders,

The slow, steady and simultaneous recovery of the global economy in recent years, continued throughout most of 2019, but regrettably was abruptly interrupted by the advent of the Covid-19 pandemic.

The virus has led us into unchartered territory, as we face human, social and economic challenges around the world. As we go through these difficult times, our thoughts are with those affected by human loss. We are grateful to the professionals who, under great stress, continue running the health and social support systems and we are committed to doing everything we can to support their effort. At TITAN we live up to our social responsibility by protecting our people, our communities and our customers.

It is inevitable that all businesses around the world will be negatively affected by these developments and so will ours. As the situation evolves, we will be updating you with estimates of their impact on our business and the measures we will are taking to mitigate it.

Otherwise, 2019 was a milestone year for the TITAN Group as we succeeded in our objective to strategically reposition TITAN in a way that better reflects its expanding international footprint, while greatly enhancing its financial competitiveness.

Through a public tender offer process initiated by the core shareholders, Titan Cement International S.A. (TCI), registered in Belgium, with its seat of management based in Cyprus, succeeded TITAN Cement Company S.A. as the Group's parent company. On 23 July 2019 the shares of TCI were accepted for primary listing on Euronext-Brussels with secondary listings on Euronext-Paris and the Athens Stock Exchange.

Despite of all these changes TITAN's core shareholders, senior management and the Group as a whole have remained unchanged. The Group will continue to adhere to its well established standards of excellence, best in class governance, ethics and long-term sustainability commitments, while steering through challenging market cycles.

On behalf of the Board of Directors, I wish to express my thanks and appreciation to our shareholders for supporting the tender offer which made this historic transition possible. In addition, I wish to congratulate management for designing and successfully executing this extremely complex transition and for delivering another year of solid results, very much reflecting the complex and broad variety of economic forces at play within the perimeter of the Group's diversified geographic footprint.

Going forward, I believe that TCI has all the attributes that will enable it to maintain its path towards sustainable growth for the benefit of its shareholders and stakeholders.

With best wishes to all,

Takis Arapoglou
Chairman of the BoD

"2019 was a milestone year for the TITAN Group as we succeeded in our objective to strategically reposition TITAN in a way that better reflects its expanding international footprint, while greatly enhancing its financial competitiveness".

Message from the Chairman of the Group Executive Committee

"We are well placed to simultaneously navigate the market cycles of our business and participate in the major transformational changes that will affect our sector and beyond, focusing on operational excellence and profitability, as well as on adaptability, agility and long-term sustainability".

Dear Shareholders and Stakeholders,

In 2019, we successfully managed the traditional cycles of economic and construction activity in each of the regions we operate, delivering another year of solid financial performance. At the same time, we rose to the challenges and opportunities brought about by the urgent need to tackle climate change and the advent of the digital revolution, pursuing our strategic priorities of operational excellence and long-term sustainability.

Looking at the market cycles and their development in 2019, the USA, our largest market, continued on its positive trajectory in the regions of Florida, Mid Atlantic and NY Metro regions, where we operate. The Greek market showed some first signs of growth, mainly in the tourism and private sector construction; most of our markets in Southeastern Europe benefited from increased demand; and Brazil appears to be turning to moderate growth. On the downside of the cycle, Egypt recorded a decline in demand, which, together with the commencement of the operation of the army owned mega-plant in the country, led to a substantial deterioration of capacity utilization. The situation in Turkey is similar, where, following a major drop in demand, there are signs of stabilization at low utilization levels.

Our operations were affected positively by lower global fuel costs, but faced, in most regions, increased electricity costs. Logistics costs, notably those related to sea transportation and local US distribution, increased as well. Some of the cost increases were passed on through price increases to the markets, particularly in the areas of substantial growth.

The net effect of the regional performances was stable to positive for the Group, with revenue increasing to €1,609.8 million (8.0%) and EBITDA to €267.1 million (2.8%). NPAT decreased to €50.9 million (-5.5%), the reduction being attributable to the losses in East Med.

We continued investing in our operations, spending €109 million in capital expenditures in 2019. The Group also financed the acquisition, through a squeeze out process, of the minority of TITAN Cement Company S.A. shares which were not tendered in the exchange offer. Furthermore, in line with our long-term business strategy in Southeastern Europe and Egypt, we acquired the minority stakes held by the International Finance Corporation (IFC) in our local companies.

Up until the emergence of the coronavirus crisis, our planning for 2020 was based on a broadly positive outlook: In the USA, the long period of growth was expected to continue, with favorable macroeconomic indicators driving the residential market. The regions of Southeastern Europe, Greece and Brazil were also on a positive domestic market trajectory, though Greece will be affected negatively by a reduction in exports, as European cement production is replaced by exports from countries without CO_2 pricing. Turkey and Egypt were expected to continue to experience low demand in 2020, although the long-term fundamentals that drive demand in both countries remain robust.

The coronavirus outbreak creates a major source of uncertainty. It is expected to have a negative effect on the global economy and on our original expectations, which at this point in time cannot be quantified. At the time of this writing (15 March), we have not yet witnessed a negative impact on demand in our markets, or suffered a significant disruption in our operations. We are taking the necessary measures to prepare for all eventualities.

Moving to the second pattern of longer-term trends, we are observing and actively participating in the fundamental shifts that the digital revolution will bring to our sector and beyond. The changes start with new ways to capture operational efficiencies in our plants, where in 2019 we rolled out several new digital pilots relating to production optimization and predictive maintenance. We expect our digital evolution to go well beyond that, experimenting with tools and platforms that will enhance and possibly redefine our supply chain and the interface with our customers. At this point in our journey, we are focusing primarily on developing our digital capability through accelerated experimentation within our organization. This trajectory is enabled by numerous collaborations with academic institutions and technology partners as well as by initiatives such as the Digital Academy for young professionals.

Looking at the longer-term sustainable growth of our business, our main priority is the reduction of the carbon footprint of our own operations and our participation in the decarbonization of the construction value chain, contributing towards the global effort of climate change mitigation. We have made further progress in CO_2 reduction, in particular through the increase in the use of alternative fuels; we expect to meet our 2020 target of a 20% reduction of specific emissions compared to the base year 1990 with a short delay, due to regulatory and market conditions that influence product and fuel mix. In 2019, our total emissions were reduced by 7% year on year, driven primarily by lower clinker production. Furthermore, through our participation in European and international consortia, we are developing low carbon cementitious products and are collaborating in R&D projects that will pilot carbon capture technologies in our plants.

While climate change justifiably dominates the sustainability agenda, we have also progressed on other environmental, social and governance issues, which are material to our stakeholders and us. On environmental issues, we are on track on all our targets, which relate to SOx, NOx and dust emissions, water consumption and energy efficiency. On social issues, we have set up an internal platform to record and share best practices in community engagement; we improved our safety performance; and promoted Diversity and Inclusion by auditing our internal policies and processes for relevant biases. On governance, we finalized a group-wide employee hotline policy; integrated our key policies in our digital learning platform for employees; and set up the governance systems under the new Group parent company, building on our established track record of transparency and accountability on both financial and non-financial performance. We also ran a survey covering all our employees worldwide and conducted a group materiality assessment review in order to incorporate up-to-date stakeholder perspectives in our strategic planning in 2020. We are collaborating at both local and global level towards the achievement of the Sustainable Development Goals 2030, in accordance with our commitment under the UN Global Compact.

We are well placed to simultaneously navigate the market cycles of our business and participate in the major transformational changes that will affect our sector and beyond, focusing on operational excellence and profitability, as well as on adaptability, agility and long-term sustainability. We know we can rely on the partnership and collaboration with all our stakeholders to successfully address our common future challenges.

Dimitri Papalexopoulos
Chairman of the Group Executive Committee

Overview


An overview of our Group in a changing global landscape. Our approach to value creation for our stakeholders and to corporate governance.

A changing global landscape

With the global landscape marked by accelerating shifts, we are actively monitoring the new dynamics described below. We are rising to the challenge and are participating, in collaboration with our stakeholders, in the efforts to effectively address the major challenges that the cement industry is facing today.

Sustainable infrastructure development

According to the United Nations, 68% of the world population is projected to live in urban areas by 2050, up from 55% today. The continuous shift in residence from rural to urban areas presents society with the pressing challenge to build the necessary infrastructure to accommodate people's needs, including shelter, transportation and energy systems. Given other global challenges, such as climate change and the depletion of natural resources, urban development cannot happen without addressing these serious sustainability considerations.

Society expects that all those who are responsible for building the world of tomorrow will respond and play their part today. Cement use is set to rise and the cement industry has a significant role to play, contributing through innovation to the shaping of sustainable and livable cities, in collaboration with all relevant stakeholders; local authorities, regulators, communities, business partners and customers.

Climate change and the CO_2 challenge

Climate change and global warming as a result of human activities is undoubtedly one of the major challenges of our time. It represents a long-term risk for our society, and this risk extends to organizations across several sectors. Society demands from institutions, academia, governments and companies worldwide to join forces and take meaningful action to tackle this global threat.

Considering the carbon and energy-intensive nature of its business, the cement industry is fully aware of the urgency related to climate change, considering it as a business-critical issue for the sector. It is taking action to reduce its CO_2 footprint in clinker, cement and concrete, as well as to enhance recarbonation over the product's lifecycle and to develop carbon capture technologies. Furthermore, in order to achieve the vision of a carbon-neutral economy, the cement sector advocates a common global regulatory framework which will foster innovation and investments and prevent "carbon leakage", whereby production shifts to the least-regulated regions, with a negative impact on the environment.

Digital transformation

The fourth industrial revolution combines physical and digital technologies through analytics, artificial intelligence and cognitive technologies, to create systems that are capable of more informed decision-making. The impact of these changes has the potential to ripple across industries, businesses and communities and is already transforming economies, jobs and even society itself.

Digital transformation and advancement are changing the way that the cement industry defines operational excellence. Advanced analytics, digital interfaces, automation and robotics have the potential to enable asset optimization, allow the early detection of problem areas, enhance predictive maintenance and safeguard product and process quality. New digital uses can transform the whole chain of operations impacting topline growth and productivity, as well as business models and jobs. Cement producers that move quickly to adopt 4.0 technologies will raise the efficiency of production processes and gain a powerful competitive advancement over their peers.

Increased societal expectations regarding sustainability

Sustainability is becoming more important for all companies, across all industries. A sustainability strategy is essential for any company seeking to be competitive today and to foster its longevity. Following the call to action of the UN Sustainable Development Goals for 2030 (SDGs), an increasing number of companies are aligning their goals with the SDGs and are measuring, managing and disclosing their sustainability risks and opportunities. What started as a voluntary pledge is gradually becoming mandatory, as investors are taking due account of environmental, social and governance (ESG) considerations when making investment decisions, and society at large has greater expectations of ESG commitment and transparency from the private sector.

Aiming to identify its potentially high ESG impact and efficiently manage the related risks, the cement industry has introduced and is continuously updating sustainability guidelines, through the Global Cement and Concrete Association (GCCA), while many companies are reporting their non-financial performance in accordance with global and national practices. These practices are in turn also evolving to address the increasing transparency and accountability requirements of stakeholders.

Business approach

Building on 117 years of industry experience and driven by its commitment to sustainable growth, TITAN has become an international cement and building materials producer, serving customers in more than 25 markets worldwide through a network of 14 cement plants in 10 countries, as well as quarries, ready-mix plants, terminals and other production and distribution facilities.

We serve society's need for safe, durable, resilient and affordable housing and infrastructure and create value by transforming raw materials into products - cement, concrete, aggregates, fly ash, mortars and other building materials - distributing them to customers and providing related services. Our collaboration and know-how sharing with customers, business partners, local communities and academia increase the shared value we create and contribute to the advancement of material issues relevant to us and our stakeholders at global, regional and local level.

We are responding to the changing global landscape and the growing sustainability challenges. We are investing in research, development and innovation, with a primary focus on areas related to the long-term sustainability of the business and, in particular, climate change mitigation by reducing CO_2 emissions, the application of the circular economy model and the digital transformation. With regards to R&D, we have increased our focus on the development of low-carbon technologies, which will be key to reducing CO_2 emissions in the future. We are also engaged in key partnerships between industry and academic institutions for research on low carbon cementitious materials.

On the digital transformation front, we have started to apply the tools of the fourth industrial revolution to our business. We have introduced multiple digital and advanced analytics pilot projects and solutions, with significant impact as they are rolled out across the Group's Business Units. We consider the continuous building of capabilities in the era of digitalization as an essential part of our efforts to increase operational efficiency and competitiveness, and to develop new ways of connecting with our customers. To this end, we are continuously investing in developing the digital skills of our people and are empowering our teams with the addition of several experts with specialist skills.

Having sustainability as an integral part of our business, our commitment to corporate social responsibility goes beyond compliance; it is a voluntary pledge to make a positive impact on the world around us. We are accelerating our efforts to promote sustainability throughout our value chain, empowering our people to grow within an inclusive and safe environment and fostering collaborations to address local community needs.

By actively participating in global collaborations and international organizations, we aim to address global sustainability challenges as well, within the framework of the UN Sustainable Development Goals for 2030. We are a participant of the UN Global Compact (UNGC) and a core member of CSR Europe, the Global Cement and Concrete Association (GCCA) and the World Business Council for Sustainable Development (WBCSD).

Among the 17 SDGs 2030, we have identified in 2015 four as most relevant to our business and eight as complementary to our main priorities, as per the table below, and we have linked our 2015 material issues and 2020 sustainability targets to most of them. We map TITAN's contribution to all SDGs throughout the 2019 IAR and in more detail in the non-financial statements. Following the materiality assessment outcomes in 2019 we work on setting targets for all material issues, in alignment with SDGs 2030.

SDGs most relevant to our business

SDGs complementary to our main priorities

117 years of growth underpinned by our core values

Driven by our entrepreneurial spirit, we have expanded beyond our Greek roots growing in four continents.

Our growth journey since 1902

Foundations

1902-1960

1902
TITAN Cement is founded with the opening of the first cement plant in Elefsina, Greece. It is the first cement-producing unit in Greece

1912
Listing on the Athens Stock Exchange

1951 - 1957
Rapid growth of exports, which during the period account for over 50% of the company's sales and approximately 50% of Greece's total exports in cement

Growth in Greece

1960-1990

1962
Second plant in Thessaloniki

1968
Third cement plant in Drepano, Patras

1976
Fourth cement plant in Kamari

International Growth

1990-2019

1990 - 2018: International expansion with cement production facilities in 10 countries and presence in more than 15 countries:

Acquisitions and investments:

• (1992) 60% in Roanoke Cement, Virginia, USA
• (1998) Cementarnica Usje, North Macedonia
• (1999) Beni Suef Egypt (50% Joint Venture - JV)
• (2000) 100% of Roanoke, Virginia and Pennsuco, Florida, USA • (2002) Kosjeric, Serbia
• (2002) Alexandria PCC (APCC), Egypt (50% - JV) • (2003) Zlatna Panega, Bulgaria • (2007) Greenfield investment, Antea plant, Albania
• (2008) 50% in Adocim, Turkey (JV) • (2008) 100% of Beni Suef and APCC Egypt • (2010) Sharr plant, Kosovo • (2016) Cimento Apodi, Brazil (JV)
• (2018) 75% in Adocim, Turkey

2019
Titan Cement International S.A. becomes TITAN Group's parent company and is listed on Euronext Brussels, Paris and on the Athens Exchange

Our governing objective

We aim to grow as a multiregional, vertically integrated cement producer, combining entrepreneurial spirit and operational excellence with respect for people, society and the environment.

Our strategic priorities

To achieve our governing objective, we focus on four strategic priorities:

Geographic diversification	Continuous competitive improvement	Vertical integration	Focus on human capital and corporate social responsibility
We expand our business through acquisitions and greenfield developments into attractive new markets, to diversify our earnings base and mitigate the effect of the volatility inherent in our industry.	We implement new efficiencies throughout our business to reduce costs and compete more effectively.	We extend our business into other product areas in the cement value chain, serving our customers better and accessing new profit opportunities.	We care for and develop our employees, and continuously improve our good relationships with all internal and external stakeholders, always aiming for mutual respect and understanding.

Underpinning these priorities is our approach to sharing best practice and leveraging expertise. Applying this approach across the Group helps the development of our capabilities and the efficient delivery of our governing objective.

Our values

Our values are at the core of who we are; they guide our strategy and provide the foundations for all our operations. They have provided our people with a strong bond and supported the growth that has sustained us for over a century, stemming directly from the principles, beliefs and vision of our founders back in 1902. They remain the solid basis of our culture and family spirit.

Integrity

- Ethical business practices
- Transparency
- Open communication

Know-how

- Enhancement of knowledge base
- Proficiency in every function
- Excellence in core competencies

Value to the customer

- Anticipation of customer needs
- Innovative solutions
- High quality of products and services

Delivering results

- Shareholder value
- Clear objectives
- High standards

Continuous improvement

- Learning organization
- Willingness to change
- Rise to challenges

Corporate Social Responsibility

- Safety first
- Sustainable development
- Stakeholder engagement

Ingrained in the Group's identity and embedded in our culture and our people's practices, our values guide the way we conduct our business - with respect, accountability and responsibility.

Global presence

We report on our performance and activities based on our four geographic regions, and separately on our joint venture in Brazil.

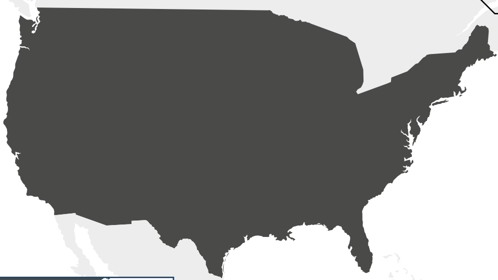
Greece & Western Europe

Cement plants

1. Thessaloniki
2. Kamari
3. Patras

Grinding plant

4. Elefsina



USA

2 Cement plants	8 Quarries
83 Ready-mix plants	3 Import terminals
10 Concrete block plants	5 Fly ash processing plants

Principal products/activities

Revenue €952m

EBITDA €179m

Assets €1,106m

USA

Cement plants

1. Roanoke – Virginia
2. Pennsuco – Florida

Brazil (Joint venture)*

1 Cement plant	3 Quarries
5 Ready-mix plants	1 Grinding plant

Principal products/activities

*The joint venture in Brazil is incorporated in the financial statements using the equity method of consolidation.

In the non-financial performance overview and statements, the joint venture in Brazil is not included.

Brazil (Joint venture)

Cement plant

1. Quixere

Grinding plant

2. Pecem

Southeastern Europe

Cement plants

1. Kosjeric – Serbia
2. Zlatna – Bulgaria
3. Sharr – Kosovo
4. Usje – North Macedonia
5. Antea – Albania

Eastern Mediterranean

Cement plant

1. Tokat

Grinding plant

2. Marmara

Cement plants

1. Alexandria
2. Beni Suef

Principal products/ activities key:

- Cement
- Ready-mix concrete
- Aggregates
- Dry mortars
- Building blocks
- Fly ash
- Waste management and alternative fuels

Greece & Western Europe

3 Cement plants
27 Quarries
28 Ready-mix plants
3 Import terminals
1 Grinding plant
1 Dry mortar plant

Principal products/activities

Revenue €245m
EBITDA €12m
Assets €640m

Southeastern Europe

5 Cement plants
19 Quarries
6 Ready-mix plants
1 Processed engineered fuel facility

Principal products/activities

Revenue €263m
EBITDA €77m
Assets €483m

Eastern Mediterranean

3 Cement plants
15 Quarries
6 Ready-mix plants
2 Processed engineered fuel facility
1 Grinding plant

Principal products/activities

Revenue €150m
EBITDA €-1m
Assets €634m

Number of operational units of all regions as calculated for non-financial performance reporting purposes at Group level

Delivering value for all

We draw on, transform and add to our capital resources to provide our products and services and achieve sustainable business growth, creating value[1] for all our stakeholders and contributing to the attainment of the global sustainable development goals.

Driven by our Governing Objective

we draw on our capital

Financial capital
We use our economic resources efficiently to support our business growth and safeguard our international competitiveness.

Manufactured capital
We manufacture our products using best available techniques in a network of 14 cement plants in 10 countries, as well as quarries, ready-mix plants and other production facilities and we distribute them reliably to our customers through dedicated terminals.

Intellectual capital
We use our R&D capabilities, our core competence, and our deep knowledge of the building materials industry to enhance our offerings and further improve our performance.

Human capital
We value our people's contribution to our achievements, continuously supporting their professional development in an engaging, inclusive and collaborative working environment.

Social and Relationship capital
We engage with our stakeholders building long-term relationships of trust and working together in collaborative projects to make a positive impact on society and local communities.

Natural capital
We source materials responsibly and we preserve natural resources and biodiversity in the areas where we operate. We contribute to circular economy, by applying the principles of "reduce, recycle, reuse, recover".

to provide our products and services

Products

- Cement
- Ready-mix concrete
- Aggregates
- Dry mortars
- Building blocks
- Fly ash

Services and Solutions

Production, transportation, distribution of building materials

Solutions for circular economy

- Separation technologies
- Alternative fuel and waste management solutions

(1) The economic value created and distributed to key stakeholders has been calculated using the United Nations – UNCTAD "Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals" (latest publication in 2019).
(2) Revenue minus costs of bought-in materials, goods and services (Gross Value Added, GVA, according to the UNCTAD).

and to create value for our stakeholders

contributing to the UN SDGs 2030

Key Indicators	Amounts	Stakeholders	SDGs
Value added[2]	**€598.0m**	Employees, customers, suppliers, shareholders and investors	8 Decent work and economic growth; 9 Industry, innovation and infrastructure
Net value added[3]	**€458.3m**	Employees, customers, suppliers, shareholders and investors	8 Decent work and economic growth; 9 Industry, innovation and infrastructure
Total spend on suppliers, local national and international for goods and services	**€1,020.0m**	Suppliers and contractors	9 Industry, innovation and infrastructure
Taxes to national and local authorities	**€90.7m**	Governments and authorities (central and local)	8 Decent work and economic growth; 17 Partnerships for the goals
Payments in cash, as dividends and other type, to shareholders and minorities	**€13.7m**	Shareholders	8 Decent work and economic growth; 17 Partnerships for the goals
Total spend on donations and social engagement initiatives	**€2.5m**	Communities, academia and educational organizations, civil society and society at large	2 Zero hunger; 4 Quality education; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 16 Peace, justice and strong institutions; 17 Partnerships for the goals
Green Investment	**€26.6m**	Communities, youth, society at large	9 Industry, innovation and infrastructure
Alternative fuels	**269,665 tons**	Communities, youth, society at large	12 Responsible consumption and production; 13 Climate action
Salaries, (contributions to) pensions, and social benefits, including additional benefits beyond those provided by law	**€315.1m**	Employees and their families, local communities	17 Partnerships for the goals
Investments on training of direct employees, as total expenditures[4] at Group level	**€0.9m**	Employees and their families	4 Quality education; 8 Decent work and economic growth; 10 Reduced inequalities
Internships	**396 interns**	Employees and their families, local communities, youth	4 Quality education; 8 Decent work and economic growth; 17 Partnerships for the goals
R&D and Innovation Collaborative efforts	**€7.9m**	Employees, customers	7 Affordable and clean energy; 9 Industry, innovation and infrastructure
Investments for the Group's future growth	**€109.3m**	Employees, customers	9 Industry, innovation and infrastructure; 12 Responsible consumption and production

(3) Revenue minus costs of bought-in materials, goods and services and minus depreciation on tangible assets (Net Value Added, NVA , according to the UNCTAD).
(4) Total expenditures including the direct and indirect costs of training for direct employees and mainly costs such as trainers' fees. For more details, see Table 2.1. Value Creation Core Indicators Index in Non-financial Statements

Materiality and stakeholder engagement

With open and structured communication, we engage with our stakeholders to deepen our insights into their needs and expectations. Through this process, we aim to build trusted relationships and enhance collaboration in order to create shared value and contribute to sustainable growth.

TITAN's approach to materiality assessment

Materiality assessment is an ongoing process that provides the foundation for the implementation of our sustainability strategy. A full cycle of materiality assessment has a duration of five years with materiality assessments at local level used as an input for the materiality assessment at Group level and vice versa. Its outcomes and the actions we take to address them feed the ongoing dialogue with our stakeholders, enabling mutual understanding, trust and consensus, and thus collaboration in support of sustainable solutions at all levels.

In 2015, we conducted a materiality assessment and linked our material issues to the Sustainable Development Goals (SDGs), established by the UN to achieve long-term growth and development by 2030.

In 2017, when we introduced our 2020 sustainability targets, we went a step further, starting aligning the targets set not only with our material issues but also with core and complementary UN SDGs 2030.

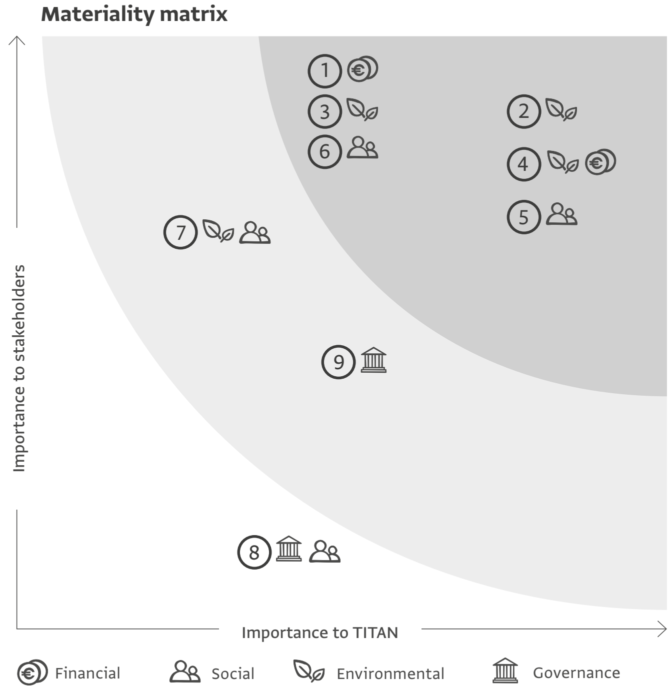
In 2019, a new cycle of materiality assessment started at Group level. The launch of the new cycle has been an opportunity to upgrade and further develop internal process with the use of SASB Materiality Map. The outcome of this process will be reported in our 2020 Integrated Annual Report.

The information below summarises the outcomes of the materiality assessment process that took place in 2015:

TITAN Group material issues 2015 - 2019

TITAN Group material issues 2015 - 2019	SDGs
1 Financial liquidity and access to funding	8, 17
2 Environmental management	6, 7, 15, 17
3 Climate change	7, 13, 17
4 Circular economy	12, 17
5 Health and safety	3, 8, 17
6 People management and development	4, 5, 17
7 Sustainability of communities	4, 9, 11, 17
8 Social and political risks and instability	8, 17
9 Governance, transparency and ethics	4, 8, 17

Materiality matrix



SDGs key

Stakeholder engagement is a five-step ongoing process:

Engaging with stakeholders

Stakeholder engagement is a five-step ongoing process as illustrated in the diagram on the left. The feedback we receive from our stakeholders acts as a compass for our continuous improvement on all fronts.

We build trust with our stakeholders by being open, transparent and consistent in our communication. At Group level, we report our sustainability performance to stakeholders annually, including the outcomes of an independent assurance.

Acknowledging that local stakeholders are important for both our local and our Group operations, as of 2018 we report our sustainability performance in six countries following the same high standards, and have these independently verified.

In 2008, TITAN Usje in North Macedonia was our first subsidiary to apply this practice. In 2019, TITAN Albania, TITAN Bulgaria, TITAN Egypt, TITAN Kosovo, TITAN North Macedonia and TITAN Serbia reported their sustainability performance following materiality assessment outcomes and feedback they received from key local stakeholders through their systematic dialogue.

The information below summarizes the outcomes of stakeholder dialogue and engagement in 2019

Key stakeholders	Engagement process	Key issues per stakeholder group
Employees - Unions	Employee opinion survey 2019; Communication days; Collective agreements	Corporate Social Responsibility; Occupational Health and Safety; Inclusion (Communication, participation, recognition)
Customers	Bilateral meetings; Open days; Interviews; Studies	Close collaboration; Quality products and services; Sustainable construction
Contractors	Bilateral meetings; Open days	Occupational Health and Safety; Close collaboration; Skills and competences
Communities	Open days; Studies; Interviews	Health and Safety; Local environmental impacts
Investors	Roadshows; Bilateral meetings; Forums; Workshops	Governance and transparency; Climate change; Future growth
Suppliers	Bilateral meetings; Interviews; Study visits; Information letters	Close collaboration; Transparency; Future growth
Local authorities	Bilateral meetings; Interviews; Studies; Open days	Community support and development/infrastructure; Future growth and employment
Regulators	Bilateral meetings; Open days; Thematic forums	Climate change; Transparency; Employment and economic growth

Corporate Governance and Risk Management

Through sound corporate governance we aim to ensure that every management decision lives up to our purpose and core values, takes due account of sustainability considerations and is in the best interest of our stakeholders. By proactively identifying, assessing and managing all our potentially significant risks and opportunities, we are able to prepare for issues that may affect the long - term sustainability of our business and achieve our strategic objectives.

Legal structure of Titan Cement International S.A

Titan Cement International S.A. (TITAN or the Company) is a public limited liability company ("société anonyme") incorporated under Belgian law. It became the Group's parent company following the successful completion of a voluntary share exchange offer submitted to the shareholders of TITAN Cement Company S.A., the Group's former parent company.

As of 23 July 2019, the shares of Titan Cement International S.A. are listed on the regulated markets of Euronext Brussels, Euronext Paris and the Athens Exchange.

The seat of management of the Company is in Cyprus.

Governance structure

The Company has chosen the one-tier governance structure, consisting of the Board of Directors, which is authorized to carry out all actions that are necessary or useful to achieve the Company's purpose, except for those which the General Meeting of Shareholders is authorized to carry out by law.

As provided in the 2020 Belgian Code on Corporate Governance, which is adopted by the Company, the Board of Directors will review at least once every five years whether the chosen governance structure is appropriate.

Board of Directors

As of 18 July 2019, when the results of the successful exchange offer of Titan Cement International S.A. were officially announced, the Company has a new Board, composed of 15 directors.

The Board members have high level, diverse and complementary expertise and significant experience relevant to the major challenges that TITAN is facing in its business environment and key markets. The Board members bring their experience and competence in areas such as finance, international investments, corporate governance and business management, as well as their broader perspective on the world and society.

The Board's role

Our Board as a collegial body pursues sustainable value creation by the Company, by setting the Company's strategy, putting in place effective, responsible and ethical leadership and monitoring the Company's performance. In order to effectively pursue such sustainable value creation, the Board has developed an inclusive approach that balances the legitimate interests and expectations of shareholders and other stakeholders. The Board appoints the executive management and constructively challenges the executive management whenever appropriate.

Group Executive Committee

The Group Executive Committee, as appointed by the Board of Directors, is composed of executive directors and senior managers of the Company, heading the main regions and functions of the Group.

The role of the Group Executive Committee is to facilitate the:

- cooperation and coordination between the Company's subsidiaries;
- supervision of the Group operations;
- monitoring of the Group management performance; and
- implementation of decisions and related accountability.

Management Committee

The Management Committee is composed of the Managing Director of the Company and other members appointed and removed by the Board of Directors.

Its main role is to support the Managing Director in the day-to-day management of the Company.

Board committees

The Board, in order to discharge its duties effectively and efficiently, has set up specialized committees to analyze specific issues and advise the Board. Without prejudice to its right to set up other committees, the Board has established the:

- Audit and Risk Committee, entirely comprised of independent directors;
- Remuneration Committee, entirely comprised of independent directors;
- Nominations Committee, comprising of two independent directors and chaired by the Chairman of the Board, who is non-executive director.

The Board ensures that each committee, as a whole, has a balanced composition and has the necessary independence, skills, knowledge, experience and capacity to execute its duties effectively.

Titan Cement International S.A. Board of Directors and Board Committees:

Name	Executive Director	Non-Executive Director	Independent Director	Audit and Risk Committee	Nomination Committee	Remuneration Committee	Group Executive Committee	Management Committee
Chairman of the BoD Efstratios - Georgios (Takis) Arapoglou		●			●			
Vice Chairman of the BoD Kyriacos Riris		●	●	●				
Chairman of the Group Executive Committee Dimitri Papalexopoulos	●						●	
Managing Director Michael Colakides	●						●	●
Directors (in alphabetical order)								
William Antholis		●	●			●		
Andreas Artemis		●	●		●			
Takis-Panagiotis Canellopoulos	●							
Haralambos (Harry) David		●	●	●				
Leonidas Kanellopoulos	●							
Alexandra Papalexopoulou	●						●	
Petros Sabatacakis		●	●	●				
Stylianos (Stelios) Triantafyllides		●	●			●		
Maria Vassalou		●	●		●			
Bill Zarkalis	●						●	
Mona Zulficar		●	●			●		

9/15

directors are non-executive

8/15

directors have been recognized as independent by the Extraordinary Meeting of Shareholders*

93.33%

Board meeting attendance

4

different nationalities are represented by our Directors

20%

of the Board members are women

*According to the criteria defined by the Belgian law and the 2020 Belgian Corporate Governance Code.

Embedding Sustainability

Sustainability is a top priority for our company and is embedded firmly within our strategy through a regular review of all issues of materiality to our stakeholders, the definition of appropriate actions and targets and the implementation of relevant environmental and social policies.

Our two governance bodies, the Board of Directors, which oversees the strategy and takes policy decisions and the Group Executive Committee, which is entrusted with the coordination and supervision of the Group's business operations, oversee the implementation of our strategy and sustainability imperatives and reflect the culture of transparency and collaboration across the Group.

TITAN's sustainability governance structure

ExCom Sustainability Committee

The purpose of this Committee is to strengthen and support management's long-term approach covering economic, environmental and social sustainability and to monitor the implementation of the sustainability strategy set by the Board.

In particular, its role is to:

- oversee and monitor the implementation of the company's sustainability strategy;
- monitor performance vs the targets set and decide on corrective actions;
- review and revise the areas of focus and set appropriate targets; and
- review corporate materiality assessment.

The Chair of the Committee is also the Chairman of the Group Executive Committee and a member of the Group's Board of Directors. He oversees the implementation of the sustainability strategy on behalf of the Board.

Chair: Chairman of the Group Executive Committee

Convener: Group Corporate Affairs Director

Sustainability Working Group

A team comprising of Group Corporate Affairs, Group Corporate Social Responsibility, Group Engineering Technology, Group Human Resources, Group Procurement, Group Investor Relations and Regional Directors.

The main tasks of the Sustainability Working Group are to:

- develop and present specific proposals related to Group Sustainability Agenda;
- facilitate internal communication and co-ordination of sustainability initiatives and action plans;
- coordinate TITAN's engagement efforts with international and industry organizations, networks and initiatives; and
- provide guidance to TITAN's business units for stakeholder engagement and public commitments related to sustainability at local, national and regional level.

Chair: Group Corporate Affairs Director

Convener: CSR Director

Synthesis: Group Corporate Affairs, Group Corporate Social Responsibility, Group Engineering and Technology, Group Human Resources, Group Procurement, Group Investor Relations, Regional Directors (2)

Risk Management

Risk identification and assessment is an integral part of our management processes, helping to safeguard the long-term sustainability of our business. Risks are addressed on a day-to-day basis by the Group's management, at various levels in the organization according to the nature of each risk. The Board has the overall responsibility for determining the nature and extent of the principal risks that the Company is willing to assume in achieving the strategic objectives of the Group, while responsibility for the monitoring of the effectiveness the Group's risk management and internal control systems is delegated by the Board to the Audit Committee.

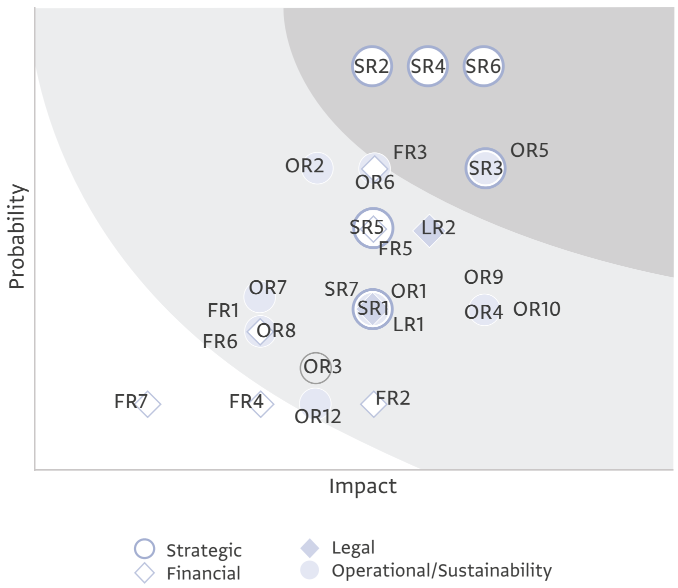
TITAN's risk management framework is presented below. It follows a customized approach that best addresses the particularities of each risk area and ensures the optimum degree of risk ownership and accountability for the appropriate mitigation actions.

	Risk Management		
	Centrally - led	**Hybrid**	**BU - led**
Risks Covered	- Strategic - Financial - in particular: • Treasury • Liquidity	- Legal - Some Operational/ Sustainability, e.g., • Energy • H&S • CSR • Environment • Corporate Affairs & Communications	- Most Operational/ Sustainability risks
Risk Management Approach	- Executive Committee - Capex Committee - Group Finance - Other Group functions - Group HR processes	- Business Units (BU) - Higher central oversight vs. BU-led risks	- BU management as part of day-to-day operations - Embedded into business processes

← Internal Audit and Audit Committee →

TITAN is active in a diverse geographical, business and operational landscape, resulting to a multitude of potential risk exposures, including strategic, legal, financial, sustainability and operational risks. Risks are categorized using established risk taxonomies relevant to the Group's business and are assessed in terms of probability, impact and preparedness, in line with industry best practices.

The list of the Group's main risks and the respective probability vs. impact heat map is presented below:



SR1	Global Economic Crisis
SR2	Industry Cyclicality
SR3	Political
SR4	Local Market
SR5	Acquisitions/ Investments/ Divestments
SR6	Climate Change & GHGE
SR7	Key Management
FR1	Customer Credit
FR2	Liquidity
FR3	Foreign Currency
FR4	Interest Rate
FR5	Taxation
FR6	Goodwill Impairment
FR7	Counterparty
LR1	Regulatory Compliance

LR2	Litigation
OR1	Availability of Raw Materials
OR2	Energy Cost
OR3	Product Quality / Product Failure
OR4	H&S
OR5	Sustainability/CSR - License to operate
OR6	Risk Related to Environment
OR7	Extreme Natural Events
OR8	Human Resources
OR9	IT
OR10	IS Security / Cyber Attacks
OR11	Corruption / Fraud
OR12	Corporate Affairs & Communications

Performance highlights

An overview of our Group's overall performance in 2019, focusing on our financial, social and environmental pillars.

Financial performance

TITAN Group delivered a sustained performance and stronger cash flow generation.

TITAN Group demonstrated strength through 2019 sustaining a growth performance despite challenges in the Eastern Mediterranean market. Group consolidated revenue for 2019 reached €1,609.8 million, higher by 8.0% compared to the previous year. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 2.8% to €267.1 million. Net Profit after Taxes and minorities (NPAT) at €50.9 million declined by 5.5% compared to 2018.

Group results were led for another year by the US operations. Titan America delivered another strong performance as cement consumption in the United States continued to increase supported by healthy macroeconomic indicators. Improved market demand combined with strong demographics in the areas Titan America operates, resulted in increased sales across all product lines, with the exception of fly ash due to supply shortages. Profitability was supported by higher selling prices and better weather patterns but was burdened by higher cement import costs, higher distribution costs and lost earnings from the fly ash business. Fly ash performance declined again due to lack of fly ash supply as natural gas continued to replace coal as fuel in the U.S. power generation industry.

In US dollar terms, revenue crossed the $1 billion threshold again in 2019, reaching $1.06 billion. In Euro terms, revenue in the USA recorded a 10.7% increase reaching €952.0 million and EBITDA at €179.3 million was marginally higher by 0.8% compared to last year.

Performance in Greece improved, driven by a modest growth in demand. Cement exports remained strong, with the USA representing Greece's biggest export market. At the same time, lower margin clinker exports declined, due to lower marginal profitability arising from CO_2 costs. Total revenue for Greece and W. Europe in 2019 increased by 3.3% to €244.9 million while EBITDA increased by 9.2% to €11.9 million.

Southeastern Europe improved significantly in 2019 supported by continuing economic growth in the Region. Overall, construction activity has been rising with growth recorded in the residential segment and, in most countries, in infrastructure projects as well. Revenue in Southeastern Europe in 2019 posted a 10.0% increase reaching €262.6 million while EBITDA was up by 29.4%, reaching €77.2 million.

Conditions in the Eastern Mediterranean continued to be challenging. In Egypt, despite strong GDP growth for third consecutive year, cement consumption dropped by 3.6% marking another year of contraction and declining profitability. The economic recession in Turkey has led to a 30% drop in cement domestic demand with most of the decline happening in the first semester 2019. The market showed signs of stabilization in the second half of the year. Total revenue reached €150.3 million, recording a 2.6% decline, while at EBITDA level, the Group recorded a €1.2 million loss versus a positive €11.3 million in 2018. It should be noted that the gradual improvement in the second half of 2019 was reflected in a positive Q4 2019 EBITDA of €1.8 million.

In our joint venture in Brazil, revenues increased by 3.7% as a result of a small increase in demand for cement in the Northeast of Brazil.

For more detailed information, please see Regional Performance on page 32.

Mixed trends in sales volumes

Trends in sales volumes were mixed across markets and product lines.

Domestic cement sales increased in all regions except the Eastern Mediterranean where volumes declined. Furthermore, severe competition in export markets had an adverse effect on the Group's cement exports, while supply shortages caused a reduction in sales of fly ash in the USA. Overall, Group cement sales declined by 7%.

Ready-mix sales increased mainly in the US but it was offset by a sharp drop in the Eastern Mediterranean resulting in a marginal decline of 1% for the Group.

Aggregate sales increased by 5% as a result of an increase in sales across all markets.

	2018	2019	+/-
Cement (million metric tons)	18.2	**17.0**	-7%
Ready-mix concrete (million m^3)	5.3	**5.2**	-1%
Aggregates (million metric tons)	17.1	**18.0**	5%

Stronger cash flow generation

Group operating free cash flow in 2019 was €175 million, posting an increase of €23 million compared to 2018. Cash flow generation benefited from higher EBITDA and lower capital expenditure

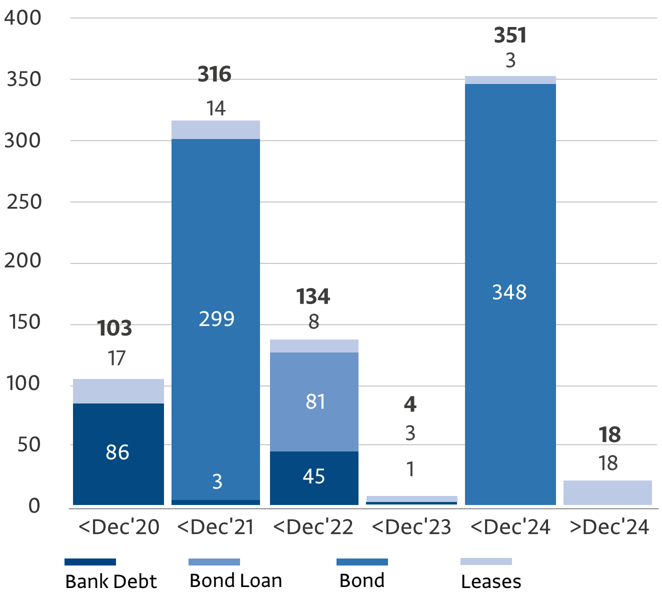
Group capital expenditure in 2019 reached €109 million versus €119 million in 2018, with more than half the investments directed to the Group's USA activities.

	2018	2019
Operating free cash flow	€152m	**€175m**
Capital expenditure	€119m	**€109m**
Net debt at the year end	€772m	**€836m**

Acquisition of minority stake in subsidiaries

In November 2019, Titan Cement International SA (TCI) acquired from the International Finance Corporation (IFC) its minority stakes in TITAN subsidiaries in Southeast Europe and Egypt. This transaction concluded TITAN's successful cooperation with IFC gradually established since 2008 in Albania, Egypt, Serbia, North Macedonia, and Kosovo. The aggregate price for the transaction amounted to €81.8 million. This incremental investment in its own subsidiaries underscores TITAN's long-term commitment in these regions.

Debt Maturity Profile (€m) as of 31 December 2019



Debt and liquidity profile

Group net debt at the end of 2019 was €836 million, higher by €64 million from the end of 2018. This increase was due to €111 million one-off items, specifically the impact of the adoption of IFRS 16 that was €59 million and the purchase of own shares (squeeze-out) for the new listing of TCI was €52 million (including transaction costs). Furthermore, net debt increased by €20 million representing the initial payment for the acquisition of the minority shares of IFC in Southeast Europe and Egypt. Excluding the aforementioned elements, Net Debt would have recorded a decrease by €67million.

TITAN Group uses a variety of funding sources and debt instruments to diversify its funding base and combines long-term and short-term financing.

At year end, 70% of Group debt was in bonds, 23% in bank/bond loans and 7% in lease liabilities from the adoption of IFRS 16. Total credit facilities available to the Group, including funding from financial institutions and capital markets, amount to €1.4 billion while gross debt as of 31 December 2019 stood at €926 million. Unutilized bank facilities represent around 35% of the Group's total credit facilities.

In July 2019, Titan Global Finance PLC repaid €160.6 million of maturing Notes using available Group cash. The next significant maturity for the Group is in June 2021 for the €300 million notes issued in 2016.

Outstanding bonds

ISIN	Ammount issued	Coupon	Maturity
XS1716212243	350,000,000	2.375%	16/11/2024
XS1429814830	300,000,000	3.50%	17/06/2021

In November 2019, Standard & Poor's renewed its outlook on the Group. It assigned TITAN a credit rating of "BB" on a stable outlook.

Successful outcome of the Public Tender Offer

In July 2019 Titan Cement International S.A. (TCI) announced the successful outcome of the voluntary share exchange offer that was submitted on 16 April 2019 to acquire all of the ordinary and preference shares issued by TITAN Cement Company S.A. (TITAN). The result was that 93% of TITAN's ordinary shares and 92.36% of TITAN's preference shares were tendered. Given the successful outcome of the tender offer, TCI became the parent company of the TITAN Group and its shares were listed on 23rd July 2019 on Euronext Brussels, the Athens Exchange and Euronext Paris. Finally, on 19th August 2019, the Company completed a squeeze out and acquired 100% of the ordinary and preference shares of TITAN.

Resolutions of the Board of Directors

• Return of Capital: Following the authorization granted to the Board of Directors by the Extraordinary Meeting of the company's Shareholders on the 13th of May 2019, the Board of Directors of Titan Cement International SA decided the return of capital of €0.20 (20 cents) per share to all the Shareholders of the Company on record on May 14, 2020.

• Share buy-back: The Board also decided to activate the buy-back programme for TCI shares (approved at the Extraordinary Meeting of Shareholders for an amount up to €50 million, in May 2019). As of 20th of March 2020, TCI and TITAN initiated a shared buyback programme for up to 1 million TCI shares for an amount up to €10 million for a duration of two months.

Equity market information

Successful outcome of the voluntary tender offer to shareholders and listing of Titan Cement International S.A.

After the successful outcome of the voluntary share exchange tender offer submitted to TITAN Cement Company S.A. shareholders, Titan Cement International S.A. (TCI) became the new parent company of the TITAN Group. TCI's ordinary shares were listed on 23 July 2019 on Euronext Brussels, the Athens Exchange and Euronext Paris.

The total number of TCI shares outstanding (including treasury shares) is 82,447,868 shares.

Share price evolution

TCI's share (TITC) price closed at the end of 2019 at €19.10 in Euronext and at €18.96 in the Athens Exchange, corresponding to a decline of 2.05% since the first day of listing in Euronext and a decline of 1.91% in the Athens Stock Exchange. At the end of 2019, TCI's capitalization stood at €1.6 billion.

The ordinary shares of TITAN Cement Company S.A, traded in the Athens Exchange until the end of July 2019, posted an increase of 1.3% from the start of the year. The preference shares of TITAN Cement Company S.A, also traded in the Athens Exchange until the end of July 2019, posted an increase of 4.0% from the start of the year.

Symbols	Euronext	ATHEX
Oasis	**TITC**	**TITC**
Reuters ticker	**TITC.BR**	**TITC.PA**
Bloomberg ticker	**TITC.BB**	**TITC.GA**

ISIN Code: BE0974338700

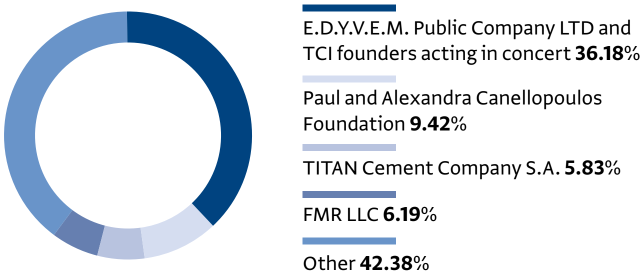
Listings

TCI is listed on Euronext Brussels, Euronext Paris and the Athens Exchange. TCI's shares are components of the BEL Industrials, the ATHEX Composite Index and is included in other indices such as FTSE/ATHEX Large Cap Index, MSCI Greece Large Cap and the FTSE4Good Emerging for its enduring commitment to sustainable development (since December 2016).

Liquidity and market making contracts

In order to maintain a satisfactory level of liquidity for its shares, in November 2019 TCI entered into a liquidity provider agreement for its shares traded on Euronext and a market maker agreement for its shares traded on ATHEX, both with local financial institutions.

Shareholder structure of TCI as of 31 December 2019



Treasury shares

Following the completion of the Tender Offer, TITAN Cement Company S.A. (TITAN) became a direct subsidiary of Titan Cement International SA (TCI). TITAN owns TCI shares, which are treated as Treasury shares. TITAN acquired these TCI shares during the tender process, exchanging its previously held own Treasury shares with TCI shares. As at 31 December 2019, TITAN held 4,804,140 TCI shares, representing 5.83% of the voting rights of TCI.

ESG investors

Since 2010, TCI has achieved and maintained the "Advanced" level reporter in line with the United Nations Global Compact principles. TCI is also included in the FTSE4Good Emerging Index. In mid-2019 TITAN Group was included in the best EM performers by Vigeo Eiris and received an A ranking by MSCI ESG Research LLC. for its 5-year ESG performance.

More information for investors

There is comprehensive information on the TCI website about regulatory announcements, investor relations calendar, share price analysis tools and quarterly financial results. For details, visit: https://ir.titan-cement.com or contact us at ir@titan-cement.com

Performance towards our 2020 sustainability targets

Our 2020 sustainability targets provide a roadmap for us to address our main impacts, monitor our performance and tackle global challenges. In 2019, we made progress on our targets, which are related to our material issues and are aligned to the UN SDGs 2030.

KPIs and 2020 targets			2019 performance		Progress	Related SDGs
			Absolute figures (where applicable)	In % (where applicable)		
Environmental management	Specific net direct CO_2 emissions	20.0% reduction comp. to 1990 level[1]	675.7 $kgCO_2/t_{Cementitious\ Prodtuct}$	13.2% reduction comp. to 1990 level	● ● ○	12, 13, 17
	Specific dust emissions	92.0% reduction comp. to 2003 level[2]	14.7 $g/t_{Clinker}$	96.0% reduction comp. to 2003 level	● ● ●	
	Specific NOx emissions	53.0% reduction comp. to 2003 level	1,268.6 $g/t_{Clinker}$	57.3% reduction comp. to 2003 level	● ● ●	
	Specific SOx emissions	43.0% reduction comp. to 2003 level	193.4 $g/t_{Clinker}$	53.8% reduction comp. to 2003 level	● ● ●	
	Specific water consumption	40.0% reduction comp. to 2003 level	255.9 $lt/\ t_{cement}$	49.2% reduction comp. to 2003 level	● ● ●	6, 11, 15, 17
	Biodiversity and land stewardship	100%		90% Active wholly-owned sites with quarry rehabilitation plans 90% Active wholly-owned sites of biodiversity value with biodiversity management plans	● ● ○	
	ISO 50001 coverage	50.0% Clinker production		40.5% clinker production	● ● ○	7, 17
Occupational health and safety	Fatalities	0	0		● ○ ○	3, 8, 17
	LTIs frequency rate (direct employees)	To be in the top quartile of WBSCD/ CSI members' performance[3]	1.44		● ● ○	
Social engagement	All key operations with Community Engagement Plans related to material issues and Group policies	14/14 operations by the end of 2020	6/14	43%	● ● ○	3, 4, 9, 11, 17
	Implementation of engagement plans at all key operations	100% by the end of 2020	14/14	100%	● ● ●	

Progress key: ● ● ● Met ● ● ○ On track ● ○ ○ More to do

[1] 1990 is the base year for CO_2 emissions, in line with Kyoto Protocol.
[2] 2003 is the base year for all other environmental performance indicators.
[3] As of 1 January 2019, the work and activities of WBCSD/CSI were carried out by the GCCA. We are working on setting a new target for 2025.

Social performance

We are constantly working toward a healthy and safe working environment, offering our people opportunities to grow professionally and unleash their full potential. We aim to make a positive impact with initiatives that contribute to the socio-economic development of our local communities and with actions that encourage sustainable practices across our value chain.

Committed to a healthy and safe workplace

Safeguarding a healthy and safe workplace remains vital to TITAN's sustainability strategy and a material issue for our employees, contractors, customers and neighbouring communities. We constantly strive to improve our performance, implementing action plans and initiatives that ensure on one hand the development of appropriate skills and behaviors and on the other hand, the engagement of all people in proactively addressing health and safety risks.

In 2019, we continued to implement programs such as "Safety Leadership in the Field" which commenced in 2018 and focuses on improving safety of on-site driving with the use of regular audits and the Group Guideline Safe Driving in the Workplace. We also launched a new program, Hazard Identification for Shift Leaders and Foremen, with engineers from TITAN's Egypt, Greece, Southeast Europe and Turkey operations being trained as trainers to support the implementation of the program.

With zero fatalities among our own personnel, contractors and third parties, along with a reduced Frequency of Lost Time Incidents (LTIFR) from 1.54 in 2018 to 1.44 LTIs per 1,000,000 worked hours, for our own personnel 2019 was marked as a year of positive performance in health and safety.

Creating an engaging and inclusive workplace

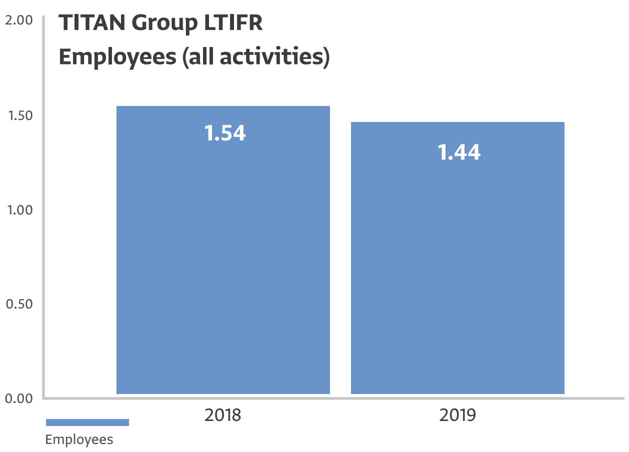
Our sustainable growth relies on the caliber, behavior and collaboration of our people and our vision is to ensure an emotionally and mentally engaged workforce, as stated in TITAN's People Management framework.

In 2019, 83% of employees completed the TITAN Group Employee Engagement survey, which ran concurrently across all countries, using a common questionnaire. The survey assessed employee engagement and enablement, analyzing the underlying factors. The results will enable the Group to identify and improve on the areas that can impact employees' experience, commitment and performance and will be used as inputs for Group and Country Action plans that will be launched in 2020.

We continued to build on our Group Human Resources Management System (GHRMS), introducing new modules, extending the digitalization of people processes across the Group while providing an enhanced employee experience.

Consistent with our commitment to improve diversity and inclusion (D&I) in TITAN, we mapped TITAN's D&I journey and created tools for reporting across the Group gender and age representation, hires, exits and promotions per job level. In addition, we commenced a review of HR and CSR policies and processes, to ensure that they can positively influence and support inclusion and diversity throughout our business.

In 2019, our commitment to support youth employment continued, through numerous local initiatives and programs, including the implementation of TITAN's Quality Internships Guide Group-wide, which resulted in 396 internships.



396
Internships

24
New hires from internships

83%
Response rate to the Employee Engagement Survey

Making a positive impact on communities

Supporting and contributing to the sustainable growth of our local communities constitutes an integral part of our corporate philosophy.

Most of our employees as well as contractors and suppliers are members of our local communities. Together, we work to implement community engagement plans, which we regularly adapt and update to better address our stakeholders' needs and expectations.

We collaborate with local business partners, with more than 50% of our spend allocated to local suppliers who provide TITAN operations with materials and services.

We support local infrastructure projects with donations in cash and in kind and engage in collaborative actions to empower youth with quality education and skills for personal and professional development.

With an aim to continue building relationships of open communication and mutual trust and to collaborate with our key stakeholders at local level, we publish local Annual Reports in six of the countries where we operate, disclosing our social and environmental targets and performance in each one.

Supply chain sustainability

We encourage sustainable practices across our value chain, acknowledging that a reliable but also sustainable supply chain can support our endeavors to create a net positive environmental, social and economic impact.

In 2019, we focused on the prequalification process for our suppliers, extending the use of such programs to all Group categories with a broadened scope to cover a complete set of sustainability criteria beyond health and safety.

We took a first step in quantifying the CO_2 emissions from our supply chain (Scope 3 GHG emissions), running a pilot in one of the Group's SEE plants with the aim to recognize critical areas and develop future action plans in order to also minimize this part of our CO_2 impact.

65%
Group average spend to local suppliers

Environmental performance

We focus on continuously improving our environmental performance by managing natural resources responsibly, improving our energy efficiency and contributing to the circular economy. With investments in innovation for new products and processes, we have accelerated our efforts to reduce our CO_2 footprint and contribute to the global efforts to tackle climate change.

Stepping up our efforts to tackle climate change

Climate change is one of the most pressing issues facing the world and a key element in the long-term sustainability of our business, given the high carbon-intensity of the cement-making process. We are actively engaged in the global efforts to mitigate climate change, placing the reduction of our carbon footprint at the forefront of our sustainability agenda, while participating in the decarbonization of the construction value chain.

We have adopted a climate change mitigation strategy which is reflected in our environmental policy and drives our Group CO_2 Initiative. Our aim is to reduce CO_2 emission levels in line with the Kyoto Protocol and the Paris Agreement on climate change (COP21). Our mitigation activities focus on energy efficiency, increased use of alternative fuels, low carbon product development and adoption of innovative carbon capture technologies, which could offer significant CO_2 savings in the future.

In 2019, we achieved a reduction of our CO_2 emissions mainly due to the substantial increase in the use of alternative fuels and gains in energy efficiency, with specific net CO_2 emissions reaching 675.7 $kgCO_2/t_{Cementitious\ product}$, 13% below 1990 levels.

Aiming to further improve our energy efficiency, we continued to prepare for the expansion of the use of the ISO 50001 management system to two more plants, which are expected to be certified by the end of 2020, bringing the total to seven plants. In addition, we maintained our good progress on energy consumption levels.

Contributing to the societal demand for sustainable construction, we further optimized the low-carbon cement that we developed and produced in 2018, by extending testing in several cement and concrete applications.

27.8 million t
Avoided (direct net)[1] CO_2 emissions
Avoided emissions 1990 - 2019

56,600 t
Avoided dust emissions[2]
Avoided emissions 2003 – 2019

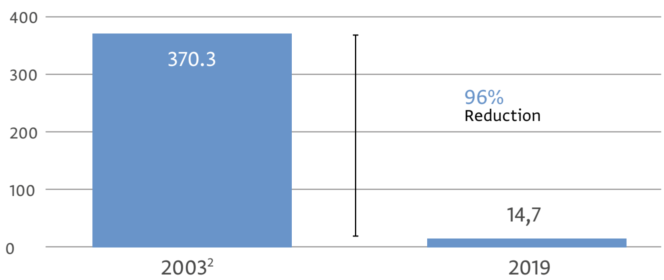
29.1 million m^3
Avoided water consumption[2]
Avoided consumption 2003 – 2019

13.6%
Alternative fuel substitution rate
(2018: 12.0%)

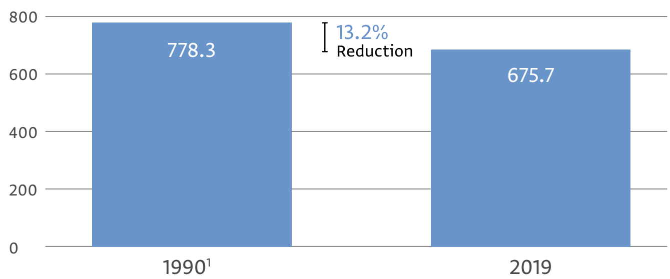
€26.6m
Green investments

€7.1m
for innovations including Group CO_2 initiative

Specific dust emissions[2]
($g/t_{Clinker}$)



Specific CO_2 emissions (net)[1]
($kg/t_{Product}$)[3]



[1] 1990 is the base year for CO_2 emissions, in line with Kyoto Protocol.
[2] 2003 is the base year for all other environmental performance indicators.
[3] Product means cementitious product as defined by GCCA.

With regards to climate change-related innovation, we continued to work together with our partners on pilots for carbon capture (RECODE, CARMOF) and solar calcination (SOLCEMENT). We also began investigating new concepts in carbon capture with Oxyfuel technology through the ACO_2Cem project, and nanotechnology-inspired products through the CARBONGREEN project.

Contributing to the Circular Economy

The principles of the circular economy, which encourage circular material flows such as recycling, recovery or reuse are fundamental to the preservation of the world's natural resources, the reduction of CO_2 emissions and the efficient management of waste. We have long recognized the importance of the circular economy, adopting related practices at our own facilities and promoting its principles in the regions where we operate. To this end, we focus on the increased use of alternative fuels and alternative raw materials in the cement manufacturing process and the responsible management of our own waste.

Between the base year 2003 and 2019, our cumulative consumption of a variety of alternative raw materials and alternative fuels at Group level exceeded 24.0 million tons in total, which was positively affected by the development of new blended cements.

In 2019, we collected, stored and channeled through authorized contractors for reuse, recycling or recovery almost 77% of our total waste, a similar level as in 2018.

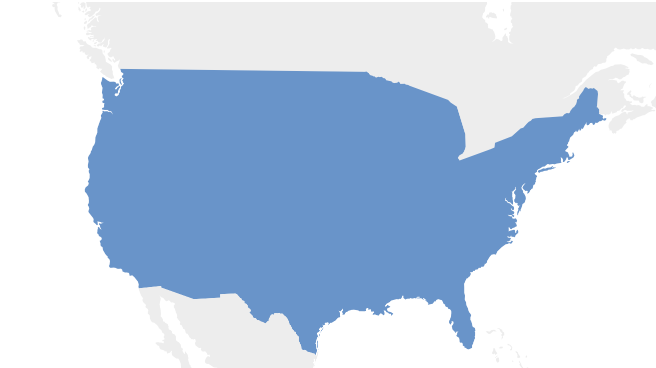
Investing in environmental management and assessment

In 2019, we maintained our high performance at Group level in managing dust and other air emissions and achieved all related targets.

All our cement plants are certified to ISO 14001, the international standard that specifies the requirements for an effective environmental management system (EMS), except those located in USA that have adopted a system aligned with local and federal regulatory requirements. The plants that hold an ISO 14001 certification have updated it to the 2015 version, a process launched in 2016 and completed in 2019.

Assessing the environmental impact and associated risks resulting from the operation of our cement plants and associated quarries is an ongoing, integrated process. Our environmental risk assessment covers both the site and the corporate level. The process allows for risk identification, as a first step, and then implementation of actions to address and reduce the risks to an acceptable level.

Regional performance:
USA



2019 Performance highlights

Revenue
€952m
(2018: €860m)

EBITDA
€179m
(2018: €178m)

Total assets
€1,106m
(2018 €1,055m)

LTIFR:
1.30
(2018: 1.79)

Local Environmental impacts

Avoided dust emissions:
4,805t
(2018: 4,345t)

Avoided NOx emissions:
61,410t
(2018: 56,490t)

Avoided conventional fuels consumption:
169,015t Coal, eq.
(2018: 138,430t Coal, eq.)

Local spend*:
59.2%

*You may find more details in the Non-Financial Statements

Principal Products/Activities

- Cement
- Ready-mix concrete
- Aggregates
- Building blocks
- Fly ash

Operational Units

2	8	83	3	10	5
Cement plants	Quarries	Ready-mix plants	Import terminals	Concrete block plants	Fly ash processing plants

TITAN America delivered another strong performance in 2019 as cement consumption in the United States increased for a 9th consecutive year.

Roanoke cement plant, USA

Market overview

More than a decade into an economic expansion, the US economy continued to grow in 2019. With real GDP growing 2.3% for the year, the economy benefitted from record low unemployment rates and elevated consumer sentiment, but was also supported by monetary policy including three interest rate cuts by the US Federal Reserve. Despite these positive factors, GDP growth was slightly lower than a year ago - burdened by concerns over trade policy and the diminishing beneficial effects of the 2017 tax reform program. Wages continued to rise in 2019, leading to increases in disposable income and higher consumer spending. Inflation, however, remained in check even as monetary policy was relaxed.

In 2019, U.S. public construction and private non-residential construction spending grew by 7.1% and 2.8%, respectively, while residential construction spending fell by 4.6%. Combined, construction spending in the U.S. decreased by 0.3% to $1.30 trillion. Despite the overall decline in construction spending, U.S. cement consumption grew for the ninth consecutive year, up 2.3% to 101.2 million metric tons in 2019.

Regional performance

TITAN operations continued to benefit from strong demographics and healthy economic growth in the regions where the Group is active. Operating performance in 2019 was broadly consistent with 2018 as improvements in domestically produced cement profitability were mainly offset by supply constraints in the fly ash business and higher logistic expenses overall.

Despite the challenges, TITAN America's financial performance remained robust. The cement business benefitted from improved market demand and higher selling prices but was burdened by higher logistics and import costs. Fly ash performance declined again due to lack of ash generation as natural gas continued to replace coal in the U.S. utility network.

In US dollar terms, revenue crossed the $1 billion threshold in 2019, reaching $1.06 billion. In Euro terms, revenue increased by 10.7% to €952.0 million and EBITDA reached €179.3 million.

Key areas of operation

TITAN's East Coast operations benefit from strong demographics and financially stronger state economies when compared to the U.S. as a whole. These factors continue to drive higher levels of demand for housing, commercial projects and related infrastructure investment in TITAN America's key areas of operation.

Florida

Construction activity in Florida has increased as areas outside of South Florida enjoyed high growth rates in construction spending and employment. Overall, cement consumption in Florida increased to 7.4 million metric tons in 2019 (compared to 7.1 million in 2018). The residential market remains the backbone of demand in the region. Excluding fly ash, sales volumes in the Florida region increased across all products. Strong demographics, tourism, and infrastructure spending helped the region to post robust results.

Virginia, North and South Carolina

Cement consumption in Virginia increased by 5.4% to approximately 2 million metric tons, while North Carolina's consumption increased from 2.5 million to 2.7 million metric tons. The region benefitted from better weather patterns this year, comparing to 2018. Performance improved, driven by increased volumes and realized selling prices. Sales volumes of ready-mix products also increased, capitalizing on large infrastructure and commercial construction projects in the area, while fly ash profitability declined due to lack of available supply in the market.

New York/Metro

Cement consumption in the New York Metropolitan area remained steady at 1.8 million metric tons. Our subsidiary, Essex cement was able to maintain a strong market position amidst a highly competitive environment.

Non-financial performance

TITAN America continued the implementation of its Sustainability 2020 Plan adopted in 2015 as a direct response to issues identified as material for key stakeholders in USA. Apart from continuous efforts to meet reduction targets for CO_2 and other air emissions, the implementation of Energy Efficiency Management Systems in both Roanoke and Pennsuco cement plants resulted already in certification of Roanoke and completion of certification process for Pennsuco in 2020. In addition, both cement plants completed successfully the required tests to ensure compliance with the revised NESHAP (National Emissions Standards for Hazardous Air Pollutants)[1] regulations, which included restrictions on mercury emissions.

[1]In 2013, the US Environmental Protection Agency (EPA), finalized the revisions to the National Emissions Standards for Hazardous Air Pollutants (NESHAP) for cement manufacturing facilities.

Promoting diversity at the workplace

At TITAN we strive to do more to foster a diverse workplace and an inclusive culture where all employees have the opportunity to meet their expectations and unleash their potential, irrespectively of gender.

In March 2019, on International Women's Day, TITAN America officially launched "BALANCE", TITAN Group's first Employee Resource Group (ERG), which focuses on achieving equitable gender representation across the company. The ERG is committed to promoting the development of women by creating and supporting an environment in which all women are encouraged and have the opportunity to reach their full career potential. With close to 200 employees attending the kick-off events, it is clear that this is an initiative employees are interested in.

Employee Resource Groups (ERGs), sponsored and supported by companies, are popular in many industries because they engage employees around their common interests, characteristics, life experiences, and pursuits. The TITAN America ERG currently has more than 100 active members and has held Self-Advocacy and Personal Branding workshops.

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Regional performance:
Greece and Western Europe

A recovery in the housing market along with strong tourism activity led to modest demand growth and improved performance.

Kamari cement plant, Greece

2019 Performance highlights

Revenue
€245m
(2018: €237m)

EBITDA
€12m
(2018: €11m)

Total assets
€640m
(2018: €672m)

LTIFR:
0.00
(2018: 0.96)

Local Environmental impacts

Avoided dust emissions:
6,750t
(2018: 6,330t)

Avoided NOx emissions:
57,605t
(2018: 51,765t)

Avoided conventional fuels consumption:
656,685t$_{Coal, eq.}$
(2018: 563,495t$_{Coal, eq.}$)

Local spend*:
ca. 69.5%

Employees from Local Communities:
% of Total Direct Employees
97.95%
(2018: 97.40%)

*You may find more details in the Non-Financial Statementss

Principal Products/Activities

Cement | Ready-mix concrete | Aggregates | Dry mortars

Operational Units

3	1	27	28	3	1
Cement plants	Grinding plant	Quarries	Ready-mix plants	Import terminals	Dry mortar plant

Market overview

Demand posted a modest growth in 2019, mainly driven by a recovery in the housing market. There was an increase in building permits, albeit mostly for renovation projects and to a lesser degree for new buildings. Tourism activity continued at the same strong pace as in 2018, contributing to growth with investments in new facilities. The election of a new Government mid-year triggered a positive momentum for construction in general; on the other hand, large-scale infrastructure projects did not commence, as they were suspended for review by the new government.

Cement exports remained strong, with the USA representing Greece's biggest export market. On the other hand, lower margin clinker exports declined due to lower marginal profitability arising from CO_2 costs.

Regional performance

2019 was a year of improved performance in Greece. This came as the result of a combination of positive developments, which included higher domestic cement sales volumes, as well as a notable rise in the utilization of alternative fuels.

These developments, along with a favorable USD exchange rate, led to an increase of profitability in 2019 versus 2018. Total revenue for Greece and W. Europe in 2019 increased by 3.3% to €244.9 million while EBITDA increased by 9.2% to €11.9 million.

The US market remained on an upward trajectory, leading Greek plants, especially Kamari and Patras, to higher cement exports. Thessaloniki also benefited indirectly, as investments for the optimization of the plant's production process allowed a shift to new export destinations. Overall, with sales to other destinations dropping, we experienced a small decline in total exports in 2019.

Our three European import terminals TITAN Cement UK in the UK, Fintitan in Italy and Intertitan in France, continue to support our activities following the trends of their regional markets.

Non-financial performance

In terms of occupational health and safety, recorded Lost Time Injuries (LTIs) among employees was zero, while there was a slight increase in LTIs among contractors. We continued our efforts, focusing on the avoidance of potentially serious accidents through improved risk management. Equally important was the rollout of a training and certification program for contractors' employees, implemented by an authorized external partner.

As we continued our efforts to reduce our carbon footprint, and the improvement of the energy performance of the kiln in Patras was one of the investments in this direction; similarly, the increase of alternative fuel utilization in our plants contributed towards both a decrease in CO_2 emissions and the environmentally sound management of waste and raw materials.

Under the umbrella of the Group's Digital Initiative, we embraced a culture of constant experimentation with new digital technologies and focused on assimilating and fully utilizing those in our operations. One such example was the kiln process optimization through AI and data analytics at the Thessaloniki plant. In the framework of the Digital Initiative, the Group implemented in Greece a ReGeneration Academy for Digital Acceleration, the first educational program for digital skills in industry. The scope of the program was to create an enriched talent pool, which would be pivotal in accelerating digital transformation at TITAN, as well as Greek industry and manufacturing in general.

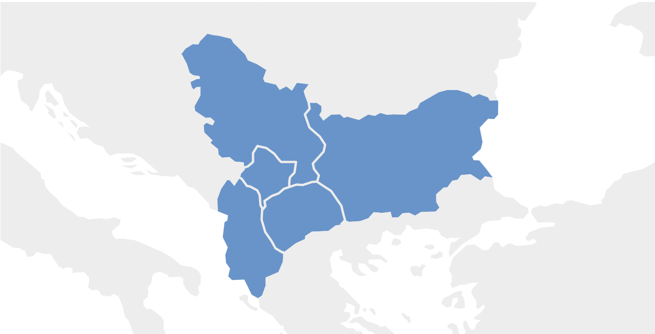
Throughout 2019, our CSR initiatives continued with an emphasis on educational programs for schoolchildren and the development of STEM skills. In Thessaloniki and Elefsina we presented a unique educational interactive program entitled ''Doctor Why? and the Superpowers of Science'', designed and curated by the nuclear research center NCSR Demokritos.

Reducing single use plastics in Greece

Aiming to contribute to the global efforts to sustainably manage waste and protect ecosystems from pollution, and in the context of its commitment to the promotion of circular economy, TITAN Greece celebrated World Environment Day 2019 with the introduction of a long-term program to reduce -and where possible eliminate- single use plastic (SUP) materials at its premises. The program has started at its headquarters in Athens and it is gradually covering other units of the company in Greece.

At the launch phase, the program included the replacement of SUP materials with glass materials, such as drinking cups and water bottles, the introduction of biodegradable consumables, e.g. hot and cold beverage containers and straws, and the roll out of the "bring your own cup" initiative. In addition, aiming to raise awareness and nurture an anti-SUP culture among employees, an internal communication campaign was implemented. Employees have willingly embraced the initiative and we are expecting a significant reduction in Single Use Plastic.

Regional performance:
Southeastern Europe



Robust economic growth in the region of Southeastern Europe led to increased building activity.


Usje cement plant, North Macedonia

2019 Performance highlights

Revenue
€263m
(2018: €239m)

EBITDA
€77m
(2018: €60m)

Total assets
€483m
(2018: €493m)

LTIFR:
2.8
(2018: 2.19)

Local Environmental impacts

Avoided dust emissions:
6,260t
(2018: 5,705t)

Avoided NOx emissions:
39,330t
(2018: 34,840t)

Avoided conventional fuels consumption:
138,805tCoal, eq.
(2018: 112,600tCoal, eq.)

Local spend*:
ca. 69.65%

Employees from Local Communities:
% of Total Direct Employees
65.43%
(2018: 63.83%**)

*You may find more details in the Non-Financial Statements

**The 2018 figure for Southeastern Europe was adjusted, in order to align with new requirements of TITAN Group for the measuring and reporting of Social Performance in 2019

Principal Products/Activities

- Cement
- Ready-mix concrete
- Aggregates
- Waste management and alternative fuel

Operational Units

5	19	6	1
Cement plants	Quarries	Ready-mix plants	Processed engineered fuel facility

Regional performance

In the countries of Southeastern Europe, continuing economic growth is having a positive effect on construction activity. An increase in selling prices recorded during the year, coupled with rising plant utilization rates to meet the increased demand, have resulted in a significant improvement in the region's results. Revenue in Southeastern Europe in 2019 posted a 10.0% increase reaching €262.6 million while EBITDA was up by 29.4%, reaching €77.2 million.

At the end of 2019, in line with its long-term business strategy and further growth ambitions, TITAN Group acquired the minority stakes of the International Finance Corporation (IFC) in Titan subsidiaries in Albania, Serbia, North Macedonia and Kosovo.

Albania

2019 was the fourth consecutive year that the Albanian economy recorded growth above 3%. Public spending on infrastructure projects as well as private construction boosted cement demand by an estimated 9% compared to 2018. Financial results of our subsidiary Antea were stronger owing to operational efficiencies and improvements, as well as favorable energy and fuel costs. After the earthquake that hit Albania on November 2019, Antea has been in the forefront to provide help to the affected local community.

North Macedonia

In 2019, economic growth in North Macedonia strengthened to 3.5 %. EU's refusal to start accession negotiations with the country had a negative impact on the construction market. Overall, however, domestic consumption, supported by demand for commercial buildings, remained on par with 2018, despite the decline of infrastructure construction and public projects. Our local subsidiary USJE, was successful in increasing its operating profit through an effective cost containment initiative and an increase in exports.

Kosovo

Kosovo recorded GDP growth above 4% for fifth year in a row. The construction sector remained strong, although, due to the completion of specific large projects, demand declined by approximately 5% compared to 2018. The main drivers of consumption were road infrastructure projects and residential construction, supported by migration trends. Construction financing was supported by the diaspora's remittances and the prevailing low interest rates. Profitability for our subsidiary Sharrcem remained positive, notwithstanding higher costs and lower production. The company invested in plant and equipment to improve its operational and environmental performance. Sharrcem also continued its efforts to expand its social contribution towards the local community through the LAB project.

Serbia & Montenegro

In 2019, the Serbian economy recorded growth of 4%, mainly driven by an improvement of private consumption, mild growth of industrial output and a surge in investment spending and construction. Cement demand recorded an estimated 7% growth compared to 2018, stemming from housing, commercial projects and infrastructure investments. In neighboring Montenegro - the main export market of our subsidiary Kosjeric- the cement market recorded a decline, due to the completion of a major highway project. Supported by the domestic market, overall financial results of Kosjeric improved.

Bulgaria

In Bulgaria, 2019 marked another year of strong economic performance and it was the fifth consecutive with growth over 3%. Cement demand surpassed expectations at an estimated rate of 9%, mainly driven by residential investments in the biggest cities of the country. Zlatna Panega's sales followed the growth of the domestic market, only partially offset by a decrease of exports to neighboring countries. Overall, 2019 results were positively affected by increased domestic sales, higher usage of alternative fuels and lower fuel prices, which counterbalanced escalating labor costs and higher electricity prices.

Non-financial performance

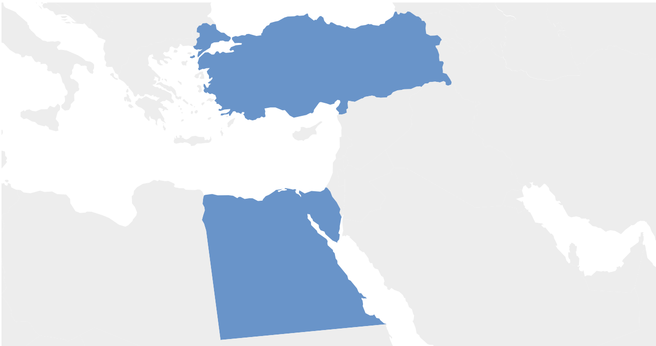
In all TITAN operations in the region, high standards are applied to meet the Group's sustainability targets and ambitions. Annual reports are voluntarily published in each country to inform local stakeholders and initiate dialogue and consultation on issues identified as material. All relevant reports are independently verified by a third party and are available in local languages in printed and web based format. Consultation and engagement with stakeholders in all countries is encouraged through open plant days, stakeholder meetings and stakeholder events. In 2019, among else, TITAN in North Macedonia was recognized by UN Global Compact in New York for its efforts to promote Human Rights in Business. During the year LAB in Kosovo was also recognized as a best practice by the International Journal of World Economics.

"Teach for all": Supporting education in Bulgaria

Sustainability of communities in proximity to our operations is the primary focus of our community engagement plans in all our key operations. In Bulgaria, our cement plant and the adjacent quarries are located in Zlatna Panega, a rural area and one of the poorest in the European Union. The rate of children leaving school even before completing basic education is very high. TITAN focuses on quality education as a key to encourage children to stay at school and continue their studies, building skills for professional and personal development.

For seven consecutive years, TITAN Bulgaria has been supporting both financially and in cooperation with the "Teach for All" Bulgaria Foundation and local principals the "Teach for All" program covering four elementary schools in Yablanitsa Municipality, in the villages of Oreshene, Brestnitsa, Zlatna Panega and Dermantsi, and one elementary school in the Municipality of Troyan, in the village of Cherni Osam. By the end of 2019, more than 20 new teachers have been working with over 700 schoolchildren from families with low socio-economic status. The program has been successfully supporting the local authorities' efforts to increase school attendance and improve students' reading literacy, emotional intelligence, team work and resolving complex issues skills. It is notable that, thanks to the program and contrary to previous generations, the majority of students from the villages continue their education in high school.

Regional performance:
Eastern Mediterranean



Conditions in the Eastern Mediterranean region were challenging again in 2019. Group performance continued to be affected by the overcapacity in Egypt, while in Turkey after a sharp decline, in the second half of 2019 the sector showed signs of stabilization.


Alexandria cement plant, Egypt

2019 Performance highlights

Revenue
€150m
(2018: €154m)

EBITDA
€-1m
(2018: €11m)

Total assets
€634m
(2018: €651m)

LTIFR:
2.04
(2018: 0.61)

Local Environmental impacts

Avoided dust emissions:
46,465t
(2018: 43,610t)

Avoided NOx emissions:
83,170t
(2018: 78,070t)

Avoided conventional fuels consumption:
115,350tCoal, eq.
(2018: 70,350tCoal, eq.)

Local spend*:
ca. 80.07%

Employees from Local Communities:
% of Total Direct Employees
87.96%
(2018: 82.81%)

*You may find more details in the Non-Financial Statements

Principal Products/Activities

- Cement
- Ready-mix concrete
- Aggregates
- Waste management and alternative fuel

Operational Units

- 3 Cement plants
- 1 Grinding plant
- 15 Quarries
- 6 Ready-mix plants
- 2 Processed engineered fuel facility

Market overview

For the Egyptian cement market, 2019 was another year of adverse circumstances, despite a GDP growth of 6%. The construction sector faced significant challenges, mainly affected by the slower progress of mega projects, governmental measures to tackle illegal housing and declining demand for real estate. As a result, cement consumption fell by an estimated 4% compared to 2018, to around 48.5 million metric tons.

In 2019, the Turkish economy suffered from the recession after the currency shock of August 2018. In the second half of the year, GDP showed signs of stabilization with a timid growth of 0.6% overall.

Regional performance

In 2019, the Eastern Mediterranean region continued to face significant challenges and operating results declined. Total revenue reached €150.3 million, recording a 2.6% decline, while at EBITDA level, the Group recorded a €1.2 million loss versus a positive €11.3 million in 2018.

At the end of 2019, TITAN Group acquired the minority stake of the International Finance Corporation (IFC) that the latter held in Titan subsidiaries in Egypt since 2008. Following this transaction, our Egyptian subsidiary Alexandria Portland Cement Company has initiated the process that will lead to its delisting from the Cairo Stock Exchange.

Egypt

The cement industry in Egypt continued to suffer from oversupply, exacerbated by the operation of the army's mega plant, which entered the market in the second half of 2018. As a result, capacity utilization rates fell significantly. Moreover, the significant cost increases, resulting from additional levies and electricity price increases, did not lead to an adjustment of prices, which remained stagnant at low levels and wiped out the profitability of our Egyptian operations. At the same time, the company continued its efforts towards environmental contribution, through the use of alternative fuels, at both the Alexandria and the Beni Suef plants, aiming at cost containment and reduction of carbon footprint of our operations.

Our subsidiaries' weak financial performance is in line with the entire cement sector in Egypt which is experiencing hardship, reflected in poor financial results. The closure of some of the old capacities and the partial suspension of some of the production lines that occurred in 2019 were not sufficient to raise utilization rates and prices.

Turkey

The unfavorable domestic economic environment affected the construction sector. As a result, cement consumption decreased by an estimated 30% compared to 2018, reaching about 45 million tons. Although an increase in exporting activity partially offset the declining domestic demand, overcapacity remains a key issue for the sector.

Our Turkish operations performance was impacted by the deceleration of the construction sector. Cement production decline followed the general slowdown trend in the market. While prices have increased in local currency, this was not sufficient to cover for inflation and the depreciation of the Turkish Lira during the year. Higher fuel and electricity prices further impacted results. The market showed encouraging signs of stabilization in the second half of 2019, while Adocim, thanks to its low gearing, modern asset base, and competitive production cost, is at an advantageous competitive position to face the challenges. In 2019, Adocim was fully consolidated for the full year following the acquisition of a 25% stake from our minority partner in October 2018.

Non-financial performance

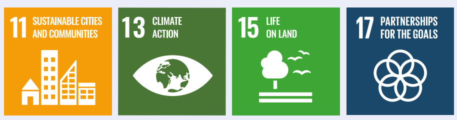
In 2019, Adocim undertook its first sustainability performance review and audit performed according to TITAN Group sustainability standards. The independent auditor's study visit resulted in positive feedback both from local stakeholders interviewed and from ERM CVS (see Auditors' Assurance Letter). TITAN Cement Egypt disclosed its first independently verified CSR and sustainability report for 2018. The company continued the implementation of community engagement plans in both Alexandria and Beni Suef, where the priority in 2019 was the completion of the new Health Care Center, a collaborative effort in co-operation with the Governorate and local NGOs.

Preserving local flora in Turkey

With respect to the environment and the local communities where we operate, we continuously take action to preserve natural resources and biodiversity.

Since the beginning of our joint venture in Turkey, Adocim supported a specific biodiversity protection program in our Tokat cement plant in Turkey. After consulting with the Tokat Forestry Directorate and in cooperation with specialists from respective authorities, TITAN Adocim identified and established a practice for mitigating the inevitable impact that the opening and development of a quarry would have on some small forest areas consisting of 8-10 years old pine trees. The agreed method included the careful removal of the pine trees from the quarry area and their re-plantation in selected areas inside the cement plant.

Having achieved 95% success in the first trial, it became standard practice and over the period 2013-2019, two hundred to three hundred pine trees were removed and re-planted every year. Currently, Tokat plant is embellished by about 5,000 pine trees, aged between 15 and 20 years. On top of the afforestation practice, the green areas inside the plant have been also enhanced with approximately 3,000 cherry trees.



Regional performance:
Joint venture in Brazil

Market posted growth for the first time in five years.

Principal Products/Activities

Cement · Ready-mix concrete

Operational Units

1 Cement plant

1 Grinding plant

3 Quarries

5 Ready-mix plants

Market overview

2019 was the third consecutive year that the Brazilian economy grew by 1%. Cement demand, mainly driven by private construction started to strengthen, growing by 3.5% and reaching 54.7 million tons. This marked the first year of growth since the peak year of 2014 when consumption had reached 72 million tons.

Regional performance

Cement consumption in the north and northeast, the natural market of Apodi, our joint venture in the country, grew at a slower pace than the rest of Brazil, mainly due to the delay of public investment, as well as the existing stock of residential developments.

Apodi increased its sales volumes, mainly owing to higher bulk sales. Cement prices remained stable, though higher transportation cost and adverse weather conditions impacted operating profitability.

Non-financial performance

In 2019, Apodi implemented its first materiality assessment mapping and prioritization and has embarked on a long-term community engagement plan that focuses primarily on: quality education and employment skills for local youth; entrepreneurship and women empowerment; environmental awareness and social inclusion.

Other business activities

Contributing to circular economy

STET

ST Equipment & Technology LLC (STET), a wholly owned subsidiary of the TITAN Group based in Boston, USA, is a designer, manufacturer and marketer of proprietary separation equipment for dry powders. The patented STET technology is suited for the processing of dry powders and recycling of waste streams in an innovative, environmentally sustainable and cost-effective manner, contributing to the Circular Economy, both locally and globally.

The applications for the STET processing technology include the recycling of coal combustion fly ash, water-free processing of industrial minerals, and upgrading of plant derived proteins for animal feed and human food applications. In 2019, new fly ash separators were commissioned in Korea and the Philippines. In total, 16 separator units for fly ash have been installed and remain operational in the globe for fly ash to date, and another four for industrial minerals.

STET invests heavily in R&D to further develop the technology. In 2019 the company performed successful separation testing on a variety of plant-based food and animal feed ingredients, filed provisional patents on electrostatic separation of sunflower meal, distillers grain and brewers spent grain, and designed and constructed a feed grade laboratory-scale version of the tribo-electrostatic separator that is useful for small-scale experimentation and evaluating the 'separability' of new candidate materials.

GAEA

Green Alternative Energy Assets (GAEA) is a company that provides services in waste utilization and alternative fuels production. Established in 2011 in Bulgaria, GAEA has been recognized as a reliable solutions provider in the Bulgarian waste market.

During its eight years of operation in Bulgaria, GAEA has provided solutions to a wide range of manufacturing and recycling industries in the country, actively contributing to the circular economy. Supporting the cement business, in 2019 it enabled one of Zlatna Panega Cement's kilns achieve thermal substitution rate of more than 50%.

GAEA has also expanded its operations in Egypt since 2016, providing solutions for municipal solid waste to the municipalities of Alexandria and Beni Suef and producing refuse-derived fuel to supply the Group's cement plants, thus reducing the Group's carbon footprint.

Outlook 2020

As those lines are being written (mid-March 2020), the coronavirus outlook has created significant uncertainty for the macroeconomic outlook. Although we have yet to see any significant impact on our operations and our industry is less exposed than most to the immediate effects of the outbreak, it is inevitable that we will be impacted.

Today, we are focused on the coronavirus crisis and its unprecedented impact on the world economy. We are taking measures to protect our people and to ensure customer needs satisfaction and operations continuity. We are creating contingencies and flexibilities and we have strengthened our liquidity position to €400m in combination of cash in hand and available committed bank credit facilities.

Up until the emergence of the coronavirus crisis, our planning for 2020 was based on a broadly positive outlook: In the USA, the long period of growth was expected to continue, with favourable macroeconomic indicators driving the residential market. TITAN is flexibly positioned in the east coast market by maintaining its existing position in its key metropolitan areas and remains focused on achieving efficiencies from previous capital expenditures and using emerging technologies to implement production cost improvements and logistics enhancements.

In Greece, the optimism for a pick-up in construction in 2020 was expected to be sustained. Large projects are anticipated to start during the course of the year. Private consumption was also expected to maintain its positive evolution. At the same time, the Group has been actively preparing for the upcoming new phase of the CO_2 ETS, which will inevitably lead to a reduction in clinker exports.

A priori, the countries of Southeastern Europe were expected to remain on a positive trajectory with economic growth driving construction activity.

Turkey and Egypt are anticipated to continue to experience low demand in 2020, although the long-term fundamentals that drive demand in both countries remain robust.

At the same time as we are navigating the cycles in each of our local business, we promote the longer-term sustainable growth of our Group. We have opened a new cycle of materiality assessment at Group level in order to incorporate up-to-date stakeholder perspectives in our strategic planning and we are going to publish our new materiality matrix and sustainability targets in 2020.

Our main priority is the reduction of the carbon footprint of our own operations and our participation in the decarbonization of the construction value chain, contributing towards the global effort of climate change mitigation. We expect to meet our 2020 target of a 20% reduction of specific emissions compared to the base year 1990 with a short delay, due to regulatory and market conditions that influence product and fuel mix. Furthermore, we continue to invest in setting the foundations for continuing long-term success: mitigating the risks and leveraging the opportunities that climate change creates for our business, taking advantage of the possibilities afforded by the digital revolution, and continuing to build on our long tradition of stakeholder engagement.

Post balance sheet events

COVID-19 Risk Assessment

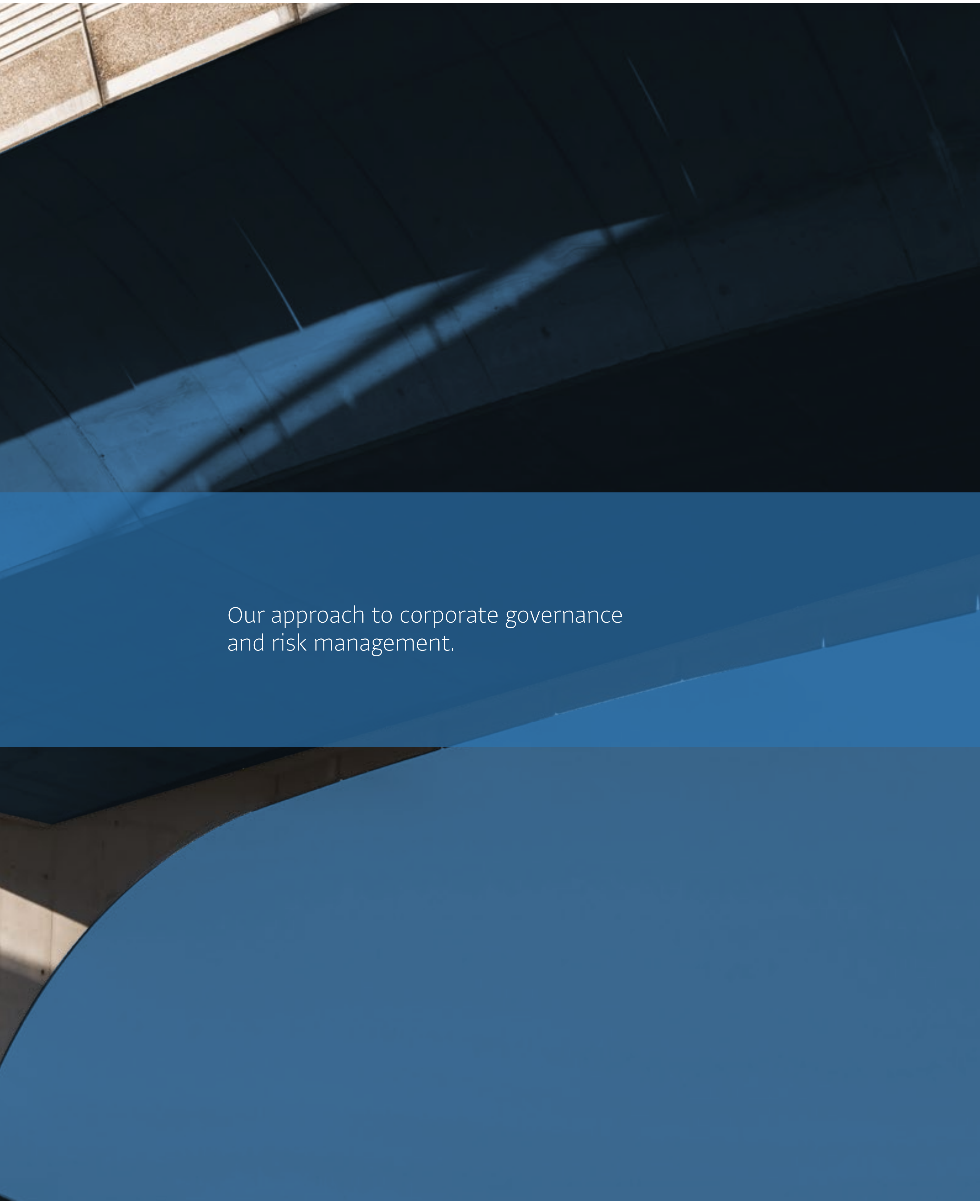
Beginning in March 2020, due to the rapid spread of COVID-19 virus, in most countries large-scale social-distancing measures have been imposed, disrupting the global economy and resulting in downfall in demand. From the emergence of the coronavirus crisis, Titan has taken measures to protect the health and safety of our people and to ensure operational continuity and satisfaction of our customer needs. The health and safety of our staff, customers and suppliers is a top priority and several precautionary measures have been taken to this effect. Business continuity plans have also been implemented and all our cement manufacturing plants and other integrated activities' businesses remain operational. Although we have yet to see any significant impact on our operations and the first quarter's sales volumes were at normal levels, it is inevitable that as the COVID-19 crisis is spreading, we will also be impacted in the short term. The construction and building materials sectors are, in the short term, less exposed to this crisis (according to Moody's they are "low risk" sectors) but, nevertheless, are also expected to suffer from reduced sales volumes, particularly and more severely in Q2.

We have created contingencies and flexibilities and have strengthened our liquidity position to €400 million in combination of cash and committed bank credit facilities. The Group management believes that, although COVID-19 may have a significant impact on the Group's operations in 2020, such impact will be absorbable and the Group can weather the storm and temporary decline in profitability.

More information is available in the Financial review section on page 122.

Thessaloniki cement plant, Greece

Corporate Governance and Risk Management



Our approach to corporate governance and risk management.

Corporate Governance Statement

1. Corporate Governance Code

1.1 Application of the Belgian Corporate Governance Code 2020

Titan Cement International S.A. (the Company) is a public limited liability company incorporated under Belgian law. Its shares are listed on the regulated markets of Euronext Brussels, Euronext Paris and the Athens Exchange.

The Company is committed to the highest governance principles, seeking consistent enhancement of its corporate governance performance and promoting transparency, sustainability and long-term value creation.

After the successful completion, on 18 July 2019, of the voluntary tender offer made by the Company to the shareholders of TITAN Cement Company S.A. (the Completion of the Tender Offer), the Company applies the principles of the Belgian Corporate Governance Code 2020 (the 2020 CG Code or the Code), which is the reference code in the meaning of article 3:6, § 2, section 1 of the Belgian Companies and Associations Code. The Code is publicly available on the website of the Corporate Governance Committee (https://www.corporategovernancecommittee.be/sites/default/files/generated/files/page/2020_belgian_code_on_corporate_governance.pdf).

The Code is structured under ten principles, which are further detailed in several provisions-recommendations. The "comply or explain" principle states that all listed companies are expected to comply with all the provisions of the Code, unless they provide an adequate explanation for deviating from a provision.

The Board of Directors of the Company adopted a Corporate Governance Charter (the Charter) on 19 July 2019. The Charter, which is available on the Company's website (https://www.titan-cement.com/wp-content/uploads/2019/08/TCI_CG_Charter_26.8.2019.pdf), clearly describes the main aspects of the Company's governance structure, as well as the terms of reference of the Board of Directors and its Committees.

1.2 Deviations from the Code

The Company complies with the provisions of the Code except with regard to the following deviations:

a. The non-executive members of the Board are not partly remunerated in the form of shares in the Company. As such, the Company deviates from Provision 7.6 of the Code. This deviation is explained by the fact that the interests of the non-executive directors are currently considered to be sufficiently oriented to the creation of long-term value for the Company and, hence, that the issue of shares to them is not deemed necessary at this point in time. It should be also noted that that this is a new provision of the Code which had not been taken into account when the remuneration of the non-executive directors was decided. However, the Company intends to review this matter in order to align its corporate governance with the provisions of the Code.

b. No provisions (i) regarding the recovery of variable remuneration paid to executives or withholding the payment of variable remuneration to executives (including specific circumstances in which it would be appropriate to do so) and (ii) relating to early termination are included in the contracts with the Managing Director and other executives. Therefore, the Company deviates from Provision 7.12 of the Code. This deviation is explained by the fact that variable remuneration will only be paid, if the criteria for the payment of such variable remuneration will be met for the entire relevant period. Moreover, the Company does not deem it necessary to include any provision relating to early termination in the existing contracts with executives as the current executives of the Company have already had long careers in and, hence, relationships with the Group.

c. As at 31 December 2019, no minimum threshold of shares to be held by the executives had been set. Therefore, the Company deviated from Provision 7.9 of the Code. This deviation was explained by the fact that the interests of the executive directors are currently considered to be sufficiently oriented to the creation of long-term value for the Company as the existing long-term incentive programs are based on the performance of the Company's shares. Hence, setting a minimum threshold of shares to be held by executives was not deemed necessary.

It should be noted that the Company intends to set within 2020 a minimum threshold of shares to be held by the executives who exercise stock options.

1.3 Governance Structure

The Company has a one-tier governance structure. As a result, the Board of Directors is authorized to carry out all actions that are necessary or useful to achieve the Company's purpose, except for those for which the General Meeting of Shareholders is authorized to carry out by law.

At least once every five years, the Board shall review whether the chosen one-tier structure is still appropriate, and if not, it should propose a new governance structure to the General Meeting of Shareholders.

2. Capital, Shares and Shareholders

2.1 Capital

The Company was incorporated in 2018 by its founders Andreas Canellopoulos, Nellos-Panagiotis Canellopoulos, Takis-Panagiotis Canellopoulos, Pavlos Canellopoulos, Leonidas Kanellopoulos, Dimitri Papalexopoulos, Alexandra Papalexopoulou and Eleni Papalexopoulou (TCI founders).

The initial share capital of the Company amounted to €100,000 and was represented by 4,000 shares, without nominal value, with voting rights, each representing an equal share in the capital.

Pursuant to resolution of the Extraordinary General Meeting dated 13 May 2019, the share capital of the Company was increased twice, first on 19 July 2019, upon the Completion of the Tender Offer and, subsequently on 26 August 2019, upon the completion of the Squeeze-out process.

The Extraordinary General meeting dated 13 May 2019 had also decided, subject to the Completion of the Tender Offer, the reduction of the Company's capital as follows:

a. by an amount of €150,000,000, to be paid to the shareholders, in accordance with articles 7:208 and 7:209 of the Belgian Companies and Associations Code, without annulation of shares. The Board of Directors was delegated to decide the date of payment of the above amount to the shareholders in one or more disbursements;

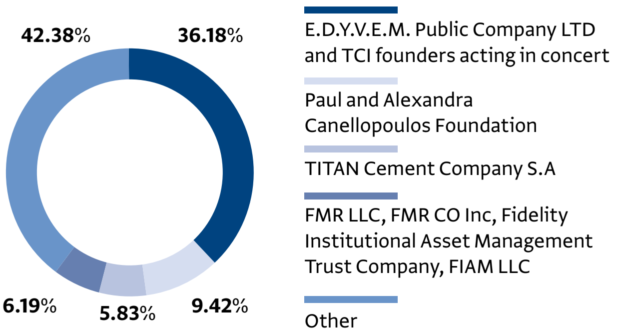
b. by an amount of €50,000,000, for the creation of a distributable reserve, in accordance with articles 7:208 and 7:209 of the Belgian Companies and Associations Code, without annulment of shares. The disposal of this reserve requires the decision of the General Meeting of Shareholders by simple majority;

c. by an amount of €85,647,774.33 (i.e. the aggregate price of the TITAN shares issued in exchange for treasury shares tendered by TITAN Cement Company S.A. in the context of the Tender Offer) for the creation of a distributable reserve which will be made undistributable as long as the own shares are held by TITAN or its subsidiary.

On 31 December 2019 and likewise today, the share capital of the Company amounts to €1,159,347,807.86 and is represented by 82,447,868 shares, without nominal value, with voting rights, each representing an equal share of the capital.

2.2 Shareholder Structure

The chart below represents the shareholder structure of the Company as of 31 December 2019.



The Company's Shareholder Structure and the relevant transparency declarations are available on the Company's website: https://ir.titan-cement.com/en/shareholder-center/shareholder-structure.

2.3 Interactions with institutional and individual investors

The Company regularly interacts with institutional investors. Roadshows are organized with executive board members and investor relations representatives. The Company's representatives attend investor conferences and pursue dialog with the investment community on TITAN's strategy and business performance.

In 2019, TITAN participated in many events, including roadshows and conferences, in several countries across the world.

At the same time, all shareholders have access to clear, comprehensive and transparent information through direct contact with the investor relation team.

The Shareholder Services Department responds to all queries and requests for information and shareholder assistance.

3. Board of Directors

3.1 Resumes of Directors

Efstratios-Georgios (Takis) Arapoglou

Chairman – Non-executive Director – Chairman of the Nomination Committee

Born in Alexandria, Egypt, Takis Arapoglou is a consultant with an earlier career in International Capital Markets and Corporate & Investment banking and later in managing, restructuring and advising publicly listed Financial Institutions and Corporates, primarily in SE Europe and the Middle East.

His most recent executive assignments include: Managing Director and Global Head of the Banks and Securities Industry for Citigroup; Chairman and CEO of the National Bank of Greece; Chairman of the Hellenic Banks Association; CEO of Commercial Banking at EFG Hermes Holding SAE.

He currently holds the following non-executive board positions: Chairman of Bank of Cyprus Group, Chairman of Tsakos Energy Navigation (TEN) Ltd, Independent board member of EFG Hermes Holding SAE and Board member of Bank Alfalah Ltd, representing the International Finance Corporation (IFC).

He has degrees in Mathematics, Engineering and Management from Greek and British universities.

Kyriacos Riris

Vice Chairman – Independent Director – Chairman of the Audit and Risk Committee

Born in Cyprus, Kyriakos Riris completed his high-school education in Cyprus, before continuing his higher education and professional qualifications at Birmingham Polytechnic.

He completed his professional exams with the Association of Certified Chartered Accountants (ACCA) in the UK in 1975, becoming a Fellow of the Association of Certified Accountants in 1985. Since 1976 he was worked mostly in Greece. He was a member of the Executive Committee of PwC Greece and became a Partner in 1984. His responsibilities have included that of Managing Partner of the Audit and the Advisory/Consulting Departments respectively, and later Deputy Territory Senior Partner. In 2009, he was elected as Chairman of the Board of PwC Greece, retiring from that position in 2014.


Patras cement plant, Greece

With a career spanning some 40 years, he has accumulated vast experience with both domestic and multinational entities in a variety of sectors and industries, including manufacturing, shipping, commerce, food and beverages, construction, pharmaceuticals, financial services and information systems.

Dimitri Papalexopoulos

Chairman of the Group Executive Committee

Born in Athens, Greece, Dimitri Papalexopoulos started his career as a business consultant for McKinsey & Company Inc. in the USA and Germany.

He joined TITAN in 1989.

He is Vice Chairman of the Board of the Hellenic Federation of Enterprises (SEV), and Vice Chairman of the European Round Table for Industry (ERT), while he is a member of the Board of the Foundation for Economic and Industrial Research (IOBE) and the Hellenic Foundation for European and Foreign Policy (ELIAMEP).

He holds a MSc in Electrical Engineering from the Swiss Federal Institute of Technology (ETHZ, 1985) and an MBA from Harvard Business School (1987).

Michael Colakides

Managing Director - Group CFO

Born in Cyprus, Michael Colakides started his career in banking at Citibank Greece, where over time he held the positions of Head of FIG, Head of Corporate Finance and Local Corporate Banking (1979-1993). In 1993 he was appointed executive Vice Chairman at the National Bank of Greece, Vice Chairman of ETEBA Bank S.A. and member of the BoD of other NBG affiliates. In 1994 he joined TITAN Cement Company S.A., where he held the position of Group CFO and executive board member until 2000.He was also responsible for several cement company acquisitions in SE Europe and the U.S.

From 2000 to 2007, he served as Vice Chairman and Managing Director at Piraeus Bank S.A., overseeing the domestic wholesale and retail banking business as well as the Group's international network and activities. In 2007 he moved to EFG Eurobank Ergasias S.A., assuming the position of Deputy CEO-Group Risk Executive (2007-2013) overseeing the risk management functions of the Group.

Currently he is a non-executive member of the board of Eurobank Cyprus Ltd.

He holds a BSc in Economics from the London School of Economics and an MBA from the London Business School.

William Antholis

Independent Director - Member of the Remuneration Committee

Born in New York, USA, William Antholis is director and CEO of the Miller Center, a nonpartisan affiliate of the University of Virginia that specializes in presidential scholarship, public policy and political history.

From 2004 to 2014, he was Managing Director of the Brookings Institution. He has also served in government, including at the White House's National Security Council and National Economic Council, and at the U.S. State Department's policy planning staff and bureau of economic affairs.

He has published two books, as well as dozens of articles, book chapters, and opinion pieces on U.S. politics, U.S. foreign policy, international organizations, the G8, climate change and trade.

He earned his PhD from Yale University in politics (1993) and his BA from the University of Virginia in government and foreign affairs (1986).

Andreas Artemis

Independent Director - Member of the Nomination Committee

Born in Limassol, Cyprus, Andreas Artemis has been an executive member of the Board of Directors of Commercial General Insurance Group since 1985 and Chairman since 2002.

He is also a member of the Board of Directors of the Cyprus Employers and Industrialists Federation and of the Council of the Cyprus Red Cross Society.

He has served as member of the Board of Directors of the Bank of Cyprus Group (2000-2005), Vice Chairman (2005-2012) and Chairman (2012-2013). He has also served on the Board of Directors of the Cyprus Telecommunications Authority (1988-1994) and as Honorary Consul General of South Africa in Cyprus (1996-2012).

He studied Civil Engineering at the Queen Mary and Imperial colleges of the University of London and holds a BSc (Engineering) and a MSc degree.

Takis-Panagiotis Canellopoulos

Executive Director

Born in Athens, Greece, Takis Canellopoulos started his career as financial analyst in AIG before joining the Financing Division of EFG Eurobank.

He was Investor Relations Director of the TITAN Group from 2001 to May 2016, working in various positions in the Finance Department of the Group before that (1995-2001).

Currently, he is a member of the Board of Directors of Canellopoulos Adamantiadis S.A. and he is a founding partner of 3K Investment Partners. He is also a member of the Board of Directors of the Union of Listed Companies (ENEISET).

He studied Economics (BA) at Brown University and Business Administration (MBA) at New York University Stern School of Business.

Haralambos (Harry) David

Independent Director - Member of the Audit and Risk Committee

Harry David earned his BS from Providence College and began his career as a certified investment advisor with Credit Suisse in New York.

He then served in several executive positions within Leventis Group Companies in Nigeria, Greece and Ireland.

Today he serves as the Chairman of Frigoglass S.A. and is on the Boards of A.G. Leventis (Nigeria) PLC, the Nigerian Bottling Company, Beta Glass (Nigeria) PLC, Ideal Group, Pikwik (Nigeria) Ltd (a joint venture with Pick n Pay, South Africa) and ELVIDA Foods S.A.

He is a member of the Organizing Committee of the Athens Classic Marathon and member of the TATE Modern's Africa Acquisitions Committee.

Has served on the boards of Alpha Finance, Greece's Public Power Corporation and Emporiki Bank (Credit Agricole).

Leonidas Kanellopoulos

Executive Director

Born in Athens, Greece, Leonidas Kanellopoulos is Cement Operations Director of TITAN Cement Group's Greek Region.

Since 2012, he has covered various roles within the Group's Finance and Strategic Planning functions. Prior to that, he worked for Separation Technologies LLC.

He is a member of the BoD of Junior Achievement Greece.

He holds a BA in Economics with Honors from Harvard University and an MBA from INSEAD, where he received the Henry Ford II Prize.

Alexandra Papalexopoulou

Executive Director

Born in Athens, Greece, Alexandra Papalexopoulou is a member of the Group Executive Committee in charge of Strategic Planning, having previously held various roles in business development and exports within the Group.

She started her career as an analyst for the Organization for Economic Co-operation and Development (OECD) and an associate at the consulting firm Booz, Allen & Hamilton in Paris in the 1990s.

She is a Non-Executive Director of Coca-Cola HBC, a FTSE 100 company.

She is a member of the Board and Treasurer of the Paul & Alexandra Canellopoulos Foundation, member of the Board of INSEAD Business School and serves on the Board of Trustees of the American College of Greece (ACG).

She holds a BA in Economics from Swarthmore College, USA, and a MBA from INSEAD, France.

Petros Sabatacakis

Independent Director – Member of the Audit and Risk Committee

Born in Athens, Greece, Petros Sabatacakis held the position of Chief Risk Manager for Citigroup (1999–2004). He was also a member of the Management Committee and Director of Citicorp and Citibank.

From 1992 until 1997 he was in charge of the financial services subsidiaries of AIG, its treasury operations, and the market and credit risk activities. He was a member of the executive committee and partner of C.V. STARR.

He has also worked at Chemical Bank (now JPMorgan Chase).

He has served as Chairman of Plan International and Childreach International (a non-profit organization), as trustee of the Athens College in Greece and as member of the Board of Directors of the Gennadius Library.

He has earned three degrees from Columbia University: a BSc, a MBA and a PhD in Economics.

Stylianos (Stelios) Triantafyllides

Independent Director – Member of the Remuneration Committee

Born in Nicosia, Cyprus, Stelios Triantafyllides has been working with and been a partner of the Antis Triantafyllides & Sons LLC law firm since 1983. His practice focuses on international business transactions, banking and finance, capital markets, M&A and joint ventures, general corporate and commercial, corporate restructuring, tax, financial services and securities regulation. He is the legal adviser to the Cyprus Securities and Exchange Commission. He regularly advises major international companies on corporate and banking matters.

He is member of the Cyprus Bar Association (admitted 1984) and is Chairman of the Committee for Private Companies and a member of the Committee on the Cyprus Stock Exchange. From 2006 to 2012, he was a member of the Board of Directors of the Cyprus Investment Promotion Agency (CIPA).

He studied at Worcester College, Oxford University (MA (Jurisprudence) and the University of California, Berkeley (LLM).

Maria Vassalou

Independent Director – Member of the Nomination Committee

Maria Vassalou is the Chief Investment Officer at Vassalou Capital Management. She has more than 14 years of investment experience.

Prior to founding Vassalou Capital Management, she was a Partner and Portfolio Manager at Perella Weinberg Partners, responsible for the PWP Global Macro Business. She joined Perella Weinberg Partners from MIO Partners, a subsidiary of McKinsey & Company, where as a Portfolio Manager she managed a similar global macro investment strategy in a dedicated legal entity, and as Head of Asset Allocation she provided counsel on allocation for liquid assets within MIO's portfolio.

Prior to joining MIO, she was a Global Macro Portfolio Manager at SAC Capital Advisors LP. She joined SAC from Soros Fund Management, where she was responsible for global quantitative research, as well as the development and management of global quantitative trading strategies.

She began her career in academia and she was an Associate Professor of Finance at Columbia Business School, which she joined in 1995. She is a Past President of the European Finance Association and was the Chair of the 2008 European Finance Association meetings. A Research Affiliate of the Centre for Economic Policy Research (CEPR) in London for many years, she is a past member of the Academic Advisory Board of the Vienna-based Gutmann Center of Competence in Portfolio Management.

Since 2016, she has been a member of the Board of Directors of Tsakos Energy Navigation (NYSE: TNP).

She earned a BA in Economics from the University of Athens and holds a PhD in Financial Economics from London Business School. She is the recipient of several professional awards and she was included in the 50 Leading Women in Hedge Funds in 2015.

Vassilios (Bill) Zarkalis

Executive Director

Born in Athens, Greece, Bill Zarkalis has been the President and CEO of Titan America LLC since 2014.

He is a business executive with an international career, having led diverse global teams across all continents while located mostly in the USA and Switzerland. He dedicated 18 years to Dow Chemical Co., where he started in commercial posts, growing in experience through a fast succession of marketing and product management responsibilities, culminating into global business-unit leadership roles. Among others, he served as Vice President of Dow Automotive, M&A Leader for DuPont-Dow Elastomers, Global Business Director for Specialty Plastics & Elastomers, and Global Business Director for Synthetic Latex.

He joined TITAN in 2008 as Group Executive Director for Business Development and Strategic Planning. In 2010 he became the TITAN Group CFO, where he served until 2014 before moving into his current role in Titan America.

He holds a BSc in Chemical Engineering from the National Technical University of Athens and a MA from Pennsylvania State University.

Mona Zulficar

Independent Director – Chairwoman of the Remuneration Committee

Mona Zulficar is one of the founding partners of Zulficar & Partners, a specialized law firm, which has become one of the best ranked law firms in Egypt since it was established in June 2009. She was previously senior partner at Shalakany Law Firm, serving as the Chair of its Executive Committee for many years.

She is recognized in local and international legal circles as a precedent setter and one of Egypt's most prominent corporate, banking and project finance attorneys. As an M&A and capital markets transactions specialist, she has led negotiations on some of Egypt's and the Middle East's largest and most complex successful transactions over the past three decades. She has also played an instrumental role in modernizing and reforming economic and banking laws and regulations as a former member of the board of the Central Bank of Egypt and as a prominent member of national drafting committees. She is also a leading human rights activist, recognized locally and internationally and has initiated several successful campaigns for new legislation including women's rights, freedom of opinion and family courts.

She served as Vice President of the Constitutional Committee of 50 and played a key role in drafting the 2014 Egyptian Constitution, and is currently member of the National Council for Human Rights. She has served as Non-Executive Chairperson of EFG Hermes since 2008. In 2015, she was elected President of the Egyptian Microfinance Federation and has chaired several NGOs active in providing social development and microfinance to poor women. Internationally, she served as an elected member of the international Advisory Committee of the United Nations Human Rights Council for two terms, ending in 2011.

She holds a BSc in Economics and Political Science from Cairo University and an LLM from Mansoura University as well as an honorary PhD in law from the University of Zurich.

3.2 Role and competencies of the Board of Directors

The Corporate Governance Charter, which is available on the Company's website (https://www.titan-cement.com/wp-content/uploads/2019/08/TCI_CG_Charter_26.8.2019.pdf), defines the terms of reference of the Board of Directors including its role, mission, composition, training and evaluation.

3.3 Structure of the Board of Directors

As at 31 December 2019, the Board was composed of fifteen (15) directors:

- The majority of directors, namely nine (9) out of fifteen (15), including the Chairman, are non-executive directors and eight (8) of them are independent directors.
- Eight (8) out of fifteen (15) directors, namely Kyriakos Riris, William Antholis, Andreas Artemis, Haralambos David, Petros Sabatacakis, Stylianos Triantafyllides, Maria Vassalou and Mona Zulficar met on their appointment the independence criteria of article 7:87 of the Belgian Companies and Association Code and also those of Principle 3.5 of the Code.
- Six (6) out of the fifteen (15) Board members, namely Dimitri Papalexopoulos, Michael Colakides, Takis-Panagiotis Canellopoulos, Leonidas Kanellopoulos, Alexandra Papalexopoulou and Bill Zarkalis are executive directors.
- Three (3) out of fifteen (15) directors are women[1];
- The directors represent four (4) different nationalities;
- The Board meeting attendance (during the period that started upon successful Completion of the Tender Offer and the listing of the Company's shares and the election of the board members in July 2019) was 93.33%. The individual attendance of each Board member is shown in the table included in Section 3.5 ("Functioning of the Board of Directors") below.

3.4 Chairman of the Board of Directors

The Chairman of the Board, Mr. Efstratios- Georgios (Takis) Arapoglou, is a person with proven professionalism, independence of mind and coaching capabilities, with consensus-building, communication and meeting management skills.

3.5 Functioning of the Board of Directors

During the second half of 2019 and following the Completion of the Tender Offer, the Board of Directors held five (5) scheduled meetings on 19 July, 23 August, 6 November, 20 November and 18 December.

Before the Completion of the Tender Offer, the Company's Board consisted of five (5) members, namely Kyriakos Riris as Chairman, Stylianos (Stelios) Triantafyllides, Komninos-Alexios Komninos, Nicolaos Birakis and Spyridon Hadjinicolaou.

The Extraordinary General Meeting of Shareholders dated 13 May 2019 had acknowledged the resignation of Mr. Birakis, Mr. Komninos and Mr. Hadjinicolaou as Board members subject to the Completion of the Tender Offer. As a result, the current Board of Directors resumed office upon the announcement of the Completion of the Tender Offer on 18 July 2019 and held its first meeting on 19 July 2019.

[1] Given that the Company's listing was made in August 2019, the Company is not required to comply with the legal rules on gender diversity provided in article 7:86 of the Belgian Companies and Associations Code until 1 January 2026. Nevertheless, the Company intends to comply with this rule at the soonest.

The Board (2019), in accordance with article 17 of the Company's Articles of Association, consists of fifteen (15) directors as follows:

Name	Position	Term started	Term expires
Efstratios-Georgios (Takis) Arapoglou	Chairman, Non-Executive Director	May 2019	May 2022
Kyriacos Riris	Vice-Chairman, Independent Non-Executive Director	October 2018	May 2021
Dimitri Papalexopoulos	Executive Director	May 2019	May 2022
Michael Colakides	Managing Director	May 2019	May 2022
William Antholis	Independent Non-Executive Director	May 2019	May 2022
Andreas Artemis	Independent Non-Executive Director	May 2019	May 2022
Takis-Panagiotis Canellopoulos	Executive Director	May 2019	May 2022
Haralambos (Harry) David	Independent Non-Executive Director	May 2019	May 2022
Leonidas Kanellopoulos	Executive Director	May 2019	May 2022
Alexandra Papalexopoulou	Executive Director	May 2019	May 2022
Petros Sabatacakis	Independent Non-Executive Director	May 2019	May 2022
Stylianos (Stelios) Triantafyllides	Independent Non-Executive Director	October 2018	May 2021
Maria Vassalou	Independent Non-Executive Director	May 2019	May 2022
Bill Zarkalis	Executive Director	May 2019	May 2022
Mona Zulficar	Independent Non-Executive Director	May 2019	May 2022

Individual attendance of each Board member at the scheduled meetings of the Board

Director	Board of Directors Meetings	Board Committees Meetings		
		Audit and Risk Committee	Remuneration Committee	Nomination Committee
Efstratios-Georgios (Takis) Arapoglou	5/5	-	-	The first meeting of the Committee took place on 25 February 2020, in order to seek and propose to the Board the nomination of a new candidate in view of a vacant directorship. All current directors were nominated by the Extraordinary General Meeting of Shareholders of 13 May 2019.
Kyriacos Riris	5/5	2/2	-	
Dimitri Papalexopoulos	5/5	-	-	
Michael Colakides	5/5	-	-	
William Antholis	5/5	-	1/1	
Andreas Artemis	5/5	-	-	
Takis-Panagiotis Canellopoulos	5/5	-	-	
Haralambos (Harry) David	5/5	2/2	-	
Leonidas Kanellopoulos	5/5	-	-	
Alexandra Papalexopoulou	5/5	-	-	
Petros Sabatacakis	4/5	1/2	-	
Stylianos (Stelios) Triantafyllides	4/5	-	1/1	
Maria Vassalou	4/5	-	-	
Bill Zarkalis	5/5	-	-	
Mona Zulficar	3/5	-	1/1	

3.6 Induction

Soon after joining the Board, in September 2019, all directors received appropriate induction training.

The purpose of the induction process was to help the new directors grasp the fundamentals of the Company, including its governance, key policies, financial and business challenges and, also, to advise them on their rights and duties as directors.

The Company makes available all the necessary resources to develop and update the knowledge and qualifications of the directors so that they can perform their duties in the Board and the Committees of which they are members.

3.7 Board evaluation

The Board is responsible for a periodic assessment of its own effectiveness with a view to ensuring continuous improvement in the governance of the Company. The Board assesses at least every three years its own performance and its interaction with the executive management, as well as its size, composition, functioning and that of its Committees. The evaluation is carried out through a formal process, whether externally facilitated or not, in accordance with a methodology approved by the Board.

At the end of each Board member's term, the Nomination Committee evaluates this Board member's presence at the Board or Committee meetings, his or her commitment and constructive involvement in discussions and decision-making in accordance with a pre-established and transparent procedure. The Nomination Committee also assesses whether the contribution of each Board member adapted to changing circumstances.

In order to facilitate such evaluation, the directors give their full assistance to the Nomination Committee, and any other persons, whether internal or external to the Company, entrusted with the evaluation of the directors.

Given that the vast majority (13 out of 15 directors) of the members of the current Board of Directors was elected by the Extraordinary General Meeting on 13 May 2019, the first Board evaluation will be carried out within 2020 and the main features of the evaluation process of the Board, its committees and its individual directors will be disclosed in the Corporate Governance Statement for the year 2020.

3.8. Code of Conduct – Conflicts of interest

A Code of Conduct has been drawn up, setting out the expectations for the Company's leadership and employees in terms of responsible and ethical behavior.

All Board members are expected to uphold the highest standards of integrity and to always act in the best interest of the Company.

Each member of the Board undertakes, both during his or her membership of the Board and afterwards, not to disclose to anyone in any manner any confidential information relating to the business of the Company or companies in which the Company has an interest, unless he or she has a legal obligation to disclose such information.

No member of the Board may use the information described above to his or her own advantage.

Each member of the Board undertakes not to develop, either directly or indirectly, during the term of his or her mandate, any activities nor perform any actions that conflict with the activities of the Company or its Subsidiaries.

All members of the Board are required to inform the Board of conflicts of interests as they arise. In case a director has a direct or indirect financial interest that conflicts with the interests of the Company, he or she is required to inform the other directors before the Board takes a decision and the Board is required to implement the procedures set forth in articles 7:96 and 7:97 of the Belgian Companies and Associations Code.

The Board approved on 19 July 2019 (a) the Company's Policy for transactions and other contractual relationships between the Company or Group Subsidiaries and Members of the Board or the Management Committee or the Group Executive Committee or other designated persons and (b) the Company's Dealing Code, which is addressed to the Company's directors, managers and officers, as well as to Group's directors, managers, officers and employees who are in possession of inside information (within the meaning of the Regulation (EU) No 596/2014 on market abuse). Both the Policy for Transactions and the Dealing Code are included (as Appendix 2 and Appendix 8, respectively) in the Company's Corporate Governance Charter which is available on the Company's website (https://www.titan-cement.com/) at the link: https://www.titan-cement.com/wp-content/uploads/2019/08/TCI_CG_Charter_26.8.2019.pdf.

4. Composition and Operation of Board Committees

4.1 Audit and Risk Committee

4.1.1 Composition, Role and Functioning

Chairman: Kyriacos Riris, independent director

Members: Harry David, independent director

Petros Sabatacakis, independent director

Notwithstanding the relevant expertise of the other members of the Committee, the Committee's Chairman, Mr. Riris, has the necessary expertise with regard to accountancy and auditing.

The Audit and Risk Committee performs all duties set out in article 7:99 of the Belgian Companies and Associations Code and is entrusted with the development of a long-term audit program encompassing all activities of the Company, including:

a. Monitoring the financial reporting process

b. Monitoring the effectiveness of the Company's internal control and risk management systems

c. Monitoring the internal audit and its effectiveness

d. Monitoring the statutory audit of the annual and consolidated financial statements, including any follow-up on any questions and recommendations made by the External Auditor

e. Reviewing and monitoring of the independence of the External Auditor, in particular regarding the provision of additional services to the Company

After it was set up on 19 July 2019, the Audit and Risk Committee held two meetings, one on 6 November 2019 and one on 18 December 2019.

Among the items of the agenda of the meeting on 6 November 2019 were the discussion on the terms of reference, scope and role of the Committee; the self-assessment and independence confirmation of all three members; the presentation of the Q3 Financials by the Group CFO, the discussion among the Committee members and their recommendation to the Board to approve them; the follow-up of the Group's cash flow in relation to the actual Q3 results; the discussion and approval of the Policy of the Company for Non-Audit services (NAS Policy); the reporting of Non-Audit Services provided in Q3 and their approval by the Audit and Risk Committee after relevant management approval.

The second half of the above meeting focused on the functioning and operation of the Group Internal Audit, the presentation by the Head of the Group Internal Audit of the department and the internal audit methodology applied, the discussion on the Q3 audit results and the review of specific arrangements of the TITAN Ethics Point, the platform for raising concerns confidentially.

The Audit and Risk Committee meeting on 18 December 2019 was again split in two parts. The first part focused on the presentation by the External Auditor (PwC) of their audit plan for the year ending 31 December 2019, while the second focused on monitoring the status of implementation of the Internal Audit plan for the year 2019 and on the presentation and approval of the Internal Audit plan for the year 2020.

4.1.2 External Auditor

The audit of the Company's financial statements and the entities to be recorded in the financial statements in accordance with the Belgian Companies and Associations Code was entrusted by virtue of the Extraordinary General Meeting resolution dated 13 May 2019, to SCRL PriceWaterhouseCoopers, with registered office located at 1932 Sint-Stevens-Woluwe, Woluwedal, 18, represented by Mr. Marc Daelman, for a term of three years, ending on the date of the Annual General Meeting to be held in 2022 related to the approval of the annual accounts of the year ending on 31 December 2021.

Patras cement plant, Greece

The responsibilities and powers of the External Auditor are set by law.

The Audit and Risk Committee monitors and assesses the effectiveness, independence and objectivity of the external auditor having regard to the:

- content, quality and insights on key external auditor plans and reports
- engagement with the external auditor during committee meetings
- robustness of the external auditor in handling key accounting principles and
- provision of non-audit services

The yearly 2019 audit fees for Titan Cement International S.A. (TCI) were set at €100.000.

They include the audit of the statutory and consolidated accounts of TCI.

Additional audit fees for TCI affiliates in 2019 amount to €1.222.182.

Additional non- audit fees of €372,531 were paid in 2019 by TCI and affiliates, of which:

- €226,049 for assurance services
- €137,017 for tax advisory and compliance services and
- €9,465 for other advisory services.

The rules governing the composition, tasks and method of functioning of the Audit and Risk Committee are laid down in Appendix 3 of the Company's Charter ("Terms of Reference of the Audit and Risk Committee"), which is available on the Company's website (https://www.titan-cement.com/) at the link: https://www.titan-cement.com/wp-content/uploads/2019/08/TCI_CG_Charter_26.8.2019.pdf.

4.2 Remuneration Committee

Chairwoman:	Mona Zulficar, independent director
Members:	William Antholis, independent director
	Stelios Triantafyllides, independent director

The Remuneration Committee has the duties set out in article 7:100 of the Belgian Companies and Associations Code, including, to prepare and assess proposals for the Board:

a. with regard to the Company's remuneration policy and the remuneration of directors, members of the Company's Management Committee and members of the Group Executive Committee, as well as on the arrangements concerning early termination

b. on the annual review of the executive management's performance and

c. on the realization of the Company's strategy against performance measures and targets

During the second half of 2019 and following its establishment on 19 July 2019, the Remuneration Committee held one meeting on 6 November. The main topics of this meeting were:

a. The main principles and programs referring to Group Compensation and benefits

b. The new Long-Term Incentive Plan (LTIP 2020)

c. The new Deferred Compensation Plan (DCP 2020)

d. The main terms of the employment contract of the managing Director and the members of the Management Committee and

e. To make proposals to the Board regarding the above matters

On 19 March 2020 the Remuneration Committee met again with main topics:

a. The submission to the Board of the remuneration report for the year 2019 to be presented to the Annual General Meeting

b. The submission to the Board of the new Remuneration Policy of the Company, which will be submitted to the Annual General Meeting for approval

c. The submission to the Board of the new Long-Term Incentive Plan (LTIP 2020).

The rules governing the composition, tasks and method of functioning of the Remuneration Committee are laid down in Appendix 5 of the Company's Charter ("Terms of Reference of the Remuneration Committee"), which is available on the Company's website (https://www.titan-cement.com/) at the link: https://www.titan-cement.com/wp-content/uploads/2019/08/TCI_CG_Charter_26.8.2019.pdf.

4.3 Nomination Committee

Chairman:	Efstratios-Georgios (Takis) Arapoglou, non-executive director
Members:	Maria Vassalou, independent director
	Andreas Artemis, independent director

The Nomination Committee consists of three non-executive directors of the Board, two of whom are independent. The Chairman of the Board, who is a non-executive director, is the Chairman of the Committee.

The Nomination Committee was established and all its members were appointed by the Board of Directors on 19 July 2019.

The Nomination Committee makes recommendations to the Board with regard to the appointment of directors, the Managing Director of the Company and other members of the Management Committee and the Group Executive Committee as well as their orderly succession.

The Nomination Committee meets at least once a year and whenever a meeting is deemed necessary and advisable for its proper functioning.

Given that all directors had been elected, subject to the Completion of the Tender Offer, by the Extraordinary Meeting of Shareholders dated 13 May 2019, the Nomination Committee did not hold any meetings after its establishment during the second half of 2019.

The first meeting of the Committee took place on 25 February 2020, in order to seek and propose to the Board the nomination of a new candidate in view of a vacant directorship.

The rules governing the composition, tasks and method of functioning of the Nomination Committee, as well as the procedure to be followed by the latter for the appointment and reappointment of Board members, are laid down in Appendix 4 of the Company's Charter ("Terms of Reference of the Nomination Committee"), which is available on the Company's website (https://www.titan-cement.com/) at the link: https://www.titan-cement.com/wp-content/uploads/2019/08/TCI_CG_Charter_26.8.2019.pdf.

4.4 Group Executive Committee

Chairman: Dimitri Papalexopoulos

Members:	Michael Colakides, Managing Director and Group CFO Alexandra Papalexopoulou, Group Strategic Planning Director Bill Zarkalis, USA Region Director Sokratis Baltzis, Egypt and Group Trading Director Konstantinos Derdemezis, Albania, North Macedonia, Serbia and Kosovo Director Spyridon John Kollas, Human Resources Director Christos Panagopoulos, Turkey and Bulgaria Director Yanni Paniaras, Greek Region and Group Corporate Affairs Director Fokion Tasoulas, Group Engineering and Technology Director
Convener:	Antonis Kyrkos, Deputy Group Strategic Planning Director

The role of the Group Executive Committee is facilitating the supervision of the Group operations, the cooperation and coordination between the Company's subsidiaries and the monitoring of the Group management performance and ensuring the implementation of decisions and related accountability.

After it was established on 19 July 2019, the Group Executive Committee held eight (8) meetings during 2019. A variety of coordination topics were covered, including strategy, quarterly results, Group budget, H&S reviews, sustainability reviews, progress of key projects (CO_2, digitization), etc.

The rules governing the composition, tasks and method of functioning of the Group Executive Committee, as well as the code of conduct, are laid down in Appendix 7 of the Company's Charter ("Terms of Reference of the Group Executive Committee"), which is available on the Company's website (https://www.titan-cement.com/) at the link: https://www.titan-cement.com/wp-content/uploads/2019/08/TCI_CG_Charter_26.8.2019.pdf.

4.5 Management Committee

Chairman: Michael Colakides, Managing Director
Members: Grigoris Dikaios, Company CFO
Konstantinos Derdemezis, Regional Business Director
Christos Panagopoulos, Regional Business Director

The main role and the main duties of the Management Committee are to implement and monitor the company strategy, to prepare and present to the Board the financial statements of the Company in accordance with the applicable accounting standards and policies of the Company, to prepare the Company's required disclosure of the financial statements and other material financial and non-financial information, to manage and assess the internal control systems of the Company and to support the Managing Director in the day-to-day management of the Company and with the performance of his other duties.

The Management Committee meets whenever a meeting is required for its proper functioning.

The rules governing the composition, tasks and method of functioning of the Management Committee, as well as the code of conduct, are laid down in Appendix 6 of the Company's Charter ("Terms of Reference of the Management Committee"), which is available on the Company's website (https://www.titan-cement.com/) at the link: https://www.titan-cement.com/wp-content/uploads/2019/08/TCI_CG_Charter_26.8.2019.pdf.

5. Diversity and Inclusion

TITAN is committed to offering equal opportunities and encourages diversity and inclusion at every level of employment in the Company. Diversity includes more than gender, age, nationality, disability, ethnic origin, sexual orientation, culture, education and professional background. At Group level, particular attention is afforded to monitoring the full implementation of the Human Rights Policy and to ensure consistent improvement across the organization. Improving the gender mix at all levels is always an area of focus. Likewise, other areas of focus are inclusion and the creation of a working environment that maximizes the potential of all employees.

Currently, the number of women on the Board is 3 out of 15 and although the Company is not legally required to comply with the rules of article 7:86 on gender diversity before 1 January 2026, it intends to comply with the 33% rule before the end of the above grace period.

The Board has promoted diversity in the composition of the Board Committees, by appointing a woman to chair the Remuneration Committee and another woman as member of the Nomination Committee. As a result, one out of the three members of the Nomination Committee and the Remuneration Committee is female.

TITAN monitors gender diversity in management at both Group and local levels (see Non-financial statements, table 2.2 Social Performance Index). In 2019 an assessment of Group policies was conducted by Group Human Resources Department to define priorities and future targets accordingly.

Diversity on Board level has also been promoted through a balanced mixture of academic and professional skills. More specifically, the Board includes directors coming from the banking and insurance sector, the corporate/business sector and the legal and audit services sector. As far as residence is concerned, six Board members reside in Cyprus, four in the USA, four in Greece and one in Egypt.

The Group will focus on fostering diversity and inclusion awareness through workshops, training and development programs in the various regions.

6. Internal Audit and Risk Management in the Scope of the Financial Reporting Process

The key elements of the system of internal controls utilized in order to avoid errors in the preparation of the financial statements and to provide reliable financial information are the following:

The assurance mechanism regarding the integrity of the Group's financial statements consists of a combination of the embedded risk management processes, the applied financial control activities, the relevant information technology utilized, and the financial information prepared, communicated and monitored.

Each month the Group's subsidiaries submit financial and non-financial data to the Group's consolidation department and provide explanatory information where necessary.

In consolidating the financial results and statements, the Group utilizes specialized consolidation software and specialized software for reconciling intercompany transactions. These tools come with built-in control mechanisms and have been parametrized in accordance with the Group's needs. Finally, the above tools use best practices regarding the consolidation process, which the Group has to a large extent adopted.

The Group's management reviews on a monthly basis the consolidated financial statements and the Group's Management Information (MI) – both sets of information being prepared in accordance with IFRS and in a manner that facilitates their understanding.

The monthly monitoring of the financial statements and Group MI and their analysis by the relevant departments are key elements of the controlling mechanism regarding the quality and integrity of financial results.

The Group's external auditors review the mid-year financial statements of the Company, the Group and its material subsidiaries and audit their full-year financial statements. In addition, the Group's external auditors inform the Audit and Risk Committee about the outcome of their reviews and audits.

The Audit and Risk Committee, during its quarterly meetings prior to the financial reporting, is informed by the Managing Director and Group CFO and also by the other competent Group officers about the performance of the Group, monitors the consolidated accounts and the financial reporting process and reports accordingly to the Board. The Audit and Risk Committee monitors the financial reporting process and the effectiveness of the Company's internal control and risk management systems.

The approval of the financial statements (Company and Consolidated) by the Board is made after the relevant recommendation of the Audit and Risk Committee.

7. Internal Audit

The internal audit is carried out by the Group Internal Audit function. As of January 2020, the function assumed a broader role, taking over responsibility for risk and compliance, in addition to the internal audit.

Internal Audit is an independent department with its own written regulation, reporting directly to the Audit and Risk Committee.

The Group Internal Audit workforce consists of 17 executives duly trained and having appropriate experience to carry out their work. Four (4) new hires will be added early 2020.

Internal Audit's primary role is to monitor the effectiveness of the internal control environment. Internal Audit's scope also includes:

- monitoring implementation and compliance with the Company's Internal Regulation, Code of Conduct, Articles of Association and applicable laws in all jurisdictions in which the Group operates;
- providing consulting services (e.g. new procedures review, new IT systems post-implementation reviews);
- undertaking special assignments (e.g. fraud investigations)

After the establishment of the Audit and Risk Committee on 19 July 2019, the Committee received all audit reports issued thereafter. Likewise, the Audit and Risk Committee received all progress reports referring to the most important audit findings during the third and fourth quarters of 2019.

During the second semester of 2019, the Audit and Risk Committee held two scheduled meetings with the Head of the Group Internal Audit. The Head of the Group Internal Audit had a number of meetings with the Chairman of the Audit and Risk Committee pertaining to the better preparation of the Audit and Risk Committee meetings with regard to the Internal Audit.

Following relevant recommendation of the Audit and Risk Committee, the Board of Directors approved the Internal Audit plan for the year 2020 and specified the functions and areas on which internal audit should primarily focus.

8. Remuneration Report

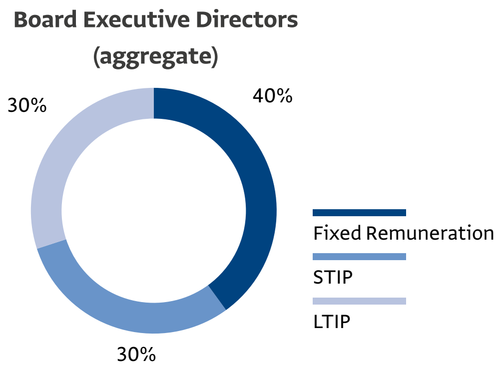
In accordance with the applicable provisions, this Remuneration Report describes the remuneration paid to Members of the Board of Directors and Management Committee of Titan Cement International S.A.

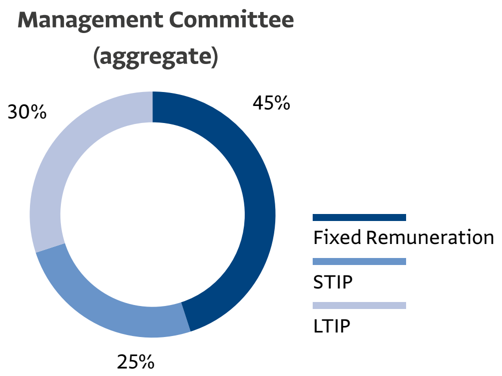
8.1 Compensation of the Board of Directors in 2019

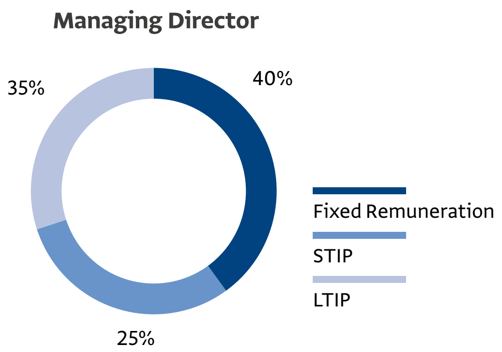
TITAN Group delivered a sustained performance and stronger cash flow generation.

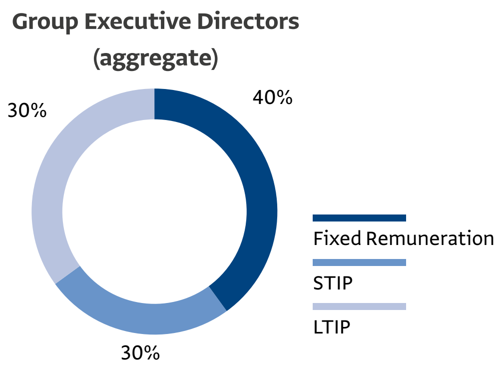
TITAN Group demonstrated strength through 2019 sustaining a growth performance despite challenges in the Eastern Mediterranean market. Group consolidated revenue for 2019 reached €1,609.8 m, higher by 8.0% compared to the previous year. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 2.8% to €267.1m. Net Profit after Taxes and minorities (NPAT) at €50.9m declined by 5.5% compared to 2018.

The following pie charts represent the fix/ variable pay mix for on-target performance:









Group results were led for another year by the US operations. Titan America delivered another strong performance in 2019 as cement consumption in the United States continued to increase against a backdrop of healthy macroeconomic indicators. The Greek market showed some first signs of growth. Performance in Greece improved in 2019, driven by a modest increase in overall demand construction. Southeastern Europe performance improved significantly. Continuing economic growth led to greater demand for building materials and gradual recovery of the construction sector. Conditions in the Eastern Mediterranean continued to be challenging. Egypt recorded a decline in demand, which, together with the commencement of the operation of the army owned mega-plant in the country, led to a substantial deterioration of capacity utilization. The situation in Turkey is similar, where, following a major drop in demand, there are signs of stabilization at very low utilization levels. Brazil appears to be turning to moderate growth.

Trends in sales volumes were mixed across markets and product lines. Domestic cement sales increased in all regions except the Eastern Mediterranean where volumes declined. Furthermore, severe competition in export markets had an adverse effect on the Group's cement exports, while supply shortages caused a reduction in sales of fly ash in the USA. Overall, Group cement sales declined by 7%.

8.2 Remuneration policy at a glance

The objective of TITAN's remuneration policy is to ensure the Company is remunerating its Directors on the basis of the Company's short and long-term business plan, so as to continue creating value for customers, shareholders, employees and the community.

Our Remuneration Policy reflects the following remuneration principles, which shape the nature and positioning of pay for the Board and the Management Committee of Titan Cement International S.A., as well as the TITAN Group Executive Committee of:

- fair and appropriate level of fixed remuneration aiming at attracting high caliber senior professionals who can add value to the Company
- balanced approach between fixed and variable remuneration, so as to avoid over relying on variable pay and undue risk taking
- balanced approach between short and long-term incentives, to ensure there is focus on short term objectives that will ultimately contribute to the creation of long-term value creation
- alignment of executives to shareholder interests and long-term value creation through long-term incentives where the reward is delivered in shares
- avoidance of undue risk taking by focusing on financial and non-financial performance metrics in variable pay design.

Element of Remuneration	Overview
Base salary	Competitive fixed compensation considering individual responsibilities, relevant experience and required competencies
Short-Term Incentive Scheme	Target payout: • Executive Members of the Board, Management Committee and the Group Executive Committee: up to 100% of Annual Base Salary Maximum: In case of overachievement, the collective part of the STI is capped at 130% of target, the individual part at 150% and the safety part at 200% Performance Criteria: • Financial Performance (up to 45%): EBITDA (80%) and ROACE (20%) • Individual Performance (up to 55%): combination of objectives and behaviors • Safety (5%): Lost Time Injury Frequency Rate
Long-Term Incentive Plan (LTIP)	Two LTIPs applied in 2019: A Restricted Stock Incentive Plan and a Special Trust Fund Plan: Target payout: • Management Committee: up to 100% of Annual Base Salary • Executive Members of the Board and the Group Executive Committee: up to 110% of Annual Base Salary **Restricted Stock Incentive Plan** Executives can buy shares at a discounted price after the end of the vesting period. The number of stock options depends on the actual performance against specific criteria. **Performance Criteria:** • ROACE: 3-year average • Total Shareholder's Return (TSR): compared to the average total performance of the shares of a peer index comprised of the following companies: 1. Lafarge-Holcim 5. CRH 2. Heidelberg 6. Buzzi 3. Cemex 7. Argos 4. Cementir 8. Vicat **Performance Curve:** • on target performance: 75% • threshold: 20% • stretch: 100% Vesting period: three years **Special Trust Fund Plan** TITAN makes annual contributions for each eligible participant to a special fund, which mainly invest in TCI shares. Contributions vest after four years. The two plans will be replaced by a new Long-Term Incentive Plan, which is included in the Remuneration Policy proposed in the 2020 Annual General Assembly.
Retirement Allowance	Type of Plan: Defined contribution plan Maximum contribution: up to 10% of Annual Base Salary **Plan mechanism:** First tier: up to 8% of Annual Base Salary. Second-tier: 8-10% of Annual Base Salary. TITAN matches the employee's contribution by a ratio of 1:2. In the event Executives leave the Company prior to five years from the entry to the Program, any contributions by the Company are lost

8.3 Non-Executive Directors' Remuneration in 2019

As of July 1st, 2019, the fees of the Non-Executive Directors, were:

Compensation by the Company

Non-Executive Director	Board of Directors	Board Committees	Pro-bono allowance	Compensation by Subsidiaries
Eftrsatios-Georgios Arapoglou	€100,000 gross	€7,500 gross	No	€104,000 gross*
Kyriacos Riris	€25,000 gross	€10,000 gross	No	Non-applicable
Andreas Artemis	€25,000 gross	€5,000 gross	No	Non-applicable
William Antholis	€25,000 gross	€4,000 gross	€10,000 gross	Non-applicable
Haralambos David	€25,000 gross	€7,500 gross	No	Non-applicable
Petros Sabatacakis	€25,000 gross	€7,500 gross	€5,000 gross	€20,000**
Stylianos Triantafyllides	€25,000 gross	€4,000 gross	No	Non-applicable
Maria Vassalou	€25,000 gross	€5,000 gross	€10,000 gross	Non-applicable
Mona Zulficar	€25,000 gross	€6,000 gross	€6,000 gross	Non-applicable

* Mr. Arapoglou was until 31 July 2019 the Chairman of TITAN Cement Company S.A.
** Mr. Sabatacakis was until 31 July 2019 member of the Board of TITAN Cement Company S.A.

As per TITAN's policy, Non-Executive Directors do not receive variable compensation linked to results or other performance criteria. More specifically, Non-Executive Directors are not entitled to annual bonuses, stock option or performance share units, or to any supplemental pension scheme.

8.4. Executive Directors, Management Committee Remuneration in 2019

The actual remuneration of the Executive Directors of the Board has been determined by the Board following relevant recommendation of the Remuneration Committee. A new Remuneration Policy (2020 Remuneration Policy) will apply in 2020 subject to approval by the Annual General Meeting of 14 May 2020.

The remuneration package of the Managing Director of the Company, Mr. Michael Colakides, was set by the Board of Directors following relevant recommendation of the Remuneration Committee. His last salary review was carried out in April 2019, before the Completion of the Tender Offer and his appointment as Managing Director of the Company, taking into account TITAN's peer group of European companies.

Executive Directors of the Board, Management Committee Remuneration packages as of January 1st, 2019

Name	Year	Annual Base Salary	Board Fees	Allowances	Annual Variable Compensation	Long-Term Incentive	Pension Contribution	Total Remuneration	Fixed Remuneration	Variable Remuneration
Board Executive Directors[1]	2019	€1,763,555	€135,000	€134,459	€1,194,436	€1,465,115	€140,021	€4,832,586	45%	55%
Managing Director, Titan Cement International S.A.	2019	€415,350	€47,500	€27,514	€324,880	€400,000	€36,311	€1,251,555	42%	58%
Management Committee	2019	€707,880	-	€161,661	€383,580	€332,081	€56,339	€1,641,541	56%	44%

1. TCI was established in July 2018 as a company. The current BoD and management committee was appointed in May 2019 subject to successful completion of tender offer, which was realized on 19 July 2019. Managing Director figures are reported separately and therefore are excluded.

2019 performance criteria and outcomes | Short-Term Incentives

Following relevant recommendation by the Remuneration Committee, the Board determines the most relevant performance criteria for the short-term incentive plan. These KPIs provide the framework for incentive schemes throughout the company. Additionally, the Board sets challenging, but realistic target levels for each of those performance criteria.

The emphasis for 2019 was on financial metrics reflecting a focus on profitability and return on investments, in line with the company's strategy to balance growth and profitability . These performance criteria are an important measure of the success of the execution of the company's strategy and, as such, the remuneration is directly linked to long-term value creation by the company.

The target levels are set at the beginning of the year. The final assessment is determined at the end of the fiscal year, based on the audited financial results. Any potential payout under the short-term incentive plan occurs annually during the first semester of the next financial year. A minimum level of performance must be achieved before any payment under the plan will be made. Payout is capped for stretch performance.

The final assessment of performance under the short-term incentive plan is done by the Remuneration Committee, which in turn make the necessary proposal to the Board for decision making.

In 2019, EBITDA and ROACE at Group level were below target resulting in a 82.1% and 80.3% in respective part of variable pay.

The remuneration committee considered the overall performance and concluded to award the variable pay as above for 2019.

2019 Variable Pay outcome calculations for the Managing Director

Michael Colakides, Managing Director				
Target Variable Pay: 417,900 x 70% = 292,530	x	Outcome: 118,6%	=	€324,880 (78% of annual base salary)

2019 performance criteria and outcomes | Long-Term Incentives

The Extraordinary General Meeting of Shareholders of 13 May 2019 approved, subject to Completion of the Tender Offer, the amendment of the existing stock option plans, namely to replace the stock options on TITAN Cement Company S.A. shares by stock options on shares of the Company, without otherwise amending the terms and conditions of the plans. As a result, two plans (2014 and 2017) are currently under implementation by stock options on shares of the Company owned by the Company's subsidiary TITAN Cement Company S.A.

2014 Plan

On 20 June 2014, the General Meeting of TITAN S.A. approved the introduction of a new, three-year Stock Option Program. According to this Program, the Company's Board of Directors could grant options up to 1,000,000 ordinary shares of the Company at a sale price equal to €10.00 per share. Beneficiaries of the Stock Option Plan are the executive members of the Board of Directors of the Company, Directors who hold senior positions at Group or Regional or Country level in companies of the TITAN Group, and finally a limited number of the other employees who stand out on a continuous basis for their good performance and have a high potential for advancement.

The vesting period of the stock options that were granted in 2014, 2015 and 2016 was three years. Therefore, the relevant option rights became mature in December 2016, 2017 and 2018 respectively, provided that the beneficiaries were still employees of the Group. After the completion of the three-year vesting period, the final option rights number, which the beneficiaries were entitled to exercise, was determined by the Board of Directors, within the first four months of 2017, 2018 and 2019 respectively and depended:

a. by 50% on the average 3-year Return on Average Capital Employed (ROACE) compared to the target of each 3-year period

and

b. by 50% on the overall performance of the Company's TSR compared to the average overall performance of a predefined international cement producing companies peer group:

1. Lafarge-Holcim	5. CRH
2. Heidelberg	6. Buzzi
3. Cemex (in US$)	7. Argos (in US$)
4. Cementir	8. Vicat

The Beneficiaries are entitled to exercise their stock option rights, either in whole or in part, within the first five working days of each month, paying the Company the relevant amounts until the expiration date of their stock options, i.e. until December of the third year after vesting of the stock options.

2017 Plan

On 12 May 2017, the General Meeting of TITAN S.A. approved the introduction of a new, three-year Stock Option Program. According to this Program, the Company's Board of Directors could grant option up to 1,000,000 ordinary shares of the Company at a sale price equal to €10.00 per share. Beneficiaries of the Stock Option Plan are the executive members of the Board of Directors of the Company, Directors who hold senior positions at Group or Regional or Country level in companies of the TITAN Group, and finally a limited number of the other employees who stand out on a continuous basis for their good performance and have a high potential for advancement.

The vesting period of the stock options that were granted in 2017, 2018 and 2019 was three years. Therefore, the relevant option rights become mature in December 2019, 2020 and 2021 respectively. After the completion of the three-year vesting period, the final option rights number, which the beneficiaries will be entitled to exercise, shall be determined by the Board of Directors, within the first four months of 2020, 2021 and 2022 respectively and shall depend:

a. by 50% on the average 3-year Return on Average Capital Employed (ROACE) compared to the target of each 3-year period

and

b. by 50% on the overall performance of the Company's TSR compared to the average overall performance of a predefined international cement producing companies peer group:

1. Lafarge-Holcim	5. CRH
2. Heidelberg	6. Buzzi
3. Cemex (in US$)	7. Argos (in US$)
4. Cementir	8. Vicat

The Beneficiaries shall be entitled to exercise their stock option rights, either in whole or in part, within the first five working days of each month, paying the Company the relevant amounts until the expiration date of their stock options, i.e. until December of the third year after these stock options have been vested.

Remuneration in shares (for 2019)

Name	Specification of plan	Grant Date	Vesting Date	Expiry Date	Exercise Price	Options Granted	Options Vested	Options Exercised
Dimitri Papalexopoulos, Chairman, Group Executive Committee	Restricted Stock Incentive Plan	7/6/2019	31/12/2021	12/2025	€10	65,450	8,994	0
Michael Colakides, Managing Director	Restricted Stock Incentive Plan	7/6/2019	31/12/2021	12/2025	€10	19,400	8,242	10,486
Takis-Panagiotis Canellopoulos, Executive Director of the Board	Restricted Stock Incentive Plan	7/6/2019	31/12/2021	12/2025	€10	6,310	1,126	0
Leonidas Kanellopoulos, Executive Director of the Board	Restricted Stock Incentive Plan	7/6/2019	31/12/2021	12/2025	€10	4,370	379	0
Alexandra Papalexopoulou, Executive Director of the Board	Restricted Stock Incentive Plan	7/6/2019	31/12/2021	12/2025	€10	42,430	5,249	0
Bill Zarkalis, Executive Director of the Board	Restricted Stock Incentive Plan	7/6/2019	31/12/2021	12/2025	€10	44,850	11,240	30,890
Grigoris Dikaios, CFO	Restricted Stock Incentive Plan	7/6/2019	31/12/2021	12/2025	€10	3,400	752	0
Konstantinos Derdemezis, Regional Business Director	Restricted Stock Incentive Plan	7/6/2019	31/12/2021	12/2025	€10	15,760	2,998	1,500
Christos Panagopoulos, Regional Business Director	Restricted Stock Incentive Plan	7/6/2019	31/12/2021	12/2025	€10	12,130	2,251	0

Pension

Pension contributions are an element of the overall total remuneration of Management Committee members and Executive Directors of the Board and vary by individual. TITAN provides a defined contribution scheme to Executive Directors of the Board and Management Committee members. In 2019, the amount of €232,671 was paid by the Company as pension contribution for the Executive Directors of the Board and the Management Committee members (€148,850 in 2018 for the Board Executives of TITAN S.A.).

Contract Terms

The employment contracts of the Managing Director, Board Executive Directors and Management Committee Members are contracts of indefinite duration. In case of termination of employment at the initiative of the Company, severance payment cannot exceed 18 months' remuneration.

The Board may consider higher severance payment further to recommendation by the Remuneration Committee. For the payment of additional compensation in case of retirement or early termination of employment, Board approval is required following respective recommendation of the Remuneration Committee.

Notice periods are according to statutory law provisions.

Roanoke cement plant, USA

9. 2019 Remuneration Policy

9.1 Introduction

The objective of TITAN's Remuneration policy is to attract, reward and retain qualified, high-caliber leaders in the Board of Directors, in the Management Committee and in the Group Executive Committee, who are driving TITAN's business strategy forward, increasing shareholder value, through sustainable growth with responsibility and integrity, serving the needs of society with respect for the environment.

In establishing the Remuneration Policy, the Board of Directors has considered the external environment in which TITAN operates, legal requirements and principles of the Belgian Corporate Governance Code 2020, anticipated requirements under SRD II, market practices and guidance provided by representatives of institutional shareholders.

Given that the date of Completion of the Tender Offer was 18 July 2019, the remuneration policy applied during 2019 is the one approved by the Annual General Meeting of Shareholders of TITAN Cement Company S.A.

This Remuneration Policy, is aligned to a great extend with the anticipated Belgian implementation of the European Shareholder Rights Directive II ("SRD II").

9.2 Remuneration Policy overview

The Policy applies to the remuneration of all members of the Board of Directors, the Management Committee and the Group Executive Committee and it aims at ensuring that TITAN is remunerating on the basis of the Company's short and long-term business plan, so as to continue creating value for customers, shareholders, employees, societies and economies.

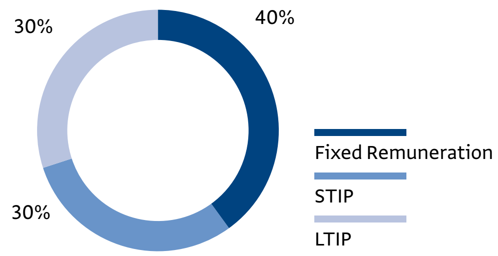
Here, it is worth mentioning that TITAN, following the principle of being consistent across the whole spectrum of operations, applies the same principles, terms and conditions when it comes to the remuneration policies of its subsidiaries.

The Policy sets out details of the terms under which future remuneration will be offered to current and/or new Directors in the Board, the Management Committee and the Group Executive Committee.

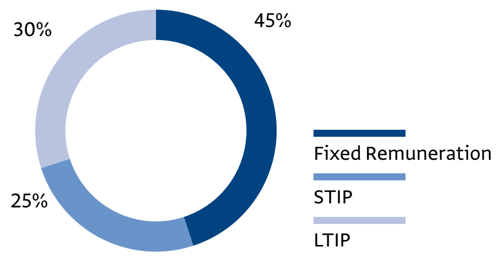
Target Pay Mix

The following pie charts represent the target pay mix for the Managing Director, the Board Executive Directors (on aggregate target average), the Management Committee members (on aggregate target average) and the Group Executive Committee members (on aggregate target average) in case of 'on-target' performance and reflects the underlying pay-for-performance principles and market-competitive reference of the Remuneration Policy.

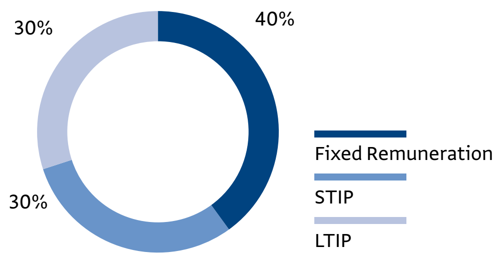
Board Executive Directors (aggregate)



Management Committee (aggregate)



Group Executive Comittee (aggregate)



Details of each reward component, including its purpose and link to strategy, mechanisms and relevant performance measures are presented later in this document.

The following table depicts an overview of the Policy, highlighting which remuneration components apply to each Audience:

Audience	Annual Salary	Board Fees	Pension	Allowances*	Benefits	STIP	LTIP
Board Executives	•	•	•	•	•	•	•
Board Non-Executives		•		•			
Management Committee	•		•	•	•	•	•
Group Executive Committee	•		•	•	•	•	•

*Only the non-executive members who do not live in Cyprus or Greece receive a pro bono allowance.

Labor Market

In setting the remuneration levels for the Managing Director, as well as the other Board Executive Directors, the Management Committee and the Group Executive Committee members, the Remuneration Committee gathers market insights from various relevant perspectives. These reflect the relevant industries for the Company (e.g. Construction Materials), the relevant geographies (e.g. Europe, and for specific positions the U.S.), and also take into consideration the size and the scope of the Company and the respective positions.

9.3 Which principles govern Remuneration and how they contribute to TITAN's business strategy and long-term interests and sustainability?

Main principles that govern the Remuneration Policy and contribute to the Company's business strategy and sustainability are:

- establish a fair and appropriate level of fixed remuneration aiming at attracting high caliber senior professionals who can add value to the Company
- maintain a balanced approach between fixed and variable remuneration, so as to avoid over relying on variable pay and undue risk taking
- establish a balanced approach between short and long-term incentives, to ensure there is focus on short term objectives that will ultimately contribute to the creation of long-term value creation
- introduce long-term incentives where all or part of the reward is delivered in shares which aligns executives to shareholder interests and value, as well as the stock performance of the Company over the longer term
- introduce financial and non-financial performance metrics in variable pay design, so as to avoid potential undue risk taking

9.4 Determination, review and implementation of the Remuneration Policy

The Remuneration Committee regularly reviews the Remuneration Policy, ensuring continuous alignment with its principles, as well as market trends and best practices. On annual basis the Remuneration Committee recommends the levels of the annual remuneration of Board Executive Directors, Management Committee Members and Group Executive Committee Members on the basis of their performance and responsibilities.

The Committee also recommends the levels of remuneration of Non-Executive Directors on the basis of their time commitment and responsibilities.

In case of substantial changes, and at least every four years, the Company Remuneration Policy is submitted for approval to the General Meeting.

The level of remuneration for the Chairman of the Board of Directors is decided by the General Meeting, following respective recommendation of the Board of Directors and of the Remuneration Committee before that. Likewise, the level of remuneration for the Managing Director and the Management Committee as well as the Group Executive Committee Members, is set by the Board of Directors, following a recommendation of the Remuneration Committee and in line with the applicable Remuneration Policy.

The Extraordinary General Meeting of Shareholders of 13 May 2019 also approved, subject to Completion of the Tender Offer, the amendment of the existing Titan stock option plans, namely to replace the stock options on TITAN Cement Company S.A. shares by stock options on shares of the Company, without otherwise amending the terms and conditions of the plans. As a result, two plans (RSIP 2014 and RSIP 2017) are currently under implementation by stock options on shares of the Company.

9.5 Remuneration Policy of the Executive Directors of the Board, Management Committee and Group Executive Committee

The table below sets out the remuneration policy for the Executive Directors of the Board, the Management Committee members and the Group Executive Committee:

Remuneration Element and how it contributes to business strategy, long-term interests and sustainability of the Company	How it operates	Maximum and how it links to performance
Fixed Pay To pay fairly and reasonably for the best and most appropriate person for the role, taking into account the level of responsibility, as well as the knowledge and experience required to deliver upon expectations, while ensuring that the Company pays no more than is necessary, always supporting its longer-term interests and sustainability.	Salaries and Board Fees are normally reviewed, but not necessarily increased, annually. The Company's policy is to set levels considering levels of pay at other companies of a similar size for roles of similar scope and responsibility (please refer to Labor Market in the same document). Decisions are influenced by: • The performance and experience of the individual • The performance of the Company • The individual's role and responsibilities • Pay and employment conditions elsewhere in the Company • Rates of inflation and market-wide increases across international locations • The geographic location of the executive.	Whilst there is no prescribed maximum level of salary, increases are normally not expected to exceed average increases for the wider workforce considering relevant geography. Larger increases may be awarded in certain circumstances including where the individual's role has an increase in responsibility or experience.

Note: The table continues in the next page.

Remuneration Element and how it contributes to business strategy, long-term interests and sustainability of the Company	How it operates	Maximum and how it links to performance
Short-Term incentive scheme (STIP) To provide focus on the short-term performance of the Company To recognize for achieving annual Company performance at collective and individual level, whilst respecting the Company's safety standards	The positioning of the Target Payout is at the top quartile of the market, it increases with job size and the opportunity has been defined up to 100% of Annual Base Salary for the Management Committee, the Executive Directors of the Board and the Group Executive Committee. The STIP has collective, individual and safety targets. The collective part of the STIP, which weighs up to 45% of total payout, is linked to EBITDA by 80% and ROACE performance at Group and Regional/BU level by 20%. Exceptional items and non-recurring contributions to EBITDA are excluded from the calculations and relevant adjustments are made for the payout following Remuneration Committee approval. Individual performance, which weighs up to 55% of total payout considers both the "What" based on SMART (Specific, Measurable, Achievable, Relevant, Time Specific) objectives and the "How" based on the assessment of behaviors as per the "TITAN Leadership Platform". Safety target measured by Lost Time Injury Frequency Rate ("LTIFR") weighs 5%.	In case of overachievement, the collective part of the STI is capped at 130% of target, the individual part at 150% and the safety part at 200%. The maximum STI payout is defined at a percentage of up to 150% of Annual Base Salary. Calculation and payment of bonuses takes place once a year after the final annual business results have been officially announced. The performance appraisal is carried out by the Managing Director and the Chairman of the Group Executive Committee and is approved by the Remuneration Committee of the Board. Deviations linked to short term variable compensation payout may be proposed by the Managing Director and the Chairman of the Group Executive Committee to the Remuneration Committee linked to exceptional items and non-recurring contributions to EBITDA (including centrally managed CO_2 rights). Deviation requires Remuneration Committee approval. No claw back terms apply.

Remuneration Element and how it contributes to business strategy, long-term interests and sustainability of the Company	How it operates	Maximum and how it links to performance
Long-term incentive plan (LTIP) To provide an incentive to Group Executives to contribute in improving share performance in the long term, in alignment with the interests of the shareholders. To focus on delivering sustainable performance for the company over the long term	Awards are granted to the plan participants in the form of restricted stock options and contributions to special trust fund which invest mainly to company shares. The individual awards granted are based on each participant's position, fixed salary, individual performance and potential for development. The LTI award granted to each participant is approved by the Board of Directors following relevant recommendation by the Remuneration Committee. The award has been defined up to 110% of Annual Base Salary for the Management Committee, the Executive Directors of the Board and the Group Executive Committee. The number of restricted stock options linked to the '2017 restricted stock option plan' is determined by dividing the amount of the award by the value of each stock option. The value of each option is calculated for the specific grant year based on internationally recognized valuation methods. The vesting schedule has as follows: a) The part of the LTI award linked to '2017 restricted stock option plan' is on year 3 Payout is linked to actual performance against set KPIs as follows: 50% on Total Shareholders' Return (TSR) of the Company's share (including potential dividends) vs the average TSR performance of the shares of a Peer Index and 50% on the average 3-year Return on Average Capital Employed (ROACE) compared to the target of each 3-year period. The peer group which formulates the index is the following (peer group is set by the Board of Directors and may be changed, if required): 1. Lafarge-Holcim 5. CRH 2. Heidelberg 6. Buzzi 3. Cemex 7. Argos 4. Cementir 8. Vicat b) The part of the LTI award linked to contributions to 'Special Trust Fund' is on year 4. Participants are expected to maintain in TCI shares (or Fund(s)) at a minimum a reasonable value of investment in Company's shares, relevant to their position level. Top level Group/Regional executives (Board Executive Directors, Group Executive Committee members) are expected to maintain at a minimum an investment in company shares equal to one Annual Base Salary TCI shares, as well as Fund(s) balance, already owned by participants through previous LTI plans will be taken into consideration. The awards are granted personally to each participant. Therefore, they are neither transferable nor assignable to any third party.	Maximum award is up to 110% of Annual Base Salary for the Management Committee and the Executive Directors of the Board and the Group Executive Committee
Retirement allowance To provide market competitive retirement benefits for recruitment and retention purposes.	The Company operates a defined contribution pension plan in which the Executive Directors may participate. The first tier could reach up to 8% of Annual Base Salary. The second-tier ranges from 8-10% of Annual Base Salary. In that tier the company matches the employee's contribution by a ratio of 1:2. In the event Executives leave the Company prior to 5 years from the entry to the Program, any contributions by the Company are lost.	Up to 10% of Annual Base Salary
Other benefits To provide a competitive benefit package for recruitment and retention purposes and to ensure the well-being of the Executive Directors.	Benefits provided currently include, but not limited to company car, fuel, medical and life insurance. Additional benefits which are generally of low cost, may be provided from time to time if they are considered appropriate and in line with market practice. All benefits may at any time be recalled or amended at the Company's discretion.	Maximum value for each category of benefit is determined based on relevant market benchmark.

9.6 Executive Directors' service contracts and payments for loss of office

9.6.1 Service contracts and loss of office

The employment contracts of the Managing Director, Board Executive Directors and Management Committee Members, as well as the Group Executive Committee Members are contracts of indefinite duration. In case of termination of employment at the initiative of the Company, of the Managing Director, the Board Executive Directors, the Management Committee members, or the Group Executive Committee members, compensation is paid, which, as provided in the relevant contractual provision is equal to the compensation provided by the law.

Termination payments are according to local law provisions and should not exceed 18 months' remuneration. The Board of Directors may consider higher severance payment further to recommendation by the Remuneration Committee.

For the payment of additional compensation in case of retirement or early termination of employment, Board approval is required following respective recommendation of the Remuneration Committee.

Notice periods are according to statutory law provisions.

9.6.2 Treatment of variable pay awards

Annual Incentive Scheme awards and Long-Term Incentive Plan awards are non-contractual and are dealt with in accordance with the rules of the relevant plans.

Short-Term Incentive Plan	A short-term incentive scheme may become payable, if eligible executive is employed on the date of official publication of Group annual business results. Exceptions to this may only take place with approval of the Managing Directors and the Chairman of the Group Executive Committee.
Long-Term Incentive Plan (2017 Restricted Stock Incentive Plan, Special Trust Fund)	In the event of termination of employment, the LTI awards already granted are treated as stated below. Possible deviation is subject to the approval of the TCI Board of Directors (or the committee designated by the Board of Directors, as appropriate). 1. Retirement (due to pension or disability): everything stipulated by the plan for active participants (that continue working in the Group) applies, without any differentiation. 2. Voluntary Resignation, Termination without cause: vesting stops on the date of termination and any unvested awards are lost. Subject to Board Remuneration Committee approval (or the designated committee by the Board of Directors, as appropriate, the participant may receive at a maximum the awards that would vest on a pro-rata basis, according to the calendar months completed during the vesting period (n/36 for the 50% of award and n/48 for the other 50% of award) till the employment termination date. 3. Termination with cause: vesting stops on the date of termination and any unvested awards are lost. 4. Death: participant's lawful inheritor(s) are eligible to receive on a pro-rata basis the awards that would vest till the date of the participant's death.

No specific clauses and/ or arrangements in relation to change in control are applicable.

Under special circumstances, the Board of Directors may temporarily allow special exceptions to the remuneration policy. Such exception is allowed in case the Board of Directors, following relevant recommendation of the Remuneration Committee, is persuaded that it serves the long-term benefit of the Company as a whole and the Company's sustainability.

9.7 Remuneration Policy for Non-Executive Directors

The table below sets out the remuneration policy for the Non-Executive Directors including the Non-Executive Chairman of the Board:

Structure and payment of remuneration	Setting the level of remuneration
Fees The Non-Executive Directors are paid: • a basic board fee which is fixed and covers the time required to perform their duties. • where it applies, committee chairmanship fees • where it applies, committee membership fees • where is applies, pro-bono travel allowance for all non-Greece and non-Cyprus based non-executive board members There is no performance-based variable pay or pension provided Non-Executive Directors. **Expenses** The Company covers all travel and accommodation expenses of the Board members. The Company provides customary insurance policies covering Board of Directors' activities in carrying out their duties. **Payment review** Fees are reviewed, but not necessarily increased, annually.	The Non-Executive Directors' market for reference in setting and increasing Non-Executive Director fees will usually be companies of a similar size in terms of market capitalization, revenue, profit, complexity and internationality of the business and any other factors considered relevant by the Board of Directors including fee levels in countries from which Non-Executive Directors may be recruited. Fee levels and increases will be determined considering: • Market rates; • The need to ensure that Non-Executive Directors can be recruited with the relevant skills, diversity, knowledge and experience for the board; • The time commitment for the role; • Any increase in the scale, scope or responsibility of the role • Any need to recruit a Non-Executive Director with specific skills and experience. The remuneration of the Board of Directors was approved by the Extraordinary General Meeting of Shareholders of 13 May 2019 as follows: Chairman's fees: €200,000 gross per annum Independent directors: €50,000 gross per annum and per each independent director Executive directors: €30,000 gross per annum and per each executive director Likewise, the remuneration of the members of the Board Committees was approved by the Extraordinary General Meeting of Shareholders of 13 May 2019 as follows: **Audit and Risk Committee:** • Chairperson €20,000 gross per annum • Members €15,000 gross per annum (and per member) **Nomination Committee:** • Chairperson €15,000 gross per annum • Members €10,000 gross per annum (and per member) **Remuneration Committee:** • Chairperson €12,000 gross per annum • Members €8,000 gross per annum (and per member)

10. Information to be disclosed pursuant to Article 34 of the Royal Decree of 14 November 2007

In accordance with Article 34 of the Belgian Royal Decree of 14 November 2007, the Company hereby discloses the following items:

10.1 Capital Structure – Transfer of Company Shares

As referred above, in Section 2.1, on 31 December 2019, the Company's share capital amounted to €1,159,347,807.86 represented by 82,447,868 shares, without nominal value, with voting rights, each representing an equal share of the capital.

The shares of the Company are of the same class and are in either registered or dematerialized form. Holders of shares may elect to have, at any time, their registered shares converted to dematerialized shares, and vice versa.

The Company's Articles of Association do not contain any restriction on the transfer of the Company's shares.

10.2 Restrictions on voting rights

Each Share of the Company corresponds to one vote at the Shareholder's Meeting.

Article 13 of the Company's Articles of Association provides that in the event shares are held by more than one owner, are pledged, or if the rights attached to the shares are subject to joint ownership, usufruct or any other kind of split-up of such rights, the board of directors may suspend the exercise of such voting rights until a sole representative of the relevant shares is appointed.

10.3 Shares conferring special control rights

None of the Company shares carries any special rights of control.

10.4 Agreements between Shareholders of the Company, which are known to the Company and contain restrictions on the transfer of shares or on the exercise of voting rights

It is known to the Company, following the transparency declaration received by the Company on 26 July 2019, that the following shareholders, holding in total 38.11% (and as at 31/12/2019 36.18%) of the voting rights, are acting in concert: Andreas Canellopoulos, Leonidas Kanellopoulos, Nellos-Panagiotis Canellopoulos, Pavlos Kanellopoulos, Takis-Panagiotis Canellopoulos Alexandra Papalexopoulou, Dimitri Papalexopoulos, Eleni Papalexopoulou and E.D.Y.V.E.M. Public Company Ltd (a company 100% owned by the above natural persons).

10.5 Control mechanism of any employee scheme where the control rights are not exercised by the employees

There is no employee scheme with such a mechanism.

10.6 Amendment of the Company's Articles of Association

Amendments to the Company's Articles of Association must be submitted to be approved by the Shareholders' Meeting, at which at least 50% of the share capital must be present or represented. If such quorum is not met at the first Extraordinary Shareholders' Meeting, a new Shareholders' Meeting may be convened and shall validly deliberate and resolve irrespective of the share capital present or represented.

Any amendment of the Company's Articles of Association must be passed by a 75% majority of the votes cast.

10.7 Rules governing the appointment and replacement of Board Members

Pursuant to Article 17 of the Company's Articles of Association, the Company is managed by a Board of Directors that shall consist of a minimum of three and a maximum of fifteen directors, who shall be natural persons or legal entities, whether or not shareholders, appointed by the Shareholders' Meeting.

The directors are appointed for a maximum term of three years and may be reappointed. Their mandate may be revoked at any time by the Shareholders' Meeting.

When a legal entity is appointed a director, it must specifically appoint an individual as its permanent representative to carry out the office of director in the name and on behalf of the legal entity. The appointment and termination of the office of the permanent representative is governed by the same disclosure rules as if the permanent representative was exercising the office on his/her own behalf.

Should a director's mandate become vacant, for whatever reason, the remaining directors may temporarily fill such a vacancy. The next Shareholders' Meeting must confirm the mandate of the co-opted director; in case of confirmation, the co-opted director finishes the mandate of his or her predecessor, unless the Shareholders' Meeting decides otherwise. If there is no confirmation, the mandate of the co-opted director expires immediately after the Shareholders' Meeting, without prejudice to the validity of the composition of the Board of Directors until that date.

As long as the Shareholders' Meeting or the Board of Directors, for whatever reason, does not fill such vacancy, the directors whose mandate has expired remain in function if the Board of Directors would otherwise no longer consist of the minimum number of directors required by law or the Company's Articles of Association.

10.8 Powers of the Board of Directors

The Board of Directors is vested with the power to perform all acts that are necessary or useful for the realization of the Company's purpose, except for those which the law or the Company's Articles of Association reserve to another corporate body.

The powers of the Board of Directors are further detailed in the Company's Articles of Association and in the Company's Charter, which are both available on the Company's website (https://www.titan-cement.com/) at the link: https://www.titan-cement.com/about-us/corporate-governance/.

10.9 Power of the Board of Directors to issue and buy-back shares

10.9.1 The Board of Directors, pursuant to article 6 of the Company's Articles of Associations and the relevant resolution of the Shareholders' Meeting of 13 May 2019, has the power to increase the share capital of the Company in one or several times by a cumulated amount of maximum €1,106,211,679.40. The Board of Directors can exercise this power for a period of five (5) years as from the date of publication of the Annexes to the Belgian State Gazette of the completion of the condition precedent of the amendment to the Company's Articles of Association approved by the Extraordinary Shareholders' Meeting of 13 May 2019. The authorization may be renewed in accordance with the relevant legal provisions.

10.9.2 Pursuant to Article 15 of the Company's Articles of Association, the Company may, without any prior authorization of the Shareholders' Meeting, in accordance with articles 7:215ff of the Belgian Companies and Associations Code and within the limits set out in these provisions, acquire, on or outside a regulated market, its own shares, which correspond to maximum 20% of the issued shares, for a price which will respect the legal requirements, but which will in any case not be more than 20% below the lowest closing price in the last thirty trading days preceding the transaction and not more than 20% above the highest closing price in the last thirty trading days preceding the transaction. This authorization is valid for five years from the date of the publication of the completion of the condition precedent of the amendment to these articles of association approved by the extraordinary shareholders' meeting of 13 May 2019.

This authorization covers the acquisition on or outside a regulated market by a direct subsidiary within the meaning and the limits set out in article 7:221ff of the Belgian Companies and Associations Code. If the acquisition is made by a direct subsidiary, the dividends attached to the shares held by the subsidiary go to the subsidiary.

The Board of Directors is authorized, subject to compliance with the provisions of the Belgian Companies and Associations Code, to acquire for the company's account the company's own shares if such acquisition is necessary to avoid serious and imminent harm to the company. Such authorization is valid for three years as from the date of publication of the completion of the condition precedent of the amendment of these articles of association, approved by the Extraordinary Shareholders' Meeting of 13 May 2019, in the Annexes to the Belgian State Gazette.

The Board of Directors is authorized to divest itself of part of or all the company's shares at any time and at a price it determines, on or outside the stock market or in the framework of its remuneration policy to personnel or directors of the company or to prevent any serious and imminent harm to the company. The authorization covers the divestment of the company's shares by a direct subsidiary within the meaning of the Belgian Companies and Associations Code. The authorization is valid without any time restriction, irrespective of whether the divestment is to prevent any serious and imminent harm for the company or not.

10.10 Important agreements which come into effect, are amended or terminated in the event of change of control of the Company, following a public tender offer

The Company has not entered into agreements, which come into effect, are amended or terminated in the event of a change of control of the Company, solely following a public tender offer.

It should be noted, though, that the Company has entered into, which has, as it is common in such agreements, a "change of control" clause, specifying the right of the lending bank to request the early repayment of the loan or the exit of the counterparty from a company of the Group, in any event of a change of control in the Company. In particular, a Multicurrency Revolving Facility Agreement up to the amount of €200 million has been entered into among the Group's subsidiary TITAN Global Finance PLC, a syndicate of lending banks, the Company and TITAN Cement Company S.A. as Guarantors.

10.11 Agreements between the Company and the Board

Members or employees providing for compensation if the Board Members resign or are made redundant without valid reason or if the employment of the employees ceases because of a takeover bid.

The Company has not entered into any agreement with members of the Board of Directors or employees providing for the payment of compensation upon their resignation or dismissal without valid grounds or upon termination of their tenure or employment, due to a public tender offer.

11. Shareholder Information and Services

The Board as a whole has responsibility for ensuring that a satisfactory and effective dialogue with shareholders takes place. The Investor Relations team, together with the Managing Director, the CFO and other Group executives, regularly meet with institutional investors and participate in investor roadshows and industry conferences. The announcements of the annual and the interim Group results are accompanied by webcasts and conference calls for analysts and investors.

All the regulatory and non-regulatory announcements, as well as all other information related to the Company are available on the Company's website: www.titan-cement.com.

11.1 Investor Relations Department

The Investor Relations Department is responsible for monitoring Company relations with its shareholders and investors, and for communicating with the investor community on an equal footing, in a transparent and timely manner concerning the Company's performance. The aim is to generate long-term relationship with the investment community and retain the high level of trust that investors have in the Group.

Investor Relations: ir@titan-cement.com
Investor Relations Director Afroditi Sylla, e-mail: syllaa@titancement.com

11.2 Shareholder Services Department

The Shareholder Services Department is responsible for providing timely information to shareholders and for facilitating their participation in General Meetings and to exercising their rights as shareholders. The Department is also responding to correspondence from shareholders on a wide range of issues.

Shareholder Services Manager: Nitsa Kalesi, e-mail: kalesin@titan.gr

11.3 Share Facts

11.3.1 Share Basic Data

Sector	5010 – Construction & Materials
Subsector	50101030 – Cement
Type	Common share
Stock Exchange	Euronext (Brussels & Paris), Athens Exchange
Number of shares	82,447,868
ISIN	BE0974338700
CFI code	ESVUFN

11.3.2 Tickers

	Oasis	Reuters	Bloomberg
Euronext	TITC	**TITC.BR**	**TITC.BB**
ATHEX	TITC	**TITC.PA**	**TITC.GA**

Risk Management

TITAN Group is active in a diverse geographical, business and operational landscape, resulting in a multitude of potential risk exposures, including strategic, legal, financial, sustainability and operational risks. In order to effectively identify and mitigate such exposures, the Group manages its risks in accordance with established international practices for industrial companies, embedding in its processes and governance the following five key dimensions of Enterprise Risk Management ERM:

a. Identification and understanding of risks (risk transparency);

b. Analysis and mapping of risks and identification of a relevant mitigation strategy

c. Development of risk management processes, as part of the Group's decision-making framework

d. Allocation of resources within the organization to implement designed risk management processes

e. Incorporation of risk management in the Group's culture and performance management as a core management competence

Risk Management process

Risk management is built into the daily operations of TITAN, and Group management identifies and monitors risks in the course of its regular business planning and operational activities. The management's role also includes the robust assessment of all risks that could have an impact on the current and future operation of the Group or specific business units. As a result, risks are identified and quantified using multiple sources and are reported in the course of the planning and performance management cycle of the Group, ensuring a quick and effective response.

Complementing this risk management culture that is integral to the Group's business processes and decision-making (both strategic and operational), a systematic exercise was performed in the last two years to assess all material risks faced by the Group that could affect the Company's business model, performance, solvency, or liquidity. A 'risk management committee' comprising senior managers from the Group's strategy, legal and internal audit department identified the Group's main risks and categorized them in 'strategic', 'financial', 'legal' and 'operational/ sustainability' risks. These were then assessed along the following three dimensions, in line with industry best practices:

a. Probability: scale from 1 (Rare) to 5 (Almost certain)

b. Impact: scale from 1 (Incidental) to 5 (Extreme)

c. Preparedness: scale from 1 (Low) to 5 (High)

Risks were categorized using established risk taxonomies relevant for the Group's business (provided by consultants and external risk experts). They were then assessed using a variety of techniques, including the benchmarking of sector practices, enriched with the advanced practices of other industries, the qualitative and quantitative assessment of the risk elements, the evaluation of risk ownership and the recording of mitigating actions that are adopted or planned. The initial assessment was iterated with input from key Group managers. The risks were then cross-referenced with the output of the Group's materiality assessment exercise and reviewed by the Group Executive Committee. Finally, the Board validated the relevant risk assessment and monitored TITAN's risk management and internal control systems, reviewing their effectiveness (covering all material controls, including financial, operational and compliance controls).

Risk Management governance and controls

In TITAN Group, the Board is overall responsible for determining the nature and extent of the principal risks that the Group is willing to assume in achieving its strategic objectives. The Board discusses and assesses on a regular basis the main areas of risk to which the Group is exposed, identifies new risks, defines the risk appetite of the Group and monitors the effectiveness of the risk management and internal controls.

Risks are managed on a day-to-day basis by the Group's management, at various levels in the organization according to the nature of each risk. TITAN's risk governance framework follows a customized approach that best addresses the particularities of each risk area and ensures the optimum degree of risk ownership and accountability for the appropriate mitigation actions.

According to this framework, strategic and financial risks are managed mainly by the Group Executive Committee, Group Finance and the Capex Committee. The management of most operational and sustainability risks is to a large extent embedded into the daily operation and processes of the local business units. Other risks, including legal and compliance risks, as well as operational and sustainability risks, including environmental risks, risks regarding energy and fuel prices, availability and cost of raw materials, safety at work, labor issues, brand and reputation, are managed both at Group level by the Group Executive Committee and the competent Group functions (Group Legal, Group Procurement, Group Corporate Affairs, Group IT, Group Communication, Group HR) and also at local business unit level (BU Legal, Procurement, Corporate Social Responsibility, HR units). This approach ensures that line management owns all the operational and sustainability risks that occur at the level of individual businesses and enables a strong risk culture embedded in all relevant decision-making. At the same time, all risks of higher magnitude that are relevant at Group level are managed centrally, aggregating risk data points from multiple sources across the organization, integrating insights and crafting mitigating action plans that can be shared among all appropriate organizational levels.

The Group Executive Committee is also responsible for setting Group policies and ensuring that they are implemented throughout the Group. In parallel, the ethics and compliance programs implemented throughout TITAN's operations, ensure that the Group's principles and values are integrated in the day-to-day operations and the risk management culture is reinforced across the Group.

The effectiveness of the systems and policies implemented at Group and business unit level are systematically reviewed by the Group Executive Committee and the business units' management, including in terms of compliance with relevant standards of the Group. Whenever weaknesses are identified, corrective measures are taken.

Group Internal Audit reports on the effectiveness of the risk management and internal control frameworks to the Audit Committee on a regular basis.

The Board and the Audit Committee receive on a regular basis management reports on the key risks to the business and the steps taken to mitigate such risks and to consider whether the significant risks faced by the Group are being properly identified, evaluated and managed.

The Board has delegated responsibility for the monitoring of the effectiveness the Group's risk management and internal control systems to the Audit Committee.

TITAN's principal risks

Strategic risks

• Industry cyclicality

The building materials industry is dependent on the level of activity in the construction sector, which tends to be cyclical and dependent on various factors, including, but not limited to, the level of infrastructure spending, the demand for private and commercial real estate, mortgage lending, local economic activity, inflation and interest rates. The Group's business, operational results or financial condition could be adversely affected by a continued deterioration of the global economic outlook or cyclical weakness in the construction industry on a global scale or in a significant market in which it operates.

• Market conditions

The Group operates both in mature markets, such as the United States and Western Europe, and in emerging markets, such as, Egypt, Turkey and Brazil. Some of these markets contribute significantly to the Group's revenues and/or profitability. As a result, any future deterioration in the global economic environment, or in any particular market, that contributes significantly to the Group's revenues and profitability, could have a material adverse effect on the construction sector, and consequently, on the Group's business, operational results and financial condition.

• The concentration of a large proportion of the Group's business, operations and assets in the United States

A large proportion of the Group's business, operations and assets is concentrated in the United States, in particular Virginia, Florida, North and South Carolina, and New Jersey, and the Group's operational results are heavily dependent on the Group's performance in the United States. In addition, the Group's financial performance in the US market is heavily affected by fluctuations in the US dollar-euro exchange rate, with a weakening of the dollar against the euro having a significant negative effect on the Group's operational results on a consolidated level. Any decrease in cement consumption, building activity or decreased public spending on infrastructure in any of the US markets in which the Group operates, or a combination of the above, or any decrease of the US dollar against the euro, could have a material adverse effect on the Group's operating performance, business and profitability.

• Political and economic uncertainty

The Group operates and may seek new opportunities in emerging markets with differing and, at times, volatile economic, social and political conditions. These conditions could include political unrest, civil disturbance, currency devaluation and other forms of instability, and may result in sudden changes to the operating and regulatory environment. Changes in these conditions may adversely affect the Group's business, operational results, financial performance and/ or prospects.

The annual budgeting and strategic review process along with the regular monitoring of financial results and forecasts, helps track political and economic events which may create uncertainties regarding financial performance. Where political tensions are heightened, mitigation measures are in place to provide maximum protection of TITAN's people and assets.

• Climate change, greenhouse gas emissions and emissions trading

Changes in legislation, regulations and obligations relating to climate change and emissions trading may result in additional capital expenditure and reduced profitability, due to increases in operating costs, or long-term prospects of certain of the Group's production facilities. For example, the Group's operations in Greece and Bulgaria, are required to comply with an EU-wide cap and trade emissions scheme, namely the European Trading Scheme (ETS), under which industrial installations must control and report their CO_2 emissions on an annual basis. Because of the increased operational costs that the ETS imposes on the Group and may impose in the future, the Group may face increased competition from cement producers operating outside the EU, which do not incur ETS compliance costs. Furthermore, increased prices for cement because of increased CO_2 compliance costs could prompt customers to substitute other products for cement, which could further negatively affect demand for the Group's product.

The Group closely monitors relevant regulatory developments and takes proactive measures to mitigate potential negative consequences. At the same time TITAN continues its efforts to reduce its carbon footprint. Such mitigation measures include the reduction of the amount of clinker used in the production of cement, the use of alternative fuels, fuel efficiency measures, the reduction of thermal energy consumption, the development of new products and continuous innovation across the value chain.

Financial risks

The Group, due to the nature of its business and its geographical positioning, is exposed to financial risks associated with foreign currency, interest rates, liquidity and leverage, as well as counterparties. Financial risks are managed by Group Finance and Treasury.

The Group does not engage in speculative transactions or transactions which are not related to its commercial and business activities.

• Foreign currency risks

Group exposure in foreign currency derives from existing or expected cash flows and from acquisitions/investments denominated in currencies other than the euro. The Group's net foreign currency transaction risk mainly arises from USD, EGP, RSD, LEK, GBP, BRL and TRY.

Natural hedges (equity invested in long-term fixed assets and borrowings in the same currency as the activities that are being financed), currency swaps and forward foreign currency contracts are used to manage currency exposures.

• Interest rate risks

The Group's exposure to interest rate changes and increased borrowing costs are managed through employing a mix of fixed and floating rate debt and interest rate derivatives, where appropriate. The ratio of fixed to floating rates of the Group's borrowings is decided on the basis of market conditions, Group strategy and financing requirements.

As at 31st December 2019, the Group's ratio of fixed to floating interest rates stood at 92%/8% (31 December 2018: 89%/11%).

• Liquidity and leverage risks

In order to manage liquidity risks and to ensure the fulfilment of its financial obligations, the Group, maintains sufficient cash and other liquid assets, as well as extensive committed credit lines with several international banks, which complement its operating cash flows.

The Group's financial position allows it to have access to the international financial markets and raise needed funds.

• Counterparty risks

Counterparty risk relating to financial institutions' inability to meet their obligations towards the Group, is mitigated by pre-set limits on the degree of exposure to each individual financial institution. As at 31st December 2019, the majority of Group liquidity was held with investment grade financial institutions.

The Group is also exposed to counterparty risks relating to customer receivables. Customer receivables primarily derive from a large, widespread customer base. The financial status of customers is constantly monitored at business unit level and, where it is deemed necessary, additional security is requested to cover credit exposure. As at 31st December, 2019 all outstanding doubtful receivables were adequately covered by relevant provisions.

Legal and Compliance Risks

• Regulatory compliance risk

The Group is subject to many local and international laws and regulations including those related to competition law, corruption and fraud, across many jurisdictions of operation and is therefore exposed to changes to those laws and regulations and to the outcome of investigations conducted by governmental, international or other regulatory authorities. Potential breaches of local and international laws and regulations in the areas of competition law, corruption and fraud, among others, could result in the imposition of significant fines and/or sanctions for non-compliance, and may inflict reputational damage. To address such risks, all operations are continuously monitored by the Group and BU legal departments and Internal Audit, and appropriate training is conducted, to ensure that the Group's Code of Conduct and relevant Group Policies are effectively adhered to.

Exposure to the risk of corruption is also systematically monitored at local and Group levels and relevant reports provided by independent organizations such as Transparency International are examined. Following the publication of 2019 Transparency International Corruption Perception Index (see Table 5 in section "Management Report; Non - Financial Statements") the perception of corruption in most of the countries TITAN currently operates follows a negative trend.

Operational and Sustainability Risks

• Production cost (including raw materials and energy)

Thermal and electrical energy and fuel costs, freight rates or other transportation costs and the cost of raw materials constitute the most important elements of the Group's cost base. Increases or significant fluctuations in energy and fuel costs, freight rates or other transportation costs could adversely affect the Group's operational results, business and financial condition, especially if it is unable to pass along higher input costs to its customers.

In order to reduce costs and also curtail its environmental footprint, the Group is investing in low energy-requirement equipment and in energy efficiency. Ensuring access to the required quality and quantity of raw materials is an additional priority, which is taken into account when planning a new investment. With regard to existing facilities, care is taken to secure the adequacy of supply of raw materials during their entire lifetime.

The Group is investing in the use of alternative raw materials in order to gradually limit its dependence on natural raw materials. To this end, the Group has set specific quantifiable targets for and monitors the substitution of natural raw materials by alternative raw materials.

• Health and safety

Cement production and the operation of quarries and ready-mix facilities have inherent safety risks which could be influenced by factors outside the Group's control. Ensuring health and safety and preventing accidents at work is a priority for TITAN. Excellence in the area of health and safety is embedded in all TITAN operations and activities. The Group has implemented detailed policies and procedures promoting Health and Safety including the coverage by an adequate number of safety engineers in all production units. Particular emphasis is placed on training and raising safety awareness and on the strict application of safety systems and processes.

TITAN's Group Health and Safety Policy provides assessment of all incidents, proactive planning, the setting of specific targets, safety training and the monitoring of progress. Health monitoring of employees is performed regularly.

In parallel with all the other preventive measures, TITAN's production and construction sites are regularly audited by the Group's safety specialists.

• Risks related to the environment

The Group's operations are subject to extensive environmental and safety laws and regulations in the United States, the EU and elsewhere, as interpreted by the relevant authorized agencies and the courts. These may impose increasingly stringent obligations and restrictions regarding, among other things, land use, remediation, air emissions, waste and water and occupational and community health and safety. The costs of complying with these laws and regulations are likely to increase over time. With a view to the continuous improvement of the environmental impact of its operations, TITAN applies in all its plants management systems to monitor and report their environmental impact. The Group's environmental management provides targets for the reduction of air emissions, the protection of biodiversity, water management and recycling and quarry rehabilitation. In 2019, no significant fines were imposed for non-compliance to environmental regulations.

• Risks arising from various risks of business interruption, including as a result of natural disasters

The Group is subject to stringent and evolving laws, regulations, standards and best practices with respect to the environment, relating to, among other things, climate change, noise, air, water and soil emissions, as well as waste disposal. The costs of complying with these laws and regulations are likely to increase. With a view to the continuous improvement of the environmental impact of its operations, TITAN applies in all its plants management systems to monitor and report their environmental impact.

• Information Technology & Cybersecurity Risks

Given the increasing connectivity of the Group's plants, assets and systems, and the importance of data availability with the advent of the digitization of operations, certain risks could arise from the unavailability of IT and operational systems, delayed provision or the loss of data. The risk of a system failure or from cybersecurity issues has increased especially due to the introduction of service centers based on central server or cloud-based solutions. The impact of a failure or cybersecurity issues increases continuously with the number of connected locations and the increasing digitization of business processes. To mitigate such risks, the Group is investing intensively in its IT and systems infrastructure, building the appropriate resilience and security measures and controls.

Non-Financial Review

An overview of our environmental and social performance and our non-financial statements.

Non-financial performance overview

TITAN's non-financial performance overview covers issues identified and prioritized as material to our key stakeholders, presented in this section with the same titles as in the 2018 Integrated Annual Report, for consistency.

Climate change, safety at work and occupational health, people management and development, and value creation at local level (sustainability of communities) remain at the top of the list of the Group material issues. Also, business integrity, transparency and business ethics, as well as governance, are issues recognized as material and relevant to sustainable development by our key stakeholders, including institutional investors and industry peers.

In the non – financial Statements, part of the 2019 non-financial review, social and environmental indicators are presented with a five-year record while key social and economic indicators relevant to value creation at local markets are presented not only at Group but also at country level.

Governance, transparency and ethics

TITAN Group follows an integrated management approach which ensures that sustainability considerations are incorporated in strategy planning and operational decisions. Our governance bodies, the Board of Directors, which takes overall strategy and policy decisions and the Group Executive Committee, which is entrusted with the coordination and supervision of the Group's business operations, oversee the implementation of our sustainability strategy, reflecting the culture of transparency and collaboration across the Group. At regional level, sustainability is included in the agenda of the Management Committee at each business unit of TITAN Group. CSR Committees at each business unit safeguard implementation of TITAN's inclusive strategy while addressing local priorities.

We have developed a series of Group-wide policies that cover all strategic areas and material issues to the Group and apply to all TITAN operations. They include, but are not limited to, the following:

• Human rights, labor rights and working conditions (https://www.titan-cement.com/about-us/corporate-governance/group-policies/#Human-Rights-policy)

• Environment and climate mitigation strategy (https://www.titan-cement.com/about-us/corporate-governance/group-policies/#Environmental-policy)

• Occupational Health and Safety (https://www.titan-cement.com/about-us/corporate-governance/group-policies/#OHS-policy)

• Anti-bribery and corruption (https://www.titan-cement.com/about-us/corporate-governance/group-policies/#Anti-Bribery-and-Corruption-policy)

• CSR and stakeholder engagement (https://www.titan-cement.com/about-us/corporate-governance/group-policies/#CSR-policy)

More information on the management systems and the operating procedures that support the implementation of the Group policies are presented per country, in the non-financial statements, tables 3.1 Group policies and 3.2 Group management systems.

All employees are informed about the Group policies in their local language. This communication is an ongoing process, implemented through TITAN's intranet and employee announcement boards.

In 2019, TITAN initiated the development of policy e-learning modules to be uploaded to its Learning Management System. The necessary pre-work and preparation have been completed and the e-Learnings will be available in 2020. The new courses are designed to help employees to better understand each policy's context, support their further dissemination and track the learning participation rates.

Employees are required to adhere to Group policies and safeguard them, and are encouraged to report any policy violation through the existing grievance mechanisms.

Respect for human rights is fundamental for TITAN Group as stated in its governing objective (see section "Understanding TITAN"). The Group Human Rights Policy is aligned with the UN Guidelines for Business and Human Rights and covers, among else, labor rights and working conditions, equal opportunities and non-discrimination, as well as provisions for reporting potential incidents of violation. We monitor a variety of human rights-related issues, such as gender equality and participation in unions and relevant KPIs are presented in detail in the non – financial statements section, in table 2.2 Social Performance Index. In addition, as the risk of human rights violations in the supply chain remains a potential issue material for TITAN, we incorporate sustainability clauses to all tenders for global suppliers and contracts for local suppliers.

In 2019, a new whistleblowing policy was finalized and in early 2020 we will launch a Group-wide platform (Ethics Point). All our Group employees and our contractors' employees who are permanently based at TITAN sites will have access to the new platform. Currently, all TITAN Group operations have different grievance mechanisms in place. The reporting mechanisms include telephone lines, written letters, or personal meetings. In 2019, 37 cases were reported for management review by various stakeholders in four of the countries where we operate. 89% of the cases reported were issues raised by customers referring to product quality and pricing while the rest were issues raised by communities and referred to traffic issues and fugitive dust from one quarry. All cases were investigated by the local management teams and were addressed accordingly.

Since 2003, TITAN has integrated in its own guidelines and policies the sectoral guidelines created by WBCSD Cement Sustainability Initiative (CSI), a Sector Project of the World Business Council for Sustainable Development (WBCSD). The work and activities carried out by the CSI were transferred from WBCSD to the Global Cement and Concrete Association GCCA on 1 January 2019, following a strategic partnership between the two parties (GCCA and WBCSD). The partnership aimed to facilitate sustainable development of the cement and concrete sectors and their value chains. The new partnership also created synergies between their sector-focused work programs to benefit both the GCCA and WBCSD members. TITAN, also a member of the WBCSD, has become a full member of the GCCA since 2018, and members has endorsed its Charter and Framework Guidelines that identify five key pillars, which encompass the sustainability spectrum of the cement and concrete sector. As per the requirements set out for the full members in the GCCA Charter, TITAN is committed to setting targets for performance improvement and implementing sustainability initiatives across all five pillars. Using international standards and methodologies, as in the case of the “Guidance on core indicators for entity reporting on the contribution towards attainment of the Sustainable Development Goals” published by UNTCAD, we also relate material issues and sustainability targets with key performance indicators and SDGs 2030.

Climate change

Considering the carbon and energy intensive nature of our business, a high priority for us is the reduction of the carbon footprint of our own operations. We continue building on our CO_2 Initiative, which includes actions per plant in order for the Group to achieve an approximately 30% reduction below 1990 levels by 2030, taking both conventional and innovative actions to mitigate CO_2 emissions. We are committed to contribute to the Paris Agreement (COP21) objective to keep the global temperature increase below 2°C and we are fully supportive of the European Commission’s Green Deal vision of carbon neutrality by 2050, with regards to our operations in the EU (Greece and Bulgaria).

Overall, in 2019:

• Our specific net CO_2 emissions improved by 1.5%, reaching 675.7 $kgCO_2/t_{\text{Cementitious product}}$

• Alternative fuel utilization increased by 13.3%, reaching a total substitution rate of 13.6%, on a thermal basis. Biomass use was also improved by 26.9%, reaching a 4.3% thermal substitution rate.

• The clinker to cement ratio dropped by 0.8%, to 82.9%

• Specific heat consumption remained practically constant

Our positive performance in net specific CO_2 emissions continued in 2019 in particular through a substantial increase in the use of alternative fuels overall, achieving a higher replacement of fossil fuels by biomass and contributing to the circular economy, alleviating significant volumes of waste materials from landfill. While our total emissions were reduced, we expect our target of a 20% reduction of specific emissions compared to the base year 1990 to be met shortly after 2020, mainly due to regulatory and market conditions that influence product and fuel mix.

Looking at the carbon footprint of our products, as expressed through the clinker-to-cement ratio, a marginal improvement can be observed in the past five years, albeit with a measurable impact. Following on our low-carbon cement produced in 2018, we optimized performance and completed testing on several cement and concrete applications.

Dedicated actions on energy efficiency led to the progress on energy consumption achieved in recent years. Also, as per our target to have 50% of our clinker production covered with energy management systems by 2020, in 2019 TITAN Group continued to prepare for the expansion of the use of such management systems in two more plants, which are expected to be certified by the end of 2020 (TITAN’s cement plants in Pennsuco, Florida, and in Usje, North Macedonia).

With regards to innovation for climate change, TITAN continued working on its CO_2 Initiative, preparing to install pilot units for carbon capture demonstration at the end of 2020. In 2019, we continued working on our pilots on carbon capture (RECODE, CARMOF) and solar calcination (SOLCEMENT) in collaboration with our partners. At the same time, we begun investigating new concepts in carbon capture with Oxyfuel technology through the ACO₂Cem project, as well as to look into new routes to convert captured CO_2 to nanotechnology-inspired products in the CARBONGREEN project – overall, aiming to improve the cost of technologies that avoid CO_2 emissions and bring novel solutions closer to market.

Circular economy

The circular economy, where practices such as product reuse, recycling and recovery of materials are replacing the practice of produce-consume-dispose, is crucial in reducing waste, reducing the need for primary raw materials and reducing CO_2 emissions related to manufacturing. TITAN has long recognized the important role our business can play in the circular economy in the regions where we operate. The use of alternative raw materials and fuels, combined with a waste management system, can enable us to reduce the use of natural, non-renewable resources and reduce our carbon footprint in an environmentally responsible and efficient way, while it can minimize the need for landfill. The cumulative consumption of a variety of alternative raw materials, and alternative fuels by TITAN Group exceeded 24.1 million t in total between the base year 2003 and 2019.

In 2019, we continued our efforts to increase the use of alternative raw materials in clinker, cement and concrete production, and develop new blended cement products that will satisfy the current and future needs of our customers. The use of alternative raw materials in the production of clinker and cement remained stable in 2019 (6.8% of total consumption), following a ‘plateaued’ performance during the last four years, mainly due to the unavailability of such alternative sources in the countries and markets where we operate.

Regarding the use of alternative fuels, we recorded an increase in 2019, as we implemented the action plans developed during the last decade. Dried sewage sludge, refinery sludge, tires, RDF and agricultural wastes are alternative fuels used in different Group cement plants. Leading examples of cement plants in the Group for the substitution of fossil fuels with alternative fuels are Kamari (Greece), Zlatna Panega (Bulgaria) and Alexandria (Egypt). This year, we started to operate equipment for the handling, storage and feeding of alternative fuels in our cement plant in Usje, North Macedonia, and we installed an additional burner and feeding equipment at our cement plant in Zlatna Panega, Bulgaria.

In 2019, the disposal of our own waste materials at Group level was increased by almost 19.4% compared to 2018. This was due to the increased quantities of concrete returns among our ready-mix concrete units. Fortunately, these increased quantities were not directed toward landfill but instead were recycled. As a result, the percentage of total wastes produced that was collected, stored and channeled, through authorized contractors for reuse, recycling or recovering remain almost at the same level as 2018 at 76.8%.

Environmental management

For almost 15 consecutive years, in line with our environmental policy, we have disclosed measurable, qualitative and quantitative targets to monitor our progress in respect to air emission reduction, protection of biodiversity, water management and quarry rehabilitation. We consider this as a significant driver for continuous improvement, strengthening both our operational efficiency and our focus on sustainability.

All our cement plants across our regions are certified to ISO 14001, the international standard that specifies the requirements for an effective environmental management system (EMS), except those located in US that have adopted a system aligned with local and federal regulatory requirements. Currently, all our Group cement plants that hold ISO 14001 certification have updated it to the 2015 version, a process launched in 2016 and completed in 2019.

Over the years, we have invested heavily on incorporating Best Available Techniques to manage our environmental impacts and have achieved advanced levels of environmental performance. Upgrading and modernizing all our plants (e.g. new bag filters or hybrid filters, SNCR installation, installation of storage/feeding of alternative fuels, water recycling and waste water treatment facilities) ensure that our performance abides by existing and potential new regulatory requirements, as well as meets our own targets.

Assessing the environmental impact and associated risks resulting from the operation of our cement plants and associated quarries is an ongoing, integrated process. Our environmental risk assessment covers both the site and the corporate level and the process allows for risk identification, as a first step, and then implementation of actions to address and reduce the risks to an acceptable level.

In 2019, we performed environmental audits at five Group cement plants bringing the total of audits to 39, since we have launched our environmental risk assessment process. The Marmara grinding cement plant in Turkey was audited for the first time while a similar assessment was completed for our cement operations in Brazil.

Dust and other air emissions

Apart from greenhouse gas (GHG) emissions that have a global effect, other air emissions and primarily dust is among the material issues identified by our local stakeholders. We monitor and control dust and other air emissions with all Best Available Techniques and continuous monitoring devices, having heavily invested over the years.

In 2019, we maintained our high performance at Group level in managing dust and other air emissions and achieved all targets set, as presented in the table below.

Group performance in dust emissions was 14.7g/$t_{Clinker}$, a deterioration compared to the historical low achieved in 2018 but well within our target set for 2020. NOx and SOx emissions were slightly improved compared to the previous year, attaining the set targets.

Air emissions (g/$t_{Clinker}$)	2019	2018
Group level (cement operations)		
Specific dust emissions	14.7	12.1
Specific NOx emissions	1,268.6	1,307.0
Specific SOx emissions	193.4	203.8

Note: 2018 performance was recalculated to reflect changes in TITAN Group share of equity. A detailed list of TITAN Group subsidiaries and TITAN's share of equity is provided in Table 2.3.1.

Biodiversity, quarry rehabilitation and land stewardship

Rehabilitation activities and biodiversity management at quarry sites are a key focus area for TITAN, to mitigate the impacts of the raw materials extraction process. We have established standard practices at Group level for quarries rehabilitation and biodiversity management at sites of high biodiversity value.

In late 2019, we initiated the assessment of the status and the value of biodiversity in all our Group quarries, with the use of the Integrated Biodiversity Assessment Tool (https://ibat-alliance.org/). The project is planned to be completed in 2020 and based on the results, respective actions will be decided for the potential need to develop Biodiversity Management Plans at new sites designated for their high biodiversity value, in line with the Group target.

Invited by CSR Europe as an expert on biodiversity and quarry rehabilitation, TITAN has actively been involved in the preparation of the key objectives and activities of a new biodiversity and industry platform. This initiative is coordinated by CSR Europe with the participation of companies from different sectors and the strategic partnership with the European Commission, the EU B@B Platform, the European Investment Bank and IUCN.

Our ongoing efforts to mitigate the local impacts of the raw materials extraction process are reflected in the indicators presented in the following table.

Local impact indicators	2019	2018
Number of active quarry sites with high biodiversity value	10	10
Number of active quarry sites with biodiversity management plans	9	9
Percentage of active quarry sites with biodiversity management plans	90%	90%
Percentage of active quarry sites with quarry rehabilitation plans	90%	78%
Percentage of active quarry sites with ISO 14001	77%*	80%

* As of 2019, the definition has been revised to exclude the TITAN America quarry management systems, which are aligned with local and federal regulatory requirements that are different to the ISO 14001 standards.

The percentage of active quarry sites with quarry rehabilitation plans showed an increase in 2019, to reach 90%, following the completion of rehabilitation studies for all TITAN America quarries and the development of appropriate rehabilitation plans, in line with TITAN and international principles and standards. The few remaining quarries that are still in the process of developing rehabilitation plans refer mainly to the latest acquisitions and the licensing of new quarries in Southeastern Europe and Eastern Mediterranean regions.

The percentage of active quarry sites with biodiversity management plans (BMPs) remained at the same level as 2018. However, the biodiversity study for the only remaining site with a high biodiversity value, Agrinio quarry in Greece, progressed in 2019 and is expected to be completed in 2020 with the development of the respective BMP, and thus finally achieving the Group target to have BMPs in place for all sites with high biodiversity value.

Water management

As a precious natural resource, water is a significant material issue both for our business and key stakeholders. Since 2010, we have developed and applied an Integrated Water Management System (IWMS) to monitor and optimize the water use and to report water data in a consistent way, according to the practices and guidelines of the cement sector.

Water risk assessment comprises a significant component of the sustainable management of water resources for TITAN. In this respect, in 2019 we initiated a project for the water risk assessment of our Group sites, using the Global Water Tool of the World Business Council for Sustainable Development (WBCSD) and the Aqueduct tool of the World Resources Institute (WRI) to identify and analyze current and future water risks across locations.

The specific water consumption at the Group cement and grinding plants and their attached quarries remained at the same level as the previous year, meeting the target set for 2020.

Impact on natural resources – Water	2019	2018
Group level (all operations)		
Total water withdrawal, million m^3	39.7	39.2
Total water discharge, million m^3	28.8	28.5
Total water consumption, million m^3	10.9	10.7
Group level (cement operations)		
Specific water consumption, lt/t_{cement}	255.9	259.2
Percentage of sites with a water recycling system	92%	92%
Group level (aggregates operations)		
Percentage of sites with a water management process	39%	32%
Percentage of sites with a water recycling system	86%	83%

Note The 2018 performance was recalculated to reflect changes in TITAN Group share of equity. A detailed list of TITAN Group subsidiaries and TITAN's share of equity is provided in Table 2.3.1.

Our initiatives and investments in facilities and systems over the past two decades have resulted in substantial improvement in water management. As a result, the specific water consumption at cement plants has significantly decreased and we remain well on track to reach a 40% reduction in water consumption by 2020, compared to the 2003 level.

Our total water withdrawal and consumption quantities at Group level showed a slight increase compared to previous year, by 1.3% and 2.8% respectively, which is mainly attributed to the increased production needs of TITAN America.

Health and Safety

We envisage a work environment, that ensures health and safety for all. An environment in which we collectively protect ourselves and our colleagues from injury and look after our health.

We work towards the continuous upholding of health and safety issues, the lasting health and safety awareness among our employees, contractors and cooperating third parties and the strengthening of a culture of accident prevention and health promotion in all our operations.

In Greece, Southeastern Europe, Turkey and Egypt, 100% of the cement plants and approximately 87% of the ready-mix concrete and aggregates plants are OHSAS 18001 certified and are currently migrating to ISO 45001. In the United States, all TITAN activities conform to the requirements of the relevant OHS organizations.

All cement plants and sampled non-cement activities are annually audited by Group Health Safety and Environment (Group HSE) and the ensuing recommendations are implemented by the management. Regional and business unit organizations also conduct auditing activities, monitoring progress and setting targets. Accidents and important near misses are investigated employing Root Cause Analysis or other tools, as appropriate, and the conclusions are used to prevent repetition.

Knowledge plays an important role in accident prevention at TITAN. Training programs, designed centrally by Group HSE or locally at business unit level, are constantly offered, to refresh existing knowledge and to introduce new concepts and approaches to safety. Average training hours were 14.1 per employee and 12.3 per contractor.

Actions, whether undertaken in 2019 or continuing from 2018, aim to further improve the quality of supervision and the hazard identification skills.

Initiatives launched in 2018, such as the Safety Leadership in the Field course for plant managers and engineers, the implementation of the Near Misses in the Production Process Group guideline and the application of the Safe Driving in the Workplace Group guideline and audit checklist continued their rollout in 2019. In 2019 there was only 1 on-site driving LTI, a significant improvement over the 3 such LTIs of 2018.

During 2019, engineers from TITAN's Egypt, Greece, Southeast Europe and Turkey operations were trained as trainers in the program Hazard Identification for Shift Leaders and Foremen.

All contractors in the Greek cement plants are being trained in safety by a suitably qualified external organization. In 2019, 470 out of a projected number of 650 contractors took the course. The program will be completed in 2020.

Backed by recent research in serious incidents causation, the Group has designed the Next Step in Safety program. Currently running in Egypt and Greece, Next Step in Safety aims to eliminate serious incidents in the cement plants and other production sites.

Group HSE audits showed a significant improvement in overall cement plant performance.

In 2019, there were no personnel, contractors or third-party fatalities*. For our own personnel, the frequency of Lost Time Incidents (LTIFR) reduced from 1.54 in 2018 to 1.44 LTIs per 1,000,000 worked hours, representing the lowest value recorded since 2013 and a 6.5% reduction on 2018. The LTIFR of contractors increased to 1.35 LTIs per 1,000,000 worked hours and mainly involved falls on the same level.

*Regrettably, in 2020 we have three fatalities, two involving contractors, one in Kosovo and one in Egypt, and one involving one of our employees in the US.

People management and development

Sustainable growth relies on the caliber, behavior and collaboration of TITAN's people. The TITAN People Management framework outlines the principles to address people-related areas throughout the Group and how the vision to "ensure an engaged workforce, emotionally and mentally" can be achieved.

In 2019, 83% of employees completed the TITAN Group Employee Engagement survey, which ran concurrently across all countries, using a common questionnaire, with 93% of the respondents completing it digitally. The survey assessed employee engagement and enablement, and the factors driving them, allowing the Group to identify and improve on the areas than can impact employees' experience, commitment and performance. While Group results compared favorably to robust industrial and general market benchmarks, areas of improvement were identified. Results highlighted strengths in the dimensions "Clear and Promising Direction", "Quality and Customer Focus" and "Safety", while areas of improvement were found in the dimensions "Performance Management" and "Authority and Empowerment". Currently, relevant Group and Country Action plans are being developed.

Consistent with our commitment to improve diversity and inclusion (D&I) in TITAN, we took concrete steps to create the foundations and embed diversity and inclusion in our people practices, while seeking to ensure that our approach is meaningful in the context of our business strategy, and impactful and sensitive to the cultures and communities of the regions where we work. Specifically, we mapped TITAN's D&I journey and created tools for reporting gender and age representation, hires, exits and promotions per job level across the Group. In addition, we commenced a review of HR and CSR policies and processes, with the contribution of a diverse team from across the Group, to ensure that 11 of our key HR & CSR policies and processes can positively influence and support inclusion and diversity across our business. Finally, in the US we launched TITAN's first Employee Resource Group, BALANCE, which focuses on gender balance issues.

In 2019 we continued the implementation of Group Human Resources Management System (GHRMS), the design of which began in 2017, with the introduction of new modules, such as recruitment and onboarding, and the design of new ones, such as compensation and benefits, solidifying the digitalization of people processes across the Group. The GHRMS supports an enhanced employee experience and ownership of people processes by managers, while increasing efficiency and effectiveness.

Employment at TITAN Group as recorded at the end of the year remained stable. The overall Group employee turnover rate has slightly increased compared to 2018 (12.3% in 2019 vs 11.0% in 2018). This is driven mainly by a turnover increase of approximately 2.0% in the US, which is consistent with the trend of turnover increase in the country. In addition, employment decreased in Kosovo and North Macedonia, following the implementation of Voluntary Early Retirement Plans targeting rejuvenation of our employment structure. Turnover of female employees was slightly lower that turnover of male employees (11.1% vs 12.5%)

In 2019, 58.8% or 3,177 employees of TITAN Group were included in annual performance reviews, representing a significant increase in the number of employees whose performance is appraised with consistent criteria, including performance and behavioral parameters (48.5% or 2,607 employees in 2018). This increase was due to the introduction of a performance appraisal process for semi-skilled/unskilled employees in Bulgaria and an almost doubling of the number of employees in the US who are covered by the local performance appraisal.

More than 82% of employees participated in targeted training and development programs in 2019. The total training person-hours recorded by local operations remained overall the same compared to 2018, as did the average training hours per employee. The majority of training hours implemented in 2019 recorded by business units were dedicated to Health and Safety, while the company also invested in the development of technical know-how, digital skills and managerial skills. Finally, online learning content was made available through the GHRMS, reaching above 65% license activation by the end of the year.

In 2019, our commitment to support youth employment continued, through numerous local initiatives and programs, including the implementation of TITAN's Quality Internships Guide Group-wide, which resulted in 396 internships.

Finally, the percentage of unionized employees increased from 30.94% to 33.85%, mainly due to the increasing number of unionized employees in TITAN America.

Sustainability of communities

Our employees and their families, our business partners and particularly our suppliers live in the communities near our operations. We continuously focus on how we can improve the well-being of all local stakeholders and mitigate the impacts of our operations, seeking to engage with them to have a deeper understanding of their needs and expectations and contribute to the long-term and sustainable growth of the communities.

In 2019, we continued to analyze our impact at local level and we expanded the methodology provided by UNCTAD to estimate local spend.

Setting criteria aligned with our business model and sustainability strategy to encourage the focus on material issues in our community engagement initiatives, we launched a new web-based platform for self-assessment of all actions already taken following stakeholders feedback.

In six of the countries where we operate, we publish local annual reports disclosing our social and environmental targets and performance according to the Group's requirements and guidelines (following international standards and best practices - for more details see Non-financial statements). Our local annual reports aim to support our ongoing efforts to build relationships of open communication and mutual trust and collaborate with our key stakeholders at local level.

In all the countries where we operate we provide long-term and permanent employment with the majority of our employees being local.

Employment from local community by country 2019

Country	Employees from local community	%
Albania	91	47.15
Bulgaria	247	89.82
Egypt	427	88.96
Greece	1148	97.95
Kosovo	163	66.80
North Macedonia	75	30.74
Serbia	181	90.05
Turkey	245	86.27
USA	n/a	n/a

We collaborate with local business partners and more than 50 percent of our spend is allocated to local suppliers who provide TITAN operations with material and services. Approximately 2,500 people are employed by local suppliers to serve TITAN operations.

We offer our local suppliers and customers fair and responsible treatment and quality services. We engage with all business partners in safeguarding health and safety in our working environment and we conduct regular safety audits to suppliers of services in our premises.

We support infrastructure projects with donations in cash and in kind and we engage in collaborative actions to empower youth with quality education and skills for personal and professional development. Recognition of best practices and achievements comes from our stakeholders. In 2019, the total amount invested in CSR and local community initiatives was €2,532,248.

We implement long-term community engagement plans following ongoing dialogue with key stakeholders. Indicative examples of our engagement plans are the LAB initiative in Kosovo to support local entrepreneurs over the last six years and the health and safety training programs for local schools in Greece since 2012.

Supply chain sustainability

In 2019 TITAN continued its Group Procurement transformation program by seeking to further improve the procurement efficiency and sustainability of the global procurement categories.

The optimization of the supplier landscape, the establishment and maintenance of long-term value-added supplier relationships and a holistic review of supplier performance (including sustainability) are key factors for enabling our effort toward “total cost” optimization, the transparency of value creation and the propagation of sustainability practices in the supply chain.

TITAN has invested a significant amount of time and resources in internal capacity building on topics of sustainability in the supply chain through various workshops, pilots and plant visits. More than 9,000 hours (for 178 participants) were invested in the training of TITAN personnel in 21 different, specifically designed workshops in the last four years, including a specific focus on the sustainability agenda. In 2019 TITAN organized an annual event (for the second year) for the procurement professionals of the Group that included the key topics of digitization and the sustainability of the supply chain.

Actions taken in 2019 for sustainability in the supply chain were structured among three main dimensions:

1. For local materials and services, TITAN seeks to maintain and further improve the collaboration with local suppliers and contractors. With the ongoing Group digital transformation process and the unification of digital systems, local spend calculation can now be tracked in an easier and more accurate manner.

2. TITAN continued emphasizing its efforts on the prequalification process for suppliers using a holistic sustainability review. Specifically, focus was given to expand the scope of TITAN suppliers’ prequalification process to all Group categories. The process, which started in 2017 in TITAN America, was extended in scope during 2018 to cover Group Category suppliers. The scope was also broadened to cover a complete set of sustainability criteria beyond health and safety topics. In 2019 a decision was taken to expand the program to also cover the scope of the major contractor activities in the Greek operations.

3. In 2019 TITAN was able, through a dedicated pilot project, to quantify its CO_2 impact coming from the supply chain operations (i.e. Scope 3 GHG emissions). This exercise, which was performed for one of the Group’s SEE plants, will help TITAN develop methodologies for measuring the supply chain impact from its Global footprint in the next period. By quantifying Scope 3 emissions critical areas will be recognized and future actions can be planned in order to minimize the overall impact.

Research and Development activities

TITAN invests in research, development and innovation, with primary focus on areas related to the long-term sustainability of the business and in particular on climate change mitigation and CO^2 emissions; applications in the model of the circular economy; and digital transformation. More information is provided in the following sections:

- Understanding TITAN: Business approach, value creation.
- Management Report: Non-financial performance: climate change.

Non-financial Statements

TITAN Group follows an integrated Global Sectoral Approach to disclose non-financial performance based on a long-term practice and aligned with its voluntary commitments to UNGC, GCCA and IIRC. To further align with SDGs 2030, TITAN incorporated in 2018, the "Guidance on Core Indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals" of the United Nations Conference on Trade and Development (UNCTAD, latest publication in 2019).

The non-financial performance review and statements focus on material issues for TITAN operations and key stakeholders. TITAN's global sectoral approach cover in total 174 KPIs, of which: 12 Core Indicators for Value Creation, 75 Social Performance Indicators, 79 Environmental Performance Indicators, and 8 Core Indicators for Governance. The KPIs are structured in a codified manner under four separate index tables in the "Non-financial Statements" (see Tables 2.1, 2.2, 2.3, and 2.4 under the "Non-financial Indicators"). TITAN's Sustainability Performance Index provides the connection between the disclosures (KPIs) and the standards for reporting, with specific Targets to the SDGs2030. Table 4 provides the review of TITAN's 2019 IAR in view of the Global Compact criteria for the advanced Communication on Progress.

For committing on targets 2020 and reporting on progress (see "Understanding TITAN" in this Report), TITAN's approach is: (a) In line with the Kyoto Protocol; 1990 is the base year for CO_2 emissions. And: (b) For all other environmental performance indicators, the selected base year is 2003, the year in which TITAN Group reported for the first time consolidated non-financial performance indicators, and the first year when TITAN became a Core Member of the WBCSD/CSI.

Changes in the content and structure of the 2019 Integrated Annual Report

- The contents of the 2019 IAR and the "Non-financial performance overview".
- The ERM CVS Independent Assurance Statement to the Board of Directors of TITAN Group is in the section titled "Auditors; Reports".
- TITAN Group Sustainability Glossary & Guidelines for Social Performance, and TITAN Group Sustainability Glossary & Guidelines for Environmental Performance (both internal documents were updated in October 2019), in order to align with the:
- Development of new internal Group wide reporting systems, in specific the TITAN Group Human Resources Management System, in short 'GHRMS'.

and

- Alignment with GGCA Sustainability Charter and Framework Guidelines. See Table 2.5 "Sector standards for non-financial reporting".
- New information under the framework of Value Creation Core Indicators regarding Local Spend as a percentage of total spend to suppliers per country and per region.

Feedback related to non-financial performance is welcome and should be addressed to the following email address: info@titan-cement.com

The symbols below help the reading of the non-financial statements

Ⓐ This symbol indicates KPIs included in the scope of ERM Certification and Verification Services (ERM CVS) assurance engagement (ERM CVS' "Independent assurance statement")

(SG) This symbol indicates specific KPIs that are calculated according to the sector Guidelines integrated by TITAN

Non-financial Statements - Tables

1. Material Issues and Boundaries for reporting Non-Financial Performance

SDGs 2030	Material issues and topics	Boundaries	
		Internal	External
SDG 4 SDG 8 SDG 17	**Financial liquidity and access to funding** Access to bank credit facilities and capital markets financing provides liquidity to meet current obligations and grow business sustainably and potential for growth. • Access to bank credit facilities and capital markets financing is essential to run and grow operations sustainably • Safeguard market presence	TITAN Group, all TITAN operated sites	Employees, contractors, suppliers, investors, local communities, governments
SDG 4 SDG 8 SDG 17	**Governance, transparency and ethics** Ensuring good governance integrity and transparency, promoting ethical business practices, lobbying responsibly and engagement with stakeholders do the same. • Procurement practices • Security practices • Human rights grievance mechanism • Anti-corruption • Public policy • Anti-competitive behavior • Supplier assessment for impact on environment • Supplier assessment for labor practices • Supplier human rights assessment	TITAN Group, all TITAN operated sites	Joint venture partners, contractors, security personnel, customers, suppliers, local communities, shareholders, investors, governments, NGOs
SDG 4 SDG 9 SDG 11 SDG 17	**Sustainability of communities** TITAN is working toward building an inclusive relationship, through ongoing engagement with stakeholders at all levels. At site level, building strong relationships with local communities is part of this and is key to value creation for stakeholders. • Indirect economic impacts • Market presence • Compliance • Environmental grievance mechanisms • Grievance mechanisms for impacts on society • Economic performance	TITAN Group, all TITAN operated sites	Employees, contractors, suppliers, customers, local communities and authorities, governments, shareholders, investors, NGOws
SDG 7 SDG 13 SDG 17	**Climate change** TITAN operations and the cement industry as a whole contribute to climate change. Reducing CO_2 emissions in line with the Kyoto Protocol and the Paris Agree ent (2015) and working with our peers to meet specific targets is a priority for business and society. • Energy • Emissions	All TITAN operated sites	Employees, shareholders, investors, customers, suppliers, governments, local communities, academia, NGOs

SDGs 2030	Material issues and topics	Boundaries	
		Internal	External
SDG 12 SDG 17	**Circular economy** A number of resources is used to serve TITAN's purpose, such as raw materials, traditional and alternative fuels, water and energy, and waste materials. A circular economy will enable business and consumption models focused on re-using and recycling use of alternative fuels, Innovation and out-of-the-box thinking. • Effluents and waste • Materials	All TITAN operating sites, GAEA	Employees, contractors, suppliers, customers, local communities, academia, regulators, NGOs
SDG 3 SDG 17	**Health and safety** TITAN is committed to provide employees, contractors and any third-party safe and healthy workplace. Health and Safety is crucial for customers and TITAN ensures that products are safe to use and that they are delivered safely to customers. • Occupational health and safety • Customers health and safety	All TITAN operated sites, TITAN Group	Employees, Employees families, contractors, Local communities, suppliers, customers, third parties, governments
SDG4 SDG5 SDG17	**People management and development** Being a responsible employer means providing training and development opportunities, and equal remuneration between men and women, embracing diversity with a work environment free from discrimination or harassment while supporting employees in exercising their right to freedom of association and collective bargaining. It also means ensuring that there is no child labor or compulsory labor in TITAN operations in the supply chain. • Employment • Training and education • Diversity and equal opportunities • Market presence • Labor practices grievance mechanisms • Non-discrimination • Freedom of association and collective bargaining • Child labor and compulsory labor • Ongoing assessment	All TITAN employees All TITAN operated sites, TITAN Group	Employees, shareholders, join ventures partners, contractors, suppliers, local communities, governments, academia, NGOs
SDG 6 SDG 7 SDG 15 SDG 17	**Environmental management** TITAN ensures that it adheres to international best practices and is focused on contributing to improve its performance and keep its license to operate. • Biodiversity • Compliance • Environmental grievance mechanisms • Water • Transport of goods and services	All TITAN operated sites	Employees, shareholders, join ventures partners, contractors, suppliers, local communities, governments, academia, NGOs

SDGs 2030	Material issues and topics	Boundaries	
		Internal	External
SDG8 SDG17	**Social and political risks, and instability** TITAN has plans in place to maintain control and normal operations during political instability, riots, uprisings and various conditions that lead to extreme volatility. We work to safeguard TITAN's local investments by protecting our people, business partners and the communities near our operations. • Local communities • Public policy	All TITAN operated sites TITAN Group	Employees, employees families, customers, investors, governments, NGOs
Other issues			
	Sustainable products and services: We collaborate with stakeholders to develop more sustainable products to create value through our cement such as ProAsh, • Products and services	GAEA, TITAN Group	Customers, suppliers, governments, investors, society

NOTES

The boundaries of reporting for each material issue are defined by the principles of "materiality", "relevance", "conciseness" and "consistency":

Materiality

A matter is material if it is of such relevance and significance that it could substantively influence the assessments and decisions of the organization's highest governing body, or change the assessments and decisions of intended users with regard to the organization's ability to create value over time. In determining whether or not a matter is material, senior management and those charged with governance consider whether the matter substantively impacts, or has the potential to substantively impact, the organization's strategy, its business model, or one or more of the capitals it uses or affects.

Relevance

Relevant matters are past, present or future matters that impact or may impact the organization's strategy, its business model or one or more of the capitals and thus ultimately affect the organization's ability to create value over time. Identifying relevant matters for inclusion in the integrated report includes identifying the population of potentially relevant matters, and narrowing these down to matters that are relevant for inclusion in the integrated report. Information about relevant matters will have either, or both, predictive value or confirmatory value with respect to intended users' decisions.

Conciseness

Disclosures about material matters should include concise information that provides sufficient context to make the disclosures understandable and should avoid information that is redundant in nature.

Consistency

Reporting policies should be followed consistently from one period to the next unless a change is needed to improve the quality of information reported. This includes using the same KPIs to report on the same matters if they continue to be material across reporting periods. When a significant change has been made, the organization explains the reason for the change, describing (and quantifying if practicable and material) its impact.

2. Non-financial Indicators

TITAN Group non-financial performance indicators cover: value creation and distribution to stakeholders (see 'Understanding TITAN; Delivering value for all"), social performance, environmental performance and governance.

2.1. Value Creation Core Indicators Index

SDGs 2030	Value Creation Core Indicators for Sustainability	Notes	TITAN's Global Sectoral Approach	2019 IAR
People				
SDG 3 SDG 4	Salaries, pensions, and social benefits, incl. additional benefits	1	TITAN Standard and IFRS	Understanding TITAN; Delivering value for all
	Investments for Training of direct employees, as total expenditures	2	UNCTAD 4.3.1 and IFRS - connected with KPIs SP59, SP60, and SP61	
Environment				
SDG 7	Green investment	3	TITAN Standards and UNCTAD 7.b.1 - connected with KPI EP79	
Community				
SDG 9 SDG 17	Total spend to Suppliers, local and international, for goods and services	4	TITAN Standard and IFRS	
	Local Spend	5	TITAN Standards and UNCTAD 9.3.1 and IFRS - connected with KPI SP75	
	Taxes to national and local authorities	6	TITAN Standard and IFRS	
	Other payments to governments and national authorities (see Table 2.1.1)	7	UNCTAD 17.1.2 and IFRS	
	Support to community projects, as Donations	8	UNCTAD 17.17.1 and IFRS - connected with KPIs SP70, SP71, and SP72	
Financial				
SDG 8 SDG 9	Payments in cash, to shareholders and minorities	9	TITAN Standard and IFRS	
	Investments for R&D and Innovation as total expenditures	10	TITAN Standard and UNCTAD 9.5.1	
	Value added	11	UNCTAD 8.2.1, 9.b, 9.4.1 and IFRS	
	Net value added	12	UNCTAD 8.2.1, 9.b and IFRS	

NOTES

General Note for the consolidation of data

Consolidation (aggregation) of data for the above Value Creation Core Indicators was made with 100.0% contribution for all BUs where TITAN has property share more than 50.0% (in line with the method of full consolidation in the Financials). In particular for the 2019 data, the contribution of Turkey included Adocim Cemento Beton Sanayi ve Ticaret AS with 100%. See Table 2.3.1, in specific “Adocim all activities”.

Notes for the standards, guidance, and terms used

Most terms related to the Value Creation Core Indicators were adopted from the “Guidance on Core Indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals” (in short: UNCTAD Guidance, 2019), and incorporated under the TITAN standards. The related terms are outlined here and connected with the KPIs in the Index above. The figures for the Value Creation Core Indicators are provided in “Understanding TITAN; Delivering value for all”.

Detailed figures are provided in Non-financial Statements; Table 2.2. Social Performance Index, and 2.3. Environmental Performance Index.

(1) Salaries, pensions, and social benefits, incl. additional benefits
According to TITAN Standards and the application of the IFRS, see Financial Statements.

(2) Investments for Training of direct employees, as total expenditures
Total expenditures including the direct and indirect costs of training for direct employees (including costs such as trainers’ fees, training facilities, training equipment, related travel costs etc.) reported also per employee and per year, and broken down by employee category (UNCTAD Guidance, 2019). TITAN discloses the respective figures in detail in Table 2.2. and Table 2.3. of the Non-financial Statetements.

(3) Green investment
Total amount of expenditures (capital and also operational) for those investments whose primary purpose is the prevention, reduction and elimination of pollution and other forms of degradation to the environment (UNCTAD Guidance, 2019). TITAN discloses the respective figures in detail in Table 2.3. of the Non-financial Statements.

(4) Total spend to Suppliers, local and international, for goods and services
According to TITAN Standards and the application of the IFRS, see Financial Statements.

(5) Local Spend
Percentage of local procurement is the proportion of spending of a reporting entity at local suppliers. Costs of local procurement are a general indicator of the extent of an entity’s linkages with the local economy (UNCTAD Guidance, 2019). TITAN uses a bottom-up approach of raising awareness, guiding, and supporting the local BUs, in the direction of gathering – from the respective data sources – all such information, and consolidating on Group level. TITAN discloses the respective figure in detail inside the Index for Social Performance KPIs (under the “Non-financial Statements”).

(6) Taxes to national and local authorities
According to TITAN Standards and the application of the IFRS, see Financial Statements.

(7) Other payments to governments
The amount of other payments (other than income taxes), and related to levies and fees. TITAN follows a comprehensive approach of engaging the local BUs, for tracking and recording the respective data. TITAN discloses the respective figure in detail for the extractive operations across the Group BUs, in the Table 2.1.1 “Consolidated Report on Payments to Governments for extractive operations”.

(8) Support to community projects, as Donations
Total amount of charitable/voluntary donations and investments of funds (both capital expenditures and operating ones) in the broader community where the target beneficiaries are external to the enterprise incurred in the reporting period, in absolute amount (UNCTAD Guidance, 2019). TITAN discloses this amount as “Donations”, as equivalent to “charitable/voluntary donations and investments of funds”, and in detail in Table 2.2. based on the verified and disclosed Financial Statements for the same reporting period.

(9) Payments in cash, to shareholders and minorities
According to TITAN Standards and the application of the IFRS, see Financial Statements.

(10) Investments for R&D and Innovation as total expenditures
Total amount of expenditures on research and development (R&D) and Innovation by the reporting entity during the reporting period (UNCTAD Guidance, 2019). TITAN’s approach is to accrue all expenditures for the R&D and Innovation activities, and projects, and incl. salaries, participations, travelling and other expenses of our employees which are related directly and indirectly, and other expenditures for promoting innovative technologies and products. TITAN uses the verified and disclosed Financial Statements for the same reporting period.

(11) Value added
Revenue minus costs of bought-in materials, goods and services (called also: Gross Value Added, according to the UNCTAD Guidance, 2019). TITAN’s approach is based on the verified and disclosed Financial Statements for the same reporting period, acc. to the IFRS.

(12) Net value added
Revenue minus costs of bought-in materials, goods and services and minus depreciation on tangible assets (UNCTAD Guidance, 2019). TITAN’s approach is based on the verified and disclosed Financial Statements for the same reporting period, acc. to the IFRS.

2.1.1. Consolidated Report on Payments to Governments for Extractive Operations

Group companies	Country	Payment type	Amount
TITAN CEMENT S.A.	GREECE	Quarry Rental Fees/taxes	1,162, 383.19
INTERBETON S.A.	GREECE	Quarry Rental Fees	1,727,690.85
		Municipality Taxes	423,580.19
Alexandria Portland Cement Co	EGYPT	Clay Tax	2,588,079.00
		Quarry Royalties	1,707,687.00
Beni Suef Cement Co	EGYPT	Clay Tax	3,198,698.00
		Quarry Royalties	938,555.00
Zlatna Panega Cement AD	BULGARIA	Concession Fees	215,000.00
Cementi Antea Sha	ALBANIA	Extraction Fees	398,108.00
Titan America LLC	USA	Sales / Mitigation Fees	394,695.00
SHARRCEM SH.P.K.	KOSOVO	Extraction Royalties	296,194.00
Titan Cementarnica Usje A.D.	SKOPJE	Concession Fees	190,836.00
Titan Cementara Kosjeric A.D.	SERBIA	Concession Fees	180,116.00
ADOCIM A.S.	TURKEY	Permission/Forestation Fees	243,333.00
		TOTAL	**13,664,955.23**

NOTE

Titan Cement International S.A. hereby reports, in accordance with article 3:33 of the Belgian Companies and Associations Code, that Titan Cement Group has paid to municipal authorities of EU Member States and third countries) the total amount of €13,664,955.23 for extractive operations 2019 as specified in the above table.

2.2. Social Performance Index

SDGs & Targets	Social Performance Indicators	Notes	2019	2018	2017	2016	2015
(SG)Health and safety							
	All activities performance, Group total						
SDG 3.6 SDG 8.8	ⒶEmployee fatalities, SP01		0	0	0	0	1
	ⒶEmployee fatality rate, SP02		0.00	0.00	0.00	0.00	1.80
	ⒶContractors fatalities, SP03		0	2	0	0	1
	Third-party fatalities, SP04		0	0	0	1	0
	ⒶEmployee Lost Time Injuries (LTIs), SP05		16	17	27	22	23
	ⒶEmployee Lost Time Injuries Frequency Rate (LTIFR), SP06		1.44	1.54	2.41	1.92	2.00
	ⒶEmployee lost working days, SP07		637	615	1,220	897	1,624
	ⒶEmployee Lost Time Injuries Severity Rate, SP08		57.4	55.7	109.0	78.2	141.4
	ⒶContractors Lost Time Injuries (LTIs), SP09		10	9	7	7	11
	Contractors Lost Time Injuries Frequency Rate (LTIFR), SP10		1.35	1.12	0.82	0.73	1.10
	All activities performance leading indicators, Group total						
	Near misses, SP11		3,746	2,169	1,185	1,304	1,793
	Training man-hours on health and safety per employee, SP12		14.10	12.98	12.30	12.30	8.60
	Cement operations performance, Group total						
	ⒶEmployee fatalities, SP13		0	0	0	0	1
	ⒶEmployee fatality rate, SP14		0.00	0.00	0.00	0.00	2.68
	ⒶContractors fatalities, SP15		0	2	0	0	1
	Third-party fatalities, SP16		0	0	0	0	0
	ⒶEmployee Lost Time Injuries (LTIs), SP17		10	8	16	11	13
	ⒶEmployee Lost Time Injuries Frequency Rate (LTIFR), SP18		1.59	1.25	2.41	1.54	1.75
	ⒶEmployee lost working days, SP19		440	416	1,014	313	936
	ⒶEmployee Lost Time Injuries Severity Rate, SP20		69.9	65.0	152.8	43.8	126.0
	ⒶContractors Lost Time Injuries (LTIs), SP21		8	6	6	2	7

SDGs & Targets	Social Performance Indicators	Greece and Western Europe	USA	SEE	EM
	Health and safety data by region, (2019)				
SDG 3.6 SDG 8.8	Employee fatalities, SP22	0	0	0	0
	Employee fatality rate, SP23	0.00	0.00	0.00	0.00
	Contractors fatalities, SP24	0	0	0	0
	Third-party fatalities, SP25	0	0	0	0
	Employee Lost Time Injuries (LTIs), SP26	0	7	6	3
	Employee Lost Time Injuries Frequency Rate (LTIFR), SP27	0	1.3	2.8	2.04
	Employee lost working days, SP28	0	207	269	161
	Employee Lost Time Injuries Severity Rate, SP29	0	38.45	125.41	109.68
	Contractors Lost Time Injuries (LTIs), SP30	4	0	6	0
	Contractors Lost Time Injuries Frequency Rate (LTIFR), SP31	2.77	0	3.26	0

SDGs & Targets	Social Performance Indicators	Cement	Aggregates	Ready Mix	Other
	Health and safety data by activity, (2019)				
SDG 3.6 SDG 8.8	Employee fatalities, SP32	0	0	0	0
	Employee fatality rate, SP33	0.00	0.00	0.00	0.00
	Contractors fatalities, SP34	0	0	0	0
	Third-party fatalities, SP35	0	0	0	0
	Employee Lost Time Injuries (LTIs), SP36	10	0	6	0
	Employee Lost Time Injuries Frequency Rate (LTIFR), SP37	1.59	0.00	1.70	0.00
	Employee lost working days, SP38	440	0	197	0
	Employee Lost Time Injuries Severity Rate, SP39	69.9	0.0	55.7	0.0
	Contractors Lost Time Injuries (LTIs), SP40	8	0	2	0
	Contractors Lost Time Injuries Frequency Rate (LTIFR), SP41	1.23	0.00	4.78	0.00

SDGs & Targets	Social Performance Indicators	Notes	2019	2018	2017	2016	2015
Employment							
SDG 5.1 SDG 5.4 SDG 5.5	**Average employment, Group total, SP42**	**1**	**5,382**	**5,424**	**5,552**	**5,612**	**5,584**
	Number of employees as of 31 December, Group total, SP43		**5,400**	**5,365**	**5,432**	**5,482**	**5,654**
SDG 8.5 SDG 8.6 SDG 8.8	Albania		193	195	193	201	199
	Bulgaria		275	273	282	290	287
SDG 10.3	Egypt		480	492	508	661	767
	Greece		1,172	1,159	1,157	1,185	1,176
	Kosovo		244	282	284	289	406
	North Macedonia		244	258	275	284	301
	Serbia		201	195	219	218	233
	Turkey		284	288	316	305	289
	USA		2,307	2,223	2,198	2,049	1,996
	Employee turnover (%), Group average, SP44		**12.33%**	**11.03%**	**13.94%**	**13.57%**	**11.44%**
	Albania		8.81%	9%	16%	10%	13%
	Bulgaria		10.55%	15%	14%	4%	8%
	Egypt		4.38%	7%	35%	20%	4%
	Greece		5.20%	2%	5%	1%	3%
	Kosovo		15.57%	2%	2%	46%	3%
	North Macedonia		13.11%	10%	8%	15%	10%
	Serbia		2.99%	23%	5%	9%	2%
	Turkey		8.80%	10%	9%	9%	10%
	USA		18.94%	17%	17%	17%	23%
	Employees left, Group total, SP45		**666**	**592**	**757**	**744**	**647**
	Employee new hires (%), Group average, SP46		**14.24%**	**10.27%**	**13.02%**	**10.40%**	**10.86%**
	Employee new hires, Group total, SP47		**769**	**551**	**707**	**570**	**614**
	Albania		15	20	22	21	28
	Bulgaria		42	33	32	16	20
	Egypt		17	16	26	27	31
	Greece		91	21	34	16	37
	Kosovo		0	3	2	12	9
	North Macedonia		20	9	12	35	17
	Serbia		10	20	13	4	1
	Turkey		26	17	41	43	60
	USA		548	412	525	396	411

SDGs & Targets	Social Performance Indicators	Notes	2019	2018	2017	2016	2015
SDG 5.1 SDG 5.4 SDG 5.5 SDG 8.5 SDG 8.6 SDG 8.8 SDG 10.3	**New hires per age group, SP48**						
	Under 30	2	204	157	200	168	167
	Between 30-50	2	417	294	367	282	333
	Over 50	2	148	100	140	120	114
	New hires per gender, SP49						
	Females	2	119	77	123	72	70
	Males	2	650	474	584	498	544
	Employment per age group, SP50	**3**					
	Under 30		388	n/a	n/a	n/a	n/a
	Between 30-50		2,896	n/a	n/a	n/a	n/a
	Over 50		2,118	n/a	n/a	n/a	n/a
	Employment per type, SP51	**4**					
	Full time		5,297	5,342	5,461	5,526	5,500
	Part Time		42	28	35	27	25
	Temporary		61	54	56	59	59
	Employment per category, SP52	**3,4**					
	Managers		641	481	473	464	n/a
	Senior managers		114	121	126	121	n/a
	Administration/technical		1,460	1,616	1,654	1,655	n/a
	Semi skilled/unskilled		3,185	3,214	3,294	3,372	n/a
	Employment per gender, SP53	**4**					
	Females		657	641	653	641	643
	Males		4,743	4,783	4,899	4,971	4,941
	Share of women in employment, Group average, SP54	**4**	**12.17%**	**11.82%**	**11.76%**	**11.42%**	**11.52%**
	Albania		10.88%	10%	11%	13%	12%
	Bulgaria		25.82%	27%	27%	27%	28%
	Egypt		5.63%	6%	5%	4%	4%
	Greece		16.38%	16%	16%	15%	17%
	Kosovo		4.51%	6%	6%	5%	5%
	North Macedonia		16.39%	15%	15%	16%	17%
	Serbia	2	20.40%	18%	17%	16%	15%
	Turkey		9.15%	9%	8%	9%	8%
	USA		9.88%	9%	10%	10%	11%

SDGs & Targets	Social Performance Indicators	Notes	2019	2018	2017	2016	2015
SDG 5.1 SDG 5.4 SDG 5.5	**Share of women in management, Group average, SP55**	**4**	**15.50%**	**16.53%**	**15.69%**	**16.24%**	**15.07%**
	Albania		8.33%	9%	10%	14%	14%
SDG 8.5	Bulgaria		31.03%	30%	32%	35%	37%
SDG 8.6 SDG 8.8	Egypt	2	11.27%	8%	3%	3%	6%
SDG 10.3	Greece		16.93%	17%	15%	15%	14%
	Kosovo		5.26%	11%	11%	10%	5%
	North Macedonia		25.00%	26%	28%	31%	35%
	Serbia		33.33%	32%	36%	37%	19%
	Turkey		17.39%	25%	22%	21%	17%
	USA		12.71%	11%	10%	12%	10%
	Share of women in Senior Management, Group average, SP56	**3,4**	**14.91%**	**19.01%**	**16.67%**	**17.69%**	**n/a**
	Employees from local community, Group average, SP57	**4**	**83.32%**	**80.79%**	**80.00%**	**81.20%**	**78.77%**
	Albania		47.15%	45%	44%	43%	43%
	Bulgaria		89.82%	88%	85%	85%	84%
	Egypt		88.96%	89%	90%	92%	94%
	Greece		97.95%	97%	98%	98%	94%
	Kosovo		66.80%	65%	65%	62%	56%
	North Macedonia		30.74%	31%	26%	32%	32%
	Serbia		90.05%	90%	91%	92%	91%
	Turkey		86.27%	73%	66%	71%	68%
	USA	5	n/a	n/a	n/a	n/a	n/a
	Unionized employees, Group total, SP58		**33.85%**	**30.94%**	**34.81%**	**40.93%**	**43.58%**
	Albania		45.60%	42%	49%	29%	33%
	Bulgaria		33.82%	32%	33%	32%	35%
	Egypt	2	60.00%	61%	60%	88%	88%
	Greece		44.11%	45%	45%	46%	45%
	Kosovo		81.56%	79%	78%	96%	83%
	North Macedonia		70.49%	76%	79%	78%	76%
	Serbia		65.17%	68%	71%	73%	74%
	Turkey	3	55.28%	55%	n/a	n/a	n/a
	USA		7.93%	5%	8%	9%	11%

People Development

SDGs & Targets	Social Performance Indicators	Notes	2019	2018	2017	2016	2015
SDG 4.3 SDG 4.4 SDG 4.5	**Training investment per (trained) employee (Euros), Group average, SP59**	**4, 7**	**202**	**205**	**157**	**226**	**222**
SDG 5.1	Albania	2	181	359	353	566	139
SDG 5.5	Bulgaria	2	217	325	212	403	268
SDG 8.5 SDG 10.2	Egypt	2	191	358	204	252	405
SDG 1.3	Greece		258	447	290	470	454
SDG 16.5	Kosovo	2	145	112	141	133	193
	North Macedonia	2	157	152	153	159	146
	Serbia	2	369	372	297	312	347
	Turkey	2	47	13	51	39	95
	USA		190	31	53	67	27
	Training investment (Euros), Group total, SP60	**3, 6, 7**	**900,495**	**1,035,398**	**871,992**	**1,269,410**	**n/a**
	Training investment per gender (Euros), Group total, SP61	**3, 4, 7**					
	Females		209,268	187,153	191,633	200,687	n/a
	Males		691,659	848,245	680,359	1,068,723	n/a
	Trained employees, Group total, SP62		**4,465**	**5,064**	**4,717**	**4,824**	**4,661**
	Albania		198	204	214	200	219
	Bulgaria		273	291	314	296	263
	Egypt		404	397	547	671	424
	Greece		1,059	1,129	1,128	1,140	1,048
	Kosovo		257	285	287	356	266
	North Macedonia		262	264	268	285	300
	Serbia		203	226	225	234	236
	Turkey		293	291	234	253	274
	USA		1,516	1,977	1,500	1,389	1,631
	Share of trained employees (in total workforce), Group average, SP63	**4**	**82.69%**	**93.36%**	**84.96%**	**85.96%**	**83.47%**
	Share of trained female employees (in total female employees), Group average, SP64	**4,6**	**95.13%**	**97.50%**	**94.03%**	**95.63%**	**90.98%**
	Albania		100.00%	100%	100%	100%	100%
	Bulgaria		100.00%	100%	100%	99%	89%
	Egypt		100.00%	83%	82%	100%	91%
	Greece		85.41%	96%	90%	87%	75%
	Kosovo		100.00%	94%	100%	100%	90%
	North Macedonia		100.00%	100%	88%	91%	100%
	Serbia		97.56%	100%	100%	100%	100%
	Turkey		92.31%	93%	62%	100%	100%
	USA		100.00%	100%	100%	100%	100%

SDGs & Targets	Social Performance Indicators	Notes	2019	2018	2017	2016	2015
SDG 4.3 SDG 4.4 SDG 4.5	**Trained employees per category, Group total, SP65**	**3,4**					
SDG 5.1	Managers		538	643	595	644	n/a
SDG 5.5	Senior managers		133	142	178	130	n/a
SDG 8.5	Administration/Technical		1,824	2,007	1,852	1623	n/a
SDG 10.2	Semi skilled/unskilled		1,970	2,272	2,092	2427	n/a
SDG 1.3							
SDG 16.5	**Trained employees per age group, Group total, SP66**	**3,4**					
	Under 30		461	510	444	432	n/a
	Between 30-50		2,644	2,982	2,725	2,867	n/a
	Over 50		1,360	1,572	1,548	1,525	n/a
	Training hours, Group total, SP67		**137,272**	**138,114**	**155,587**	**158,210**	**110,776**
	Albania		5,912	7,190	10,538	10,046	5,736
	Bulgaria		13,252	14,166	18,379	18,359	12,244
	Egypt		16,664	13,754	17,959	18,640	13,152
	Greece		26,886	42,730	42,168	43,867	34,267
	Kosovo		7,920	7,560	9,884	12,027	6,094
	North Macedonia		9,975	10,431	11,259	14,926	8,014
	Serbia		8,009	8,745	7,964	8,178	7,946
	Turkey		10,777	12,105	12,803	15,520	8,664
	USA		37,878	21,433	24,633	16,647	14,659
	Average training hours per employee (over the total number of direct employees), and breakdown per gender, Group total, SP68	**4**	**25.42**	**25.46**	**28.02**	**28.19**	**19.84**
	average female		35.32	35.66	37.00	36.00	28.00
	average male		24.05	24.10	27.00	27.00	19.00
	Training hours per subject, Group total, SP69	**6**					
	Company on-boarding	3	6,414	n/a	n/a	n/a	n/a
	Compliance		1,191	1,430	308	64	1,190
	CSR and Sustainability		970	955	211	55	197
	Digital	3	11,767	n/a	n/a	n/a	n/a
	Environment		3,722	3,136	4,801	3,647	3,182
	Foreign languages		3,113	3,929	6,772	12,493	5,527
	Functional competence		3,512	23,152	27,725	18,517	15,008
	Generic competence		6,302				
	Health and safety		76,372	69,591	68,200	69,317	47,073
	Managerial skills		10,297	15,223	19,883	23,248	19,338
	Other		1,276	2,440	4,716	8,885	5,695
	Security		407	761	754	653	0
	Technical know-how		11,931	17,497	22,217	21,331	13,566

SDGs & Targets	Social Performance Indicators	Notes	2019	2018	2017	2016	2015
Stakeholder Engagement							
SDG 2.1 SDG 2.3 SDG 4.3 SDG 4.4 SDG 8.5 SDG 8.6 DG 9.1 SDG 9.5 SDG 11.4 SDG 16.5 SDG 17.17	**Donations (Euros), Group total, SP70**	**7**	**2,532,248**	**2,263,920**	**2,083,370**	**2,643,703**	**2,362,370**
	Albania		257,231	119,268	103,076	50,773	65,909
	Bulgaria		81,802	73,828	124,675	111,797	122,000
	Egypt		593,871	434,408	502,161	432,642	1,026,624
	Greece		426,946	502,123	508,535	649,923	414,579
	Kosovo		176,071	295,285	258,256	490,973	417,537
	North Macedonia		291,006	130,257	98,011	107,194	120,388
	Serbia		150,502	149,482	133,643	146,243	120,361
	Turkey		78,974	119,531	113,126	419,408	74,972
	USA	3	475,845	439,738	241,887	234,750	n/a
	Donations in cash (Euros), Group total, SP71	**3**	**2,020,330**	**1,626,390**	**1,498,483**	**1,053,426**	**n/a**
	Donations in kind (Euros), Group total, SP72	**3**	**511,918**	**637,530**	**584,887**	**1,590,278**	**n/a**
	Internships, Group total, SP73		**396**	**477**	**910**	**730**	**432**
	Albania		10	5	16	5	16
	Bulgaria		8	12	15	13	0
	Egypt		145	222	610	342	220
	Greece		117	114	143	110	117
	Kosovo		25	7	3	40	28
	North Macedonia		33	43	42	166	15
	Serbia		7	10	11	13	11
	Turkey		8	28	36	19	10
	USA		43	36	34	22	15
	New entry level jobs from internships/ traineeships, Group total, SP74	**2**	**24**	**23**	**24**	**62**	**107**
	Albania		1	1	1	1	2
	Bulgaria	2	2	0	2	0	1
	Egypt		2	1	2	0	0
	Greece		12	10	15	6	19
	Kosovo	2	0	1	0	0	21
	North Macedonia		1	2	1	49	49
	Serbia	2	1	1	3	0	4
	Turkey	2	1	0	0	1	6
	USA		4	7	0	5	5

SDGs & Targets	Social Performance Indicators	Notes	2019	2018	2017	2016	2015
SDG 9.3							
	Local Spend (%), Group average, SP75	**3,7**	**65.35%**	**n/a**	**n/a**	**n/a**	**n/a**
	Albania		62.84%	n/a	n/a	n/a	n/a
	Bulgaria		77.14%	n/a	n/a	n/a	n/a
	Egypt		75.51%	n/a	n/a	n/a	n/a
	Greece		69.45%	n/a	n/a	n/a	n/a
	Kosovo		78.81%	n/a	n/a	n/a	n/a
	North Macedonia		57.58%	n/a	n/a	n/a	n/a
	Serbia		79.28%	n/a	n/a	n/a	n/a
	Turkey		96.39%	n/a	n/a	n/a	n/a
	USA		59.18%	n/a	n/a	n/a	n/a

NOTES

General Note for the consolidation of data

Consolidation (aggregation) of data for the above Social Performance Indicators was made with 100.0% contribution for all subsidiaries, where TITAN holds percentage of property share of more than 50.0%, also called share of equity for the purposes of non-financial data consolidation. In particular for the 2019 data, the contribution of Turkey included Adocim Cemento Beton Sanayi ve Ticaret AS (all activities of Adocim) with share of equity of 100%. A detailed list of TITAN Group subsidiaries and TITAN's share of equity is provided in Table 2.3.1.

(SG) Health and safety performance indicators for years 2015-2018 followed the WBCSD-CSI Guidelines for measuring and reporting, and have been restated according to the consolidation scope and methodology described in the "General Note for the consolidation of data" (see above). Data for 2019 was reported following the GCCA Sustainability Guidelines for the monitoring and reporting of safety in cement manufacturing (last edition in October 2019), which had superseded in 2019 the above Guidelines of the WBCSD/CSI. This document has been agreed within the GCCA to have extended application to concrete and other related activities (see Table 2.5). Data was consolidated according to the same scope and methodology as described in the above (General Note).

Notes for specific Social Performance indicators

(1) The calculation of the average employment was made according to the Belgian Law, (sec. 165 XIVB of RD of 30 January 2001).

(2) KPIs calculated again for the years before 2019, and adjusted to comply with TITAN reporting standards (Sustainability Glossary & Guidelines for Social Performance, ed. 2019).

(3) Relevant information is not available for the specific years.

(4) KPIs calculated on the basis of 'Average Employment' data for years 2014-2018. As of 2019, the specific KPIs are calculated on the basis of the Number of employees as of 31 December.

(5) Specific information not available for the operations in USA. The percentages for the Group Average are calculated excluding the total employment in USA.

(6) KPIs based on the new definition(s) of TITAN Group (according to the Sustainability Glossary & Guidelines for Social Performance, ed. 2019). The figures for the KPI SP64 ("Share of trained female employees") and KPI SP69 ("Training hours per subject") were adjusted by re-calculation for years before 2019, in order to reflect the performance acc. to the new definition. Figures for the KPI SP64 which were calculated above 100% (because of the Turnover for Females, or other reasons) needed to be reported as 100% (adjusted), for avoiding confusion of the larger audience of this report.

(7) For the definitions of Training Investment (KPIs SP59, SP60, and SP61), Donations (KPIs SP70, SP71, and SP72), and Local Spend (KPI SP75), see the terms under the Table 2.1. Value Creation Core Indicators Index. Note in specific for the Local Spend: TITAN launched an improved methodology in 2019, following the approach of the UNCTAD (see Table 2.1. Value Creation Core Indicators Index), and building on bench strength and the technical capacity of internal systems (coordinated by the Group Procurement). The Local Spend calculation was piloted first as a project in TITAN Greece operations, and before closing of 2019 the project was up-scaled and rolled-out in the Group, with consistent rules across all BUs for the first time. It is implied that comparable figures for the Local Spend were not available for years before 2019.

2.3. Environmental Performance Index

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015

1. All activities – Environmental Performance

Local Impacts

Impact on natural raw materials recourses, and waste management

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015
SDG 12.2	**Raw materials extracted (total, wet), EP01**		**million t**	**32.4**	**33.6**	**34.2**	**32.7**	**30.7**
	Raw materials extracted for clinker and cement production, EP02		million t	18.5	20.2	21.2	20.0	19.5
	Raw materials extracted for aggregates, EP03		million t	13.8	13.5	13.0	12.7	11.3
	Raw materials consumed (total)							
	Raw materials consumed for clinker and cement production (dry), EP04		million t	21.1	22.5	24.4	23.3	21.8
	Raw materials consumed for ready mix, dry mortar and block production (wet), EP05		million t	10.2	8.9	10.8	8.9	8.1
SDG 12.4 SDG 12.5	**Externally recycled waste materials (total, wet), EP06**		**t**	**236,736**	**200,684**	**259,696**	**426,898**	**294,000**
	Recycled		t	236,610	198,831	255,218	413,778	294,000
	Reused		t	53	1,832	4,395	9,682	n/a
	Recovered		t	74	21	83	3,438	n/a

Impact on water recourses

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015
SDG 6.3, SDG 6.4 SDG 6.5	Ⓐ **Water consumption (total), EP07**		**million m^3**	**11.0**	**10.7**	**10.5**	**9.1**	**9.3**
	Ⓐ **Water withdrawal (total, by source), EP08**		**million m^3**	**39.7**	**39.2**	**35.4**	**30.5**	**31.9**
	Ground water		million m^3	36.3	35.5	31.4	26.7	28.1
	Municipal water		million m^3	0.9	1.1	1.3	1.0	1.0
	Rain water		million m^3	0.2	0.2	0.2	0.2	0.2
	Surface water		million m^3	0.8	0.9	1.0	1.0	1.2
	Quarry water used (from quarry dewatering)		million m^3	0.1	0.1	0.1	0.1	0.0
	Ocean or sea water		million m^3	1.3	1.3	1.3	1.3	1.3
	Waste water		million m^3	0.1	0.1	0.1	0.1	0.1
	Water discharge (total, by destination), EP09		**million m^3**	**28.8**	**28.5**	**24.9**	**21.3**	**22.6**
	Surface (river, lake)		million m^3	27.3	27.0	23.5	19.9	21.2
	Ocean or sea		million m^3	1.3	1.3	1.3	1.3	1.3
	Off-site treatment		million m^3	0.2	0.2	0.1	0.1	0.1

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015

Impact on biodiversity and land stewardship

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015
SDG 15.3 SDG 15.4 SDG 15.5 SDG 15.9 SDG 15.a	Active quarry sites with biodiversity issues, EP10	1,3		10	10	10	8	8
	Active quarry sites with biodiversity management plans, EP11	2,3		9	9	8	6	6
	Active quarry sites with biodiversity management plans, EP12		%	90.0	90.0	80.0	75.0	75.0
	Sites with community engagement plans, EP13	4	%	100.0	100.0	100.0	100.0	100.0
	Sites with quarry rehabilitation plans, EP14	3	%	90.0	78.0	81.0	87.0	82.0
	Active quarry sites (wholly owned) with Environmental Management System (ISO14001 or similar), EP15		%	77.0	80.0	81.0	93.0	96.0

Fuels and energy

Impact on energy recourses

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015
SDG 7.2	Thermal energy consumption (total), EP16		TJ	42,963	45,740	50,114	48,295	45,313
	Electrical energy consumption (total), EP17		TJ	6,328	6,549	6,914	6,768	6,236

2a. Cement Activities – Environmental Performance

Climate change

Impact on Green House Gas Emissions

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015
SDG 9.4	Integrated cement plants and cement grinding plants with certified Environmental Management System (ISO 14001 or similar), EP18		%of plants	86.7	86.7	86.7	86.7	86.7
	Integrated cement plants with certified Energy Management System (ISO 50001 or similar), EP19		$\%_{Clinker\ production}$	40.5	40.7	6.1	6.7	0.0
	Ⓐ Gross direct CO_2 emissions (total), EP20		million t	10.3	11.1	12.1	11.7	10.8
	Ⓐ Net direct CO_2 emissions (total), EP21		million t	9.9	10.8	11.9	11.4	10.6
	Ⓐ Specific gross direct CO_2 emissions, EP22		$kg/t_{Cementitious\ product}$	700.3	708.8	716.6	719.6	705.6
	Ⓐ Specific net direct CO_2 emissions, EP23		$kg/t_{Cementitious\ product}$	675.7	686.1	700.3	701.4	691.4
	Indirect CO_2 emissions (total), EP24	5	million t	1.1	1.2	1.2	1.2	1.1

Alternative fuels and materials

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015
SDG 7.2 SDG 7.3 SDG 7.a SDG 12.2	Ⓐ Alternative fuel substitution rate, EP25		%Heat Basis	13.6	12.0	8.9	8.4	6.6
	Ⓐ Biomass in fuel mix, EP26	6	%Heat Basis	4.3	3.4	2.8	2.1	1.5
	Clinker to cement ratio, EP27			0.829	0.837	0.838	0.845	0.849

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015
Impact on energy recourses								
SDG 7.2 SDG 7.3 SDG 7.a SDG 12.2	**Thermal energy consumption**							
	Ⓐ **Cement and grinding plants and attached quarries, EP28**		**TJ**	**42,021**	**45,176**	**49,708**	**47,833**	**44,942**
	Cement and grinding plants, attached and related quarries		TJ	42,025	45,184	49,715	47,839	44,947
	Ⓐ **Energy efficiency related to clinker production, EP29**		**$kcal/kg_{Clinker}$**	**831.4**	**835.6**	**847.1**	**846.7**	**854.5**
	Alternative fuels consumption (total), EP30		**t**	**269,665**	**244,395**	**203,170**	**163,600**	**127,850**
	Electrical energy consumption (total)							
	Ⓐ **Cement plants and attached quarries, EP31**		**GWh**	**1,661.3**	**1,723.9**	**1,826.0**	**1,783.4**	**1,636.2**
	Cement plants, attached and related quarries		GWh	1,661.4	1,724.1	1,826.2	1,783.6	1,636.4
Local Impacts								
Impact on natural raw materials recourses								
SDG 12.2	**Materials consumption (total, dry), EP32**		**million t**	**21.1**	**22.5**	**24.4**	**23.3**	**21.8**
	Extracted (natural) raw materials consumption (dry)		million t	19.6	21.3	23.0	22.2	20.6
	Alternative raw materials consumption (dry)		million t	1.4	1.2	1.3	1.2	1.2
	Alternative raw materials use (of total raw materials consumed)		$\%_{Dry}$	**6.8**	**5.3**	**5.4**	**5.0**	**5.4**
	Alternative raw materials rate (based on clinker-to-cement (equivalent) factor), EP33		$\%_{Dry}$	**7.8**	**6.1**	**6.3**	**5.8**	**6.3**
Impact on water recourses								
SDG 6.4 SDG 6.5	Ⓐ **Water consumption (total), EP34**		**million m^3**	**3.7**	**4.0**	**4.3**	**3.8**	**4.1**
	Ⓐ **Specific water consumption, EP35**		**$lt/t_{Cementitious\ product}$**	**254.2**	**256.5**	**259.3**	**241.2**	**275.5**
	Ⓐ **Specific water consumption, EP36**		**lt/t_{Cement}**	**255.9**	**259.2**	**269.8**	**252.2**	**292.1**

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015
Other air emissions								
SDG 3.9 SDG 9.4	Ⓐ **Overall coverage rate, EP37**		%	**74.1**	**79.8**	**78.1**	**82.8**	**75.8**
	Ⓐ **Coverage rate continuous measurement, EP38**		%	**78.6**	**81.0**	**82.1**	**53.8**	**54.6**
	Ⓐ **Dust emissions (total), EP39**		t	**177.5**	**155.9**	**277.9**	**320.8**	**443.3**
	Ⓐ **Specific dust emissions, EP40**		$g/t_{Clinker}$	**14.7**	**12.1**	**19.8**	**23.8**	**35.3**
	Ⓐ **Coverage rate for dust emissions, EP41**		%	**100.0**	**100.0**	**100.0**	**100.0**	**93.1**
	Ⓐ **NOx emissions (total), EP42**		t	**15,316.6**	**16,880.8**	**18,863.1**	**23,063.4**	**21,618.7**
	Ⓐ **Specific NOx emissions, EP43**		$g/t_{Clinker}$	**1,268.6**	**1,307.0**	**1,345.3**	**1,708.6**	**1,720.8**
	Ⓐ **Coverage rate for NOx emissions, EP44**		%	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
	Ⓐ **SOx emissions (total), EP45**		t	**2,334.9**	**2,632.4**	**2,738.4**	**2,717.9**	**2,533.0**
	Ⓐ **Specific SOx emissions, EP46**		$g/t_{Clinker}$	**193.4**	**203.8**	**195.3**	**201.4**	**201.6**
	Ⓐ **Coverage rate for SOx emissions, EP47**		%	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
	TOC emissions (total), EP48		t	682.2	546.9	710.7	610.3	395.3
	Specific TOC emissions, EP49		$g/t_{Clinker}$	56.5	42.3	50.7	45.2	31.5
	Coverage rate for TOC emissions, EP50		%	98.9	100.0	100.0	100.0	98.8
	PCDD/F emissions (total), EP51		mg	152.5	227.7	343.4	163.3	252.5
	Specific PCDD/F emissions, EP52		$ng/t_{Clinker}$	12.6	17.6	24.5	12.1	20.1
	Coverage rate for PCDD/F emissions, EP53		%	100.0	100.0	89.3	100.0	96.8
	Hg emissions (total), EP54		kg	494.5	492.8	478.0	768.0	521.8
	Specific Hg emissions, EP55		$mg/t_{Clinker}$	41.0	38.2	34.1	56.9	41.5
	Coverage rate for Hg emissions, EP56		%	97.0	100.0	96.0	90.3	100.0
	Cd and Tl emissions (total), EP57		kg	221.3	267.2	241.3	350.4	204.3
	Specific (Cd and Tl) emissions, EP58		$mg/t_{Clinker}$	18.3	20.7	17.2	26.0	16.3
	Coverage rate for (Cd and Tl) emissions, EP59		%	75.1	81.0	78.1	82.8	79.0
	Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V emissions (total), EP60		kg	2,101.1	2,479.6	3,758.1	4,838.6	4,398.4
	Specific (Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V), EP61		$mg/t_{Clinker}$	174.0	192.0	268.0	358.5	350.1
	Coverage rate for (Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V) emissions, EP62		%	75.1	81.0	78.1	82.8	79.0

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015

2b. Ready Mix Concreate Activities - Environmental Performance

Local Impacts

Impact on natural raw materials recourses, and waste managements

SDG 9.4	Specific electrical energy consumption, EP63		$kWh/m^3_{Concrete}$	3.7	3.8	3.2	3.7	4.8
SDG 12.2	Recycled/reused concrete (internally and externally), EP64		$\%_{Returned\ concrete}$	86.6	86.9	87.7	86.6	85.4

3. All Activities- Detailed disclosures concerning materials, fuels, and waste, for all activities

Impact on natural raw materials (extracted)

SDG 12.2	**Raw materials consumed in total, for clinker and cement production (dry), EP65**		**t**	**19,646,785**	**21,269,835**	**23,042,010**	**22,190,185**	**20,584,930**
	Limestone		t	14,405,862	15,424,139	16,477,968	16,006,311	15,107,393
	Marl		t	2,084,469	2,237,451	2,158,694	2,138,764	1,776,227
	Clay		t	1,425,724	1,664,720	2,106,856	1,462,161	1,743,677
	Clay/Marl mix		t	0	0	46,497	278,805	0
	Silica-aluminates		t	631,185	658,305	832,581	792,341	653,755
	Kaoline		t	0	1,139	1,618	2,982	3,597
	Gypsum		t	547,933	587,377	687,931	664,210	606,697
	Iron oxide		t	22,845	136,359	174,254	176,322	102,725
	Natural pozzolanes		t	228,709	225,044	236,204	242,734	237,539
	Bauxite		t	107,814	97,289	73,393	85,148	80,854
	Lime		t	515	1,853	1,679	1,499	0
	Sand		t	151,613	204,436	224,940	327,191	258,169
	Mineralizers (e.g. CaF_2)		t	10,486	8,412	4,736	162	0
	Other		t	29,630	23,309	14,658	11,557	14,297

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015
Substitution of natural raw materials by alternative materials (byproducts)								
SDG 12.4	**Alternative materials consumed in total, for clinker and cement production (dry), EP66**		**t**	**1,440,304**	**1,187,124**	**1,317,648**	**1,158,208**	**1,184,688**
	Industrial gypsum		t	87,002	75,269	64,424	56,962	54,143
	Iron lamination scale		t	36,006	17,991	9,685	15,884	1,960
	Fayalite		t	25,853	16,706	8,409	7,943	8,938
	Limestone (waste/by-product)		t	13,567	24,017	39,287	31,723	46,133
	Fly ash (wet)		t	134,445	127,196	132,023	42,456	117,315
	Fly ash (dry)		t	447,644	422,117	434,980	484,028	442,884
	Bottom ash		t	75,624	66,504	82,101	35,411	42,331
	Pyrite-ash		t	28,447	25,370	26,557	20,415	19,313
	Blast furnace slag		t	81,279	65,799	47,472	53,541	48,636
	Air Cooled Slag		t	100,904	70,633	69,827	17,247	50,817
	Water Cooled Slag		t	5,064	10,031	46,530	73,095	10,192
	Lead slag		t	0	0	1,180	16,267	19,822
	Steel slag		t	154,443	95,304	107,210	122,039	108,397
	Slag (other)		t	4,513	6,003	35,632	35,108	53,264
	Bauxite (waste)		t	26,262	17,359	0	0	0
	Red mud		t	8,820	7,734	0	0	0
	Cement kiln dust		t	29,718	15,641	8,232	4,165	0
	Cement by-pass dust		t	16,795	5,033	7,786	0	2,673
	Demolition wastes/concrete returns		t	77,486	18,191	49,814	56,513	71,886
	$FeSO4*7H_2O$		t	6,939	4,779	6,463	7,883	5,842
	$FeSO4*4H_2O$		t	0	1,471	0	0	0
	$FeSO4*H_2O$		t	1,589	1,863	2,989	1,034	492
	Cupper Powder		t	2,447	12,972	11,248	13,694	10,740
	Mineralizers (e.g. CaF_2)		t	5,435	1,851	2,869	0	0
	Other		t	70,022	77,291	122,930	62,801	68,910

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015
Impact on fuels and energy resources								
SDG 7.2 SDG 12.2	**Fuel mix, energy consumption for clinker and cement production, EP67**		**%Heat Basis**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
	Conventional fossil fuels, EP68		**%Heat Basis**	**86.4**	**88.0**	**91.1**	**91.6**	**93.4**
	Coal, anthracite, and waste coal		%Heat Basis	42.6	32.6	29.3	31.3	27.3
	Petrol coke		%Heat Basis	38.6	51.2	57.3	53.2	47.1
	Lignite		%Heat Basis	1.6	1.0	1.6	0.7	0.6
	Other solid fossil fuel		%Heat Basis	1.5	1.4	1.0	0.9	1.5
	Natural gas		%Heat Basis	1.0	0.5	0.6	0.9	1.9
	Heavy fuel (ultra)		%Heat Basis	0.6	0.8	0.7	2.1	8.4
	Diesel oil		%Heat Basis	0.6	0.5	0.6	2.5	6.7
	Gasoline, LPG (Liquified petroleum gas or liquid propane gas)		%Heat Basis	0.0	0.1	0.1	0.1	0.0
	Alternative fossil and mixed fuels, EP69		**%Heat Basis**	**13.2**	**11.5**	**8.3**	**7.6**	**6.0**
	Tyres		%Heat Basis	3.1	2.8	2.1	1.7	1.4
	RDF including plastics		%Heat Basis	3.9	1.7	0.8	0.4	0.2
	Impregnated saw dust		%Heat Basis	0.7	0.7	0.5	0.5	0.5
	Mixed industrial waste		%Heat Basis	1.4	1.8	1.0	0.8	0.5
	Other fossil based and mixed wastes (solid)		%Heat Basis	4.1	4.5	3.9	4.2	3.4
	Biomass fuels, EP70		**%Heat Basis**	**0.4**	**0.5**	**0.6**	**0.8**	**0.7**
	Dried sewage sludge		%Heat Basis	0.0	0.0	0.1	0.1	0.2
	Wood, non-impregnated saw dust		%Heat Basis	0.3	0.4	0.5	0.5	0.4
	Agricultural, organic, diaper waste, charcoal		%Heat Basis	0.0	0.0	0.0	0.2	0.1
	Other		%Heat Basis	0.0	0.0	0.1	0.0	0.0
Management of waste								
SDG 12.4 SDG 12.5	**Waste disposal (total, wet), EP71**		**t**	**308,218**	**258,032**	**321,240**	**528,177**	**384,170**
	Non-hazardous waste		t	307,241	255,943	320,436	527,436	383,651
	Hazardous waste		t	977	2,089	803	740	519
	Waste disposal, break down by destination- usage (wet), EP72		**%By mass**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
	Reuse		%By mass	0.0	0.7	1.4	1.8	0.0
	Recycled		%By mass	76.8	77.1	79.4	78.3	76.5
	Recovered (including energy recovery)		%By mass	0.0	0.0	0.0	0.7	0.0
	Incineration		%By mass	0.0	0.0	0.0	0.0	0.0
	Landfilled		%By mass	23.1	22.1	19.0	19.1	20.7
	Other (incl. storage)		%By mass	0.1	0.1	0.1	0.1	2.7

SDGs & Targets	TITAN Group Key Performance Indicators (SG)	Notes		2019	2018	2017	2016	2015
4. Cement Activities – Avoided Impact (consumption of natural resources, and landfilling)								
Climate change								
SDG 9.4	**Avoided net direct CO_2 emissions, EP73**	**7**	**million t**	**27.8**	**26.3**	**24.9**	**23.6**	**22.3**
Local Impacts								
SDG 3.9 SDG 9.4	**Avoided dust emissions, EP74**	**8**	**t**	**56,600**	**52,310**	**47,680**	**42,765**	**38,090**
	Avoided NOx emissions, EP75	**8**	**t**	**241,555**	**221,025**	**199,555**	**176,785**	**159,770**
	Avoided SOx emissions, EP76	**8**	**t**	**35,350**	**32,630**	**29,855**	**26,720**	**23,785**
SDG 6.4	**Avoided water consumption, EP77**	**9**	**million m^3**	**29.1**	**25.5**	**21.8**	**18.0**	**14.2**
SDG 3.9 SDG 12.2 SDG 12.5	**Avoided consumption of natural resources and landfilling of alternative materials and fuels, EP78**	**9**	**million t**	**24.1**	**22.4**	**21.0**	**19.5**	**18.2**
5. All Activities - Investments for the Environment, all activities								
SDG 7.b SDG 9.4	**Environmental expenditures across all activities, EP79**	**10**	**million €**	**26.6**	**29.1**	**27.6**	**53.5**	**67.9**
	Environmental management		million €	16.8	16.3	15.8	19.6	14.9
	Reforestation		million €	0.5	0.5	0.5	0.3	0.5
	Rehabilitation		million €	0.6	0.5	0.5	0.9	0.5
	Environmental training and awareness building		million €	0.2	0.2	0.2	0.2	0.2
	Application of environmental friendly technologies		million €	6.4	9.6	8.7	30.4	49.9
	Waste management		million €	2.1	1.9	2.0	2.0	2.0

NOTES

General Note for the consolidation of data

Consolidation (aggregation) of data for the key indicators of the Group environmental performance was made on the basis of the percentage of property share for each of the subsidiaries, where TITAN holds a property share of more than 50.0%, also called share of equity for the purposes of non-financial data consolidation. The indicators were calculated according to the share of equity held by the Group at the end of 2019. Performance of previous years was recalculated to reflect changes in share of equity in 2019. A detailed list of TITAN's share of equity in all subsidiaries of the Group is provided in Table 2.3.1.

(SG) TITAN follows the GCCA Sustainability Framework Guidelines (last edition 2019), and the Sustainability Guidelines for the monitoring and reporting of: CO_2 emissions from cement manufacturing, co-processing fuels and raw materials, monitoring and reporting of emissions, and monitoring and reporting of water in cement manufacturing (for all documents the reference is to the last edition in 2019). The above Guidelines had superseded in 2019 the previous – and respective – Guidelines of the WBCSD/CSI, which were the guidance for measuring, reporting and verifying environmental performance until (and including) year 2018. Further, TITAN has used in 2019 the Guidelines of the (previously) WBCSD/CSI for the monitoring and reporting of our performance in the areas of: quarry rehabilitation, biodiversity management, and environmental and social impact assessment. This was necessary because of the absence of any such (superseding or equivalent) documents of the GCCA. For the Sector standards see details in Table 2.5.

Notes for specific Environmental Performance indicators

(1) Active quarries within, containing or adjacent to areas designated for their high biodiversity value. See also Table 2.3.2.

(2) Sites with high biodiversity value where biodiversity management plans are actively implemented. See also Table 2.3.2.

(3) Coverage includes all quarries attached to cement plants and also quarries for aggregates production.

(4) Indicator on "Sites with community engagement plan" is related only to quarries and is reported for 2019.

(5) Indirect CO_2 emissions are related to emissions released for the production of the electrical energy consumed at TITAN's facilities. For their calculation, we use emission factors provided by the supplier of the electrical energy or other publicly available data sources.

(6) Biomass rate corresponds to the percentage of total thermal energy consumption that comes from renewable energy sources.

(7) Avoided CO_2 emissions is the total accumulated quantity for the period between the specific year and the base year which in the case of CO_2 emissions is 1990 in accordance to the Kyoto protocol. The base year performance for specific net direct CO_2 emissions was 778.3kgCO_2/$t_{\text{Cementitious product}}$, adjusted for the share of equity of year 2019.

(8) Avoided air emissions is the total accumulated quantity (for each specific emission separately) for the period between the specific year and the base year which in the case of air emissions is 2003, the year of publishing the first sustainability report of TITAN Group. The base year performance for specific dust emissions was 370.3g/t_{Clinker}, for specific NOx emissions was 2,969.2g/t_{Clinker} and for specific SOx emissions was 418.8g/t_{Clinker}, adjusted for the share of equity of year 2019.

(9) Avoided natural resources consumption is the total accumulated quantity (for water and raw materials/fuels separately) for the period between the specific year and the base year which in the case of natural resources is 2003, the year of publishing the first sustainability report of TITAN Group.
The base year performance for specific water consumption was 503.9lt/t_{Cement}, adjusted for the share of equity of year 2019. According to TITAN's approach all quantities of alternative raw materials and fuels would have - otherwise - been handled as waste and would have been landfilled, with subsequent impacts to the local environment, land, water resources, and ecosystems.

(10) The definition of Environmental expenditures across all activities is equivalent to the definition of Green Investment. See Table 2.1. Value Creation Core Indicators Index.

2.3.1. TITAN Group Basis for Calculating Environmental Performance Indicators, using the Share of equity[1]

Region	Country	Activity	2019	2018
USA	USA	All	100.00%	100.00%
Greece and Western Europe	Greece	All	100.00%	100.00%
Southeastern Europe	Albania	All	100.00%	100.00%
	Bulgaria	All	100.00%	100.00%
	North Macedonia	All	100.00%	100.00%
	Kosovo	All	100.00%	100.00%
	Serbia	All	100.00%	100.00%
Eastern Mediterranean	Egypt	All	100.00%	100.00%
	Turkey	Adocim all activities	75.00%	50.00%
		Marmara grinding plant	100.00%	100.00%
		Antalya grinding plant	0.00%	50.00%

NOTES

(1) The term ‘share of equity’ is used as a ‘proxy’ of the percentage of property share, and only for the above purposes.

2.3.2. TITAN Group Quarry Sites with High Biodiversity Value

Site	Country	Raw Material use	Location	Status	Biodiversity Management Plan	Notes
"Pennsuco Quarry"	USA	Cement & Aggregates	Miami Dade Florida	Inside area for protection of freshwater ecosystems (wetlands) on local/state level	YES	"According to New Permit (April 2010), Under Lake Belt Plan - 'Restoring Littoral Shelf Areas' BMP developed in 2012"
"Center Sand Quarry"	USA	Aggregates	Clermont, Florida	Adjacent to area for preservation of terrestrial ecosystems on local/state level	YES	"Relocate Gopher Tortoise Protected Species into new-created Conservation Area - Monitoring Program ongoing BMP developed in 2013"
"Corkscrew Quarry"	USA	Aggregates	Naples, Florida	Adjacent to area for protection of freshwater ecosystems (wetlands) on local/state level	YES	Preservation of wetlands from invasive species; need to adjust further BMP
Zlatna Panega Quarry	Bulgaria	Cement	Zlatna Panega	Partly inside NATURA 2000 area for protection of terrestrial ecosystems (SAC)	YES	"Baseline assessment by an"Initial Ecological Scoping Study". A structured BMP was developed in end 2013 implemented in 2014."
"Xilokeratia Quarry"	Greece	Cement	Milos Island	Inside/adjacent to NATURA 2000 area for protection of terrestrial and maritime ecosystems (SAC/SPA)	YES	Biodiversity Studies for the 'baseline' assessment completed in 2015, followed by BMPs. The Apsalos and Aspra Homata quarries are covered by the same biodiversity study and BMP.
Apsalos (Dytika +Anatolika) Quarries	Greece	Cement	Apsalos, Pella	Inside NATURA 2000 area for protection of terrestrial ecosystems (SPA)	YES	
Aspra Homata I + II Quarries	Greece	Cement	Apsalos, Pella	Inside NATURA 2000 area for protection of terrestrial ecosystems (SPA)		
Rethimno Quarry	Greece	Aggregates	Rethimno, Crete Island	Inside area for protection of terrestrial ecosystems on national level	YES	
Leros Quarry	Greece	Aggregates	Leros Island	Inside area for protection of terrestrial ecosystems on national level	YES	Biodiversity Study completed in 2018, followed by BMP.
Agrinio Quarry	Greece	Aggregates	Agrinio, aitoloakarnania	Inside area for protection of terrestrial ecosystems on national level	NO	Biodiversity Study ongoing, to complete in 2020

NOTES

The above Table is complementary to the Table 2.3. Environmental Performance Index, and in specific for the KPIs:

• Number of active quarries within, containing or adjacent to areas designated for their high biodiversity value (KPI EP10).
• Number of quarries with high biodiversity value where biodiversity management plans are actively implemented (KPI EP11).
• Percentage of quarries with high biodiversity value where biodiversity management plans are actively implemented (KPI EP12).

2.4 Governance Core Indicators

SDGs 2030 and targets	Governance Core Indicators	Notes	Performance 2019	TITAN's Global Sectoral Approach
	Board of Directors			
SDG 5.5	Number and percentage of female board members		Number of females: 3 Contribution to the total: 20%	UNGC & UNCTAD 5.5.2.
SDG 16.7	Board members by age range			UNGC & UNCTAD 16.7.1
	Under 30		0	
	Between 30-50		0	
	Over 50		14	
SDG 16.6	Number of independent board members		14	TITAN Standards
	Number of board meetings Attendance rate	1	5 Attendance rate: 93.33%	UNGC & UNCTAD 16.6
	Number of meetings of audit committee Attendance rate	2	Number of audit committees: 2 Attendance rate: 83%	
	Compensation: total and compensation per board member and executive	3	The detailed figures, as compensation for each board member, are provided in the Corporate Governance Statement, (Table: Executive Directors of the Board, Management Committee Remuneration packages as of 1 January 2019).	
	Other disclosures related to Governance			
SDG 16.5	Amount of fines paid or payable due to convictions (in Euros)	4	0	UNGC & UNCTAD 16.5.2
	Average number of hours of training on anti-corruption issues, per year per employee	5	0.4	

NOTES

Note for the standards, guidance, and terms used

The KPIs referred in Non-financial Statements as Governance core indicators are in line with the requirements of the UNCTAD Guidance on reporting of Core Indicators (UNCTAD, 2019), and are connected with the most relevant SDGs and specific Targets for each SDG. Specific KPIs from this list are also essential to reporting on progress with respect to TITAN Group commitments for the UNGC Ten Principles.

Notes for specific Governance core indicators

(1) Number of board meetings during the reporting period and number of Board members who participate at each Board meeting during the reporting period divided by the total number of directors sitting on the Board multiplied by the number of Board meetings during the reporting period.

(2) Number of board meetings during the reporting period and number of Audit committee members who participate at each Audit committee meeting during the reporting period divided by the total number of members sitting on the Audit committee multiplied by the number of Audit committee meetings during the reporting period.

(3) Total annual compensation (including base salary and variable compensation) for each executive and non-executive director.

(4) Total monetary value of paid and payable corruption-related fines imposed by regulators and courts in the reporting period.

(5) Average number of hours of training in anti-corruption issues per employee per year (as total hours of training in anti-corruption issues per year divided by total employees). TITAN categorizes as such training the subjects of 'Human Rights' and ‘Code of Conduct'. Connected with the Table 2.2. Social Performance Index, see KPI SP69.

2.5. Sector Standards for the Non-financial Statements

Sector Association or Initiative	Guidelines and other documents of reference	Published
GCCA	GCCA Sustainability Charter	Latest edition in October 2019
	GCCA Sustainability Framework Guidelines	
	GCCA Sustainability Guidelines for the monitoring and reporting of safety in cement manufacturing. This document has been agreed within the GCCA to have extended application to concrete and other related activities [Pillar 1]	
	GCCA Sustainability Guidelines for the monitoring and reporting of CO_2 emissions from cement manufacturing [Pillar 2]	
	GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing [Pillar 4]	
	GCCA Sustainability Guidelines for the monitoring and reporting of emissions from cement manufacturing [Pillar 4]	
	GCCA Sustainability Guidelines for co-processing fuels and raw materials in cement manufacturing [Pillar 5]	
(Previously) WBCSD/CSI	Guidelines for Environmental and Social Impact Assessment (ESIA)	2016
	Biodiversity Management Plan Guidance	2014
	Guidelines on Quarry Rehabilitation	2011
	Recommended Good Practices for: (a) Contractor Safety, and (b) Driving Safety	2009

NOTES

The GCCA has built its Sustainability Charter around five (5) Sustainability Pillars:
Pillar 1: Health and Safety, Pillar 2: Climate Change and Energy, Pillar 3: Social Responsibility, Pillar 4: Environment and Nature, and Pillar 5: Circular Economy.

TITAN was actively participant in five (5) Working Groups under the framework of activities of the GCCA in 2019:
WG1. Health and Safety in the cement and concrete industries, WG2. Future of construction and the role of concrete, WG4. Concrete Guidelines, WG5. Cement Innovation, and WG6. Cement Best Practices and Reporting

3. Group Policies and Management Systems Related to Non-Financial Performance

3.1. Group Policies

Policies related to NFP (Non-Financial Performance)	Albania	Bulgaria	Egypt	Greece	Kosovo	North Macedonia	Serbia	Turkey	USA
Group Human Rights Policy	•	•	•	•	• • •	• •	•	•	• •
Group Anti-Bribery and Corruption Policy	•	• •	•	•	•	•	• •	•	• •
Group People Management Framework	•	•	•	•	• •	• •	•	•	• •
Group CSR Policy	•	•	•	•	• • •	• •	•	•	• •
Group Code of Conduct	•	• •	•	•	• • •	• •	•	•	• •
Group Environmental Policy and Climate Mitigation Strategy	• •	•	• • •	• •	• • •	• •	•	• •	• •
Group Occupational Health and Safety Policy	• •	•	• • •	• •	• • •	•	• •	• •	• •
Conflict of Interest Policy	•	• •	•	•	•	•	• •	•	• •

- • Policy dissemination (translated and communicated in local languages)
- • • Policy implementation
- • • • Policy assessment

3.2 Group Management Systems

Areas of ESGs and management related to NFP (Non-Financial Performance)	Albania	Bulgaria	Egypt	Greece	Kosovo	North Macedonia	Serbia	Turkey	USA
H&S	OHSAS 18001 Cement plant is certified	OHSAS 18001 All key operations are certified	OHSAS 18001 Cement plants (2) are certified	OHSAS 18001 All key operations are certified	OHSAS 18001 Cement plant is certified	OHSAS 18001 Cement plant is certified	OHSAS 18001 Cement plant is certified	OHSAS 18001 Cement plant (1) and grinding plant(1) are certified	All key operations conform with the regulatory framework of MSHA and OSHA
Environment	ISO 14001 Cement plant is certified	ISO 14001 All key operations are certified	ISO 14001 Cement plants (2) are certified	ISO 14001 All key operations are certified	ISO 14001 Cement plant is certified	ISO 14001 All key operations are certified	ISO 14001 Cement plant is certified	ISO 14001 All key operations are certified	All key operations conform with the regulatory framework of EPA
Quality	ISO 9001 All key operations are certified	ISO 9001 All key operations are certified	ISO 9001 All key operations are certified	ISO 9001 All key operations are certified	ISO 9001 All key operations are certified	ISO 9001 All key operations are certified	ISO 9001 All key operations are certified	ISO 9001 All key operations are certified	Quality ASHTO Certification for cement plants (2), ready mix, and aggregates quarries
Energy				ISO 50001 3 out of 3 cement plants are certified				ISO 50001 1 out of 1 cement plants is certified	ISO 50001 1 out of 2 cement is certified
Social	GHRMS/SF and SA 8000 All key operations	GHRMS/SF All key operations	GHRMS/SF All key operations	GHRMS/SF All key operations	GHRMS/SF and SA 8000 All key operations	GHRMS/SF All key operations	GHRMS/SF All key operations	GHRMS/SF All key operations	GHRMS/SF All key operations
Operations (Production and Maintenance)	GSMMS (Maintenance management)								

4. 2019 TITAN Group Global Compact Advanced Communication on Progress Review (CoP)

The contents of TITAN Group 2019 Integrated Annual Report also serve as a progress report on implementation of the ten principles of the UN Global Compact and the Sustainable Development Goals. Since 2015, TITAN communicates performance to stakeholders also aligned with SDGs 2030 and key performance indicators in the non-financial statements are codified accordingly to serve understanding of TITAN's contribution to sustainable development.

Scope	Principle	Criteria for GC Advanced Level	TITAN Approach	TITAN References
Implementing the Ten Principles into Strategies and Operations		**Criterion 1** The CoP describes mainstreaming into corporate functions and business units **Criterion 2** The CoP describes value chain implementation	TITAN's commitment to responsible business is embedded into governing objective and business practice, articulated in TITAN's Code of Conduct and Group Policies including: • Human Rights • Occupational Health and Safety • Environmental Policy and Climate Mitigation Strategy • Anti-Corruption and Bribery	IAR 2019 Understanding TITAN Message from the Chairman of the Group Executive Committee Corporate governance and Risk Management Non-financial Performance Overview Non-financial Statements : Table 1. "Material Issues and Boundaries for reporting Non-Financial Performance" Table 2.1 "Value Creation Core Indicators Index" Table 2.1.1 "Consolidated Report on Payments to Governments for extractive operations" Table 2.2 "Social Performance Index" Table 2.3 "Environmental Performance Index" Table 3.1 "Group Policies" Table 3.2 "Group Management Systems" TITAN Website: Group Policies, Sustainability, Corporate Governance
Human Rights Management Policies & Procedure	**Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights **Principle 2** Businesses should make sure they are not complicit in human rights abuse	**Criterion 3** The CoP describes robust commitments, strategies or policies in the area of human rights **Criterion 4** The CoP describes effective management systems to integrate the human rights principles **Criterion 5** The CoP describes effective monitoring and evaluation mechanisms of human rights integratio	TITAN's Human Rights Policy (2016) is in line with the UN Guiding Principles on Business and Human Rights (2011). The policy explicitly addresses the provisions of the International Bill of Human Rights (consisting, in addition to the Universal Declaration of Human Rights), of the International Covenant on Economic, Social and Cultural Rights) and the principles concerning fundamental rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. We set targets to improve continuously our performance particularly in the areas identified and prioritized as more material for our stakeholders	IAR 2019 Understanding TITAN Message from the Chairman of the Group Executive Committee Corporate governance and Risk Management Non-financial Performance Overview Non-financial Statements : Table 1. "Material Issues and Boundaries for reporting Non-financial Performance" Table 2.1 "Value Creation Core Indicators Index" Table 2.2 "Social Performance Index" Table 2.3 "Environmental Performance Index" Table 3.1 "Group Policies" Additional Notes to Non – Financial Statements: 1. Unions, where established, operate freely according to each country's laws and regulations. 2. Sustainability clauses referring to respect of human rights are included in all tenders for global suppliers and contracts for local suppliers. 3. Security is fundamental for a safe working environment as well as for the protection of assets and intellectual property. All third parties providing or interested to provide security services are expected to ensure that their employees are trained appropriately and respect the international standards and principles. 4. TITAN received no fines for non-compliance with human rights-related laws and regulations in 2019 5. Grievance mechanisms are available in all operations to facilitate reporting of potential violations of the Group Code of Conduct and policies 6. All operations certified according to ISO 14000 and ISO 9000 (see Table 3.2.) apply mechanisms to record feedback and possible complaints by customers, communities and other external stakeholders TITAN Website: Group Policies, Sustainability, Corporate Governance

Scope	Principle	Criteria for GC Advanced Level	TITAN Approach	TITAN References
Robust Labor Management Policies & Procedures	**Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining **Principle 4** The elimination of all forms of forced and compulsory labor **Principle 5** The effective abolition of child labor **Principle 6** The elimination of discrimination in respect of employment and occupation	**Criterion 6** The CoP describes robust commitments, strategies or policies in the area of labor **Criterion 7** The CoP describes effective management systems to integrate the labor principles **Criterion 8** The CoP describes effective monitoring and evaluation mechanisms of labor principles	TITAN's People Management Framework safeguards common standards throughout the Group operations and enables the implementation of the Group Human Rights Policy in accordance with international standards and the Un Guiding Principles for Business and Human Rights. The TITAN Group Occupational Health and Safety Policy provides the framework to implement TITAN's ambition and long-term targets for health and safety at work. Equal opportunities and work-life balance are ensured with the provision of job opportunities and career development, flexible working options for female employees and various additional benefits for employees' families.	IAR 2019 Understanding TITAN Message from the Chairman of the Group Executive Committee Business Approach Materiality and Stakeholder Engagement Corporate Governance and Risk Management Corporate Governance Statement Non-financial Performance Overview Non-financial statements : Table 1. "Material Issues and Boundaries for reporting Non-Financial Performance" Table 2.1 "Value Creation Core Indicators Index" Table 2.2 "Social Performance Index" Table 3.1 "Group Policies" Table 3.2 "Group management systems" Additional Notes to Non – Financial Statements: 1.Regular meetings with union representatives are conducted with the management throughout the year. Main topics cover among else wages and additional benefits, proposals to improve health and safety conditions at work and other topics raised by employees. Health and Safety Councils or Committees comprising of management and employee representatives are formed at plant level to ensure employee engagement in efforts to improve health and safety performance. 2.A health surveillance program focused on potential impacts like noise, dust and crystalline silica is implemented according to TITAN Group Guidelines. 3.There are no significant fines related to noncompliance of TITAN operations with labor laws in 2019. An amount of 7,000 euros was a penalty required by Adocim in Turkey for overtime work payment Fine does an authority to the company impose a monetary or non-monetary type of sanction. Whereas: significant fine is a fine over 10,000€. 4.Collective bargaining agreements are applicable to TITAN employees in all countries that such agreements exist. The continuous increase of TITAN operations in countries with limited union presence led to a trend of relevant decrease of the number of TITAN employees covered by collective bargaining agreements during the last 5 years. In 2019, this percentage reached 53%, compared to 55% in 2018. 5.TITAN respects the right to parental leave and to job retention after parental leave. All employees are entitled to parental leave according to local legislation. In 2019, 268 employees (210 males and 58 females) were entitled to parental leave and 24 males and 20 female took parental leave. The retention rate of employees after parental leave was 100%. TITAN Website: Group Policies, Sustainability, Corporate Governance

Scope	Principle	Criteria for GC Advanced Level	TITAN Approach	TITAN References
Robust environmental management policies and procedures	**Principle 7** Business should support a precautionary approach to environmental challenges; **Principle 8** Undertake initiatives to promote greater environmental responsibility; and **Principle 9** Encourage the development and diffusion of environmentally friendly technologies	**Criterion 9** The CoP describes robust commitments, strategies or policies in the area of environmental stewardship **Criterion 10** The CoP describes effective management systems to integrate the environmental principles **Criterion 11** The CoP describes effective monitoring and evaluation mechanisms for environmental stewardship	TITAN early recognized that Climate Change is a major challenge with planetary impacts and also corporate risks, and committed to playing its part in developing practical solutions at national, regional and global level. As a heavy industry also focus on assessing and reducing environmental impacts at each facility while increasing the positive impact through on-going collaborative efforts, extensive use of Best Available Techniques, innovation and adoption of best practice. Environmental due diligence is conducted by internal and external experts on operating facilities and new projects.	IAR 2019 Understanding TITAN Message from the Chairman of the Group Executive Committee Business Approach Delivering Value for all Materiality and Stakeholder Engagement Corporate Governance and Risk Management Environmental Performance Regional Performance Risk Management Non-financial Performance Overview Non-financial Statements : Table 1. "Material Issues and Boundaries for reporting Non-Financial Performance" Table 2.2 "Social Performance Index" Table 2.3 "Environmental Performance Index" Table 2.3.1 "TITAN Group basis for calculating Environmental Performance Indicators, using the share of equity Table 2.3.2 "TITAN Group Quarry sites with High Biodiversity Value" Table 2.5 "Sector Standards for the Non-financial Statements" Table 3.1 "Group Policies" Table 3.2 "Group management systems" Additional Notes to Non – Financial Statements: There were no fines related to noncompliance of TITAN operations with environmental laws. TITAN Website: Group Policies, Sustainability, Corporate Governance

Scope	Principle	Criteria for GC Advanced Level	TITAN Approach	TITAN References
Robust anti-corruption management policies and procedures	**Principle 10** Business should work against corruption in all its forms, including extortion and bribery	**Criterion 12** The CoP describes robust commitments, strategies, or policies in the area of anti-corruption **Criterion 13** The CoP describes effective management systems to integrate the anti-corruption principle **Criterion 14** The CoP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	TITAN acknowledges the risk of bribery and corruption and accordingly endorsed the Global Compact collaborative efforts for the 10th principle. The Group policy provides relevant guidance to all employees underlines non-tolerance and encourages regular training	IAR 2019 Understanding TITAN Message from the Chairman of the Group Executive Committee Business Approach Materiality and Stakeholder Engagement Risk Management Non-financial Performance Overview Non-financial Statements : Table 1. “Material Issues and Boundaries for reporting Non-financial Performance” Table 2.1.1 “Consolidated Report on Payments to Governments for Extractive Operations” Table 2.2 “Social Performance Index” Table 2.4 “Governance Core Indicators” Table 2.5 “Sector Standards for the Non-financial Statements” Table 3.1 “Group Policies” Table 3.2 “Group Management Systems” Table 5 “Transparency International - Corruption Perception Index 2019” Additional Notes to Non – Financial Statements: No incidents of corruption recorded 1) TITAN continues to engage with governments and take public positions on different business issues through business associations and business driven initiatives such as the UN Global Compact and GCCA. 2) No incidents of legal action for anti-competitive behavior, anti-trust or monopoly practices recorded during 2019. 3) All TITAN operations have mechanisms for members of the community to report grievances. Communities in the USA have access to ETHICS POINT as TITAN employees. In 2019, no report received through ETHICS POINT which covers all TITAN America and all TITAN Greece employees. 37 cases were recorded in total through other than the ETHICS POINT system : 19 cases were identified as related to quality, 4 were identified as related to environment and the remaining 14 were identified as non-relevant to the Code of Conduct and sustainability related policies. All cases recorded by local grievance mechanisms were examined by management committees, resolved and communicated as appropriate. 4) TITAN’s Code of Conduct ensures transparency regarding relations with political institutions. In 2019, TITAN America contributed with the total amount of €36,064 various political organizations in support of local elections in Virginia and Florida. From the total amount spend in 2019, € 11,572 was offered to support political institutions and candidates in Virginia and €24.492 was offered to support political institutions and candidates in Florida. TITAN Website: Group Policies, Sustainability, Corporate Governance

Scope	Principle	Criteria for GC Advanced Level	TITAN Approach	TITAN References
Taking action in support of broader UN goals and issues	The ten principles of the United Nations Global Compact	**Criterion 15** The CoP describes core business contributions to UN goals and issues **Criterion 16** The CoP describes strategic social investments and philanthropy **Criterion 17** The CoP describes advocacy and public policy engagement **Criterion 18** The CoP describes partnerships and collective action	TITAN was among the first 500 signatories of the UN Global Compact initiative and remains a participant at both global and local levels with active engagement in local GC Networks in Greece, Serbia and N. Macedonia. TITAN is also member of CSR Europe since 2004 and an elected Board member since 2019. At local member, TITAN is a founding and active member in CSR Hellas, CSR Albania and CSR Kosovo. As of 2018, TITAN is a core member of GCCA.	IAR 2019 Understanding TITAN Message from the Chairman of the Group Executive Committee Business Approach Non-financial Performance Overview Sustainability of Communities Non-financial Statements : Table 1. “Material Issues and Boundaries for Reporting Non-financial Performance” Table 2.2 “Social Performance Index” Table 2.5 “Sector Standards for the Non-financial Statements” Table 3.1 “Group Policies” Table 3.2 “Group Management Systems” TITAN Website: Group Policies, Sustainability, Corporate Governance

Scope	Principle	Criteria for GC Advanced Level	TITAN Approach	TITAN References
Corporate sustainability governance and leadership	The Ten principles of the United Nations Global Compact	**Criterion 19** The CoP describes CEO commitment and leadership **Criterion 20** The CoP describes Board adoption and oversight **Criterion 21** The CoP describes stakeholder engagement	Corporate social responsibility is one of TITAN's corporate values and underlines its enduring commitment to engage with stakeholders for sustainable development. TITAN CSR policy focus on understanding material issues for key stakeholders and delivering value for all, using available resources.	IAR 2019 Understanding TITAN Understanding TITAN Message from the Chairman of the Group Executive Committee Business Approach Delivering Value for all Materiality and Stakeholder Engagement Non-financial Performance Overview Non-financial Statements : Table 1. "Material Issues and Boundaries for reporting Non-Financial Performance" Table 2.2 "Social Performance Index" Table 2.4 "Governance Core Indicators" Table 3.1 "Group Policies" Table 3.2 "Group Management Systems" Notes See Criteria 1-18 Independent Auditors' Assurance Statement Non-financial performance review according to the UNGC criteria (see criteria 2-14) TITAN Website: Group Policies, Sustainability, Corporate Governance
Business and peace	The Ten Principles of the United Nations Global Compact	**Criterion22** The CoP describes core The CoP describes policies and practices related to the Company's core business operations in high-risk conflict-affected areas stewardship	TITAN Group has no core business operations in countries or areas identified as high-risk conflict-affected.	IAR 2019 Understanding TITAN Message from the Chairman of the Group Executive Committee Business Approach Delivering Value for All Materiality and Stakeholder Engagement Corporate Governance and Risk Management Social Performance Regional Performance Risk management Non-financial Performance Overview Non-financial Statements : Table 3.1 "Group Policies" Table 3.2 "Group Management Systems" Notes See above, criteria 1-21 TITAN Website: Group Policies, Sustainability, Corporate Governance

5. Transparency International - Corruption Perception Index 2019

Countries with TITAN key operations sorted by Transparency International CP Index 2019

Country	CPI 2019 rank	CPI 2018 rank	Change in rank[1]
USA	23	22	▼
Greece	60	67	▲
Bulgaria	74	77	▲
Serbia	91	87	▼
Turkey	91	78	▼
Kosovo	101	93	▼
Albania	106	99	▼
Brazil	106	105	▼
North Macedonia	106	93	▼
Egypt	106	105	▼

NOTES

[1] Symbols for the change in rank explained:

▼ Deteriorating conditions in the country reflected by the increase of rank.

▲ Improving conditions in the country reflected by the decrease of rank.

Financial Review

An overview of our financial performance and our financial statements.

Financial performance overview

Review of the year 2019

TITAN Group demonstrated strength through 2019, sustaining a growth performance despite challenges in the Eastern Mediterranean market. Results were led for another year by the US operations. Titan America delivered another robust performance in 2019 as cement consumption in the United States continued to increase against a background of healthy macroeconomic indicators. Greece has started showing signs of growth, particularly in the private sector, while the region of Southeastern Europe recorded strong increase in revenues and profitability on the back of continuing economic growth. Performance in the Eastern Mediterranean deteriorated as conditions in both Egypt and Turkey remained challenging.

Group consolidated revenue for 2019 reached €1,609.8 m, higher by 8.0% compared to the previous year. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 2.8% to €267.1m. Net Profit after Taxes and minorities (NPAT) at €50.9m declined by 5.5% compared to 2018.

Regional Review of the year 2019

Titan America delivered another strong performance as cement consumption in the United States continued to increase supported by healthy macroeconomic indicators. Improved market demand combined with strong demographics in the areas Titan America operates, resulted in increased sales across all product lines, with the exception of fly ash due to supply shortages. Profitability was supported by higher selling prices and better weather patterns but was burdened by higher cement import costs, higher distribution costs and lost earnings from the fly ash business. Fly ash performance declined again due to lack of fly ash supply as natural gas continued to replace coal as fuel in the U.S. power generation industry.

In US dollar terms, revenue crossed the $1 billion threshold again in 2019, reaching $1.06 billion. In Euro terms, revenue in the USA recorded a 10.7% increase reaching €952.0m and EBITDA at €179.3m was marginally higher by 0.8% compared to last year.

Performance in Greece improved, driven by a modest growth in demand. Tourism sector construction posted growth and private sector investments, residential as well as non-residential, recorded an increase. Delays in public infrastructure projects partially offset the sales gains from the private sector. Production costs benefitted from lower fuel costs due to lower pet-coke prices, while electricity costs rose, burdened by increased pass-through CO_2 costs. Cement exports remained strong, with the USA representing Greece's biggest export market. At the same time, lower margin clinker exports declined, due to lower marginal profitability arising from CO_2 costs.

Total revenue for Greece and W. Europe in 2019 increased by 3.3% to €244.9m while EBITDA increased by 9.2% to €11.9m.

Southeastern Europe improved significantly in 2019 supported by continuing economic growth in the Region. Overall, construction activity has been rising with growth recorded in the residential segment and, in most countries, in infrastructure projects as well. Revenues increased substantially, driven by a greater demand for construction materials leading to volume growth combined with a favorable pricing environment. Regional performance was further enhanced by higher plant utilization rates, higher use of alternative fuels and lower fuel costs that were partially counterbalanced by higher electricity prices.

Revenue in Southeastern Europe in 2019 posted a 10.0% increase reaching €262.6m while EBITDA was up by 29.4%, reaching €77.2m.

At the end of 2019, in line with its long-term business strategy and further growth ambitions, TITAN Group acquired the minority stakes of the International Finance Corporation (IFC) in TITAN subsidiaries in Albania, Serbia, North Macedonia and Kosovo.

Conditions in the Eastern Mediterranean continue to be challenging.

In Egypt, despite strong GDP growth (6%) for the third consecutive year, cement consumption in 2019 dropped by 3.6% marking another year of contraction in a market which is also suffering from a surplus capacity. The sector has been driven to lower capacity utilization rates, which combined with higher electricity costs and clay taxes have resulted in a substantially higher cost base. Moreover, prices were not adjusted accordingly, causing further decline in profitability. At the end of 2019, TITAN Group acquired the minority stake of the International Finance Corporation (IFC) in TITAN operations in Egypt. Following this transaction, our subsidiary Alexandria Portland Cement Company has initiated the process for its delisting from the Cairo Stock Exchange.

In Turkey, the unfavourable domestic economic environment affected the construction sector with cement consumption decreasing by an estimated 30% compared to 2018. Our operations were impacted by the general slowdown of the market. However, in the second half of 2019 the market showed encouraging signs of stabilization. In 2019, Adocim was fully consolidated for the full year following the acquisition of a 25% stake from our minority partner in October 2018.

Overall, operating results in the Eastern Mediterranean declined. Total revenue reached €150.3m, recording a 2.6% decline, while at EBITDA level, the Group recorded a €1.2m loss versus a positive €11.3m in 2018. It should be noted that the gradual improvement in the second half of 2019 was reflected in a positive Q4 2019 EBITDA of €1.8m.

In Brazil, the market posted growth for the first time in 5 years as the country has entered a phase of gradual economic recovery and growth.

Apodi, our joint venture in Brazil, recorded a 3.7% revenue growth, stemming mostly from an increase in sales volumes.

Financing & Investments

Group operating free cash flow in 2019 was €175m, posting an increase of €23m compared to 2018. Cash flow generation benefited from higher EBITDA and lower capital expenditure. Group capital expenditure in 2019 reached €109m versus €119m in 2018, with more than half the investments directed to the Group's USA activities.

Group net debt at the end of 2019 was €836m, higher by €64m from the end of 2018. This increase was due to €111m one-off items, specifically the impact of the adoption of IFRS 16 that was €59m and the purchase of own shares (squeeze-out) for the new listing of TCI was €52m (including transaction costs). Furthermore, net debt increased by €20m representing the initial payment for the acquisition of the minority shares of IFC in Southeast Europe and Egypt. Excluding the aforementioned elements, Net Debt would have recorded a decrease by €67m.

In July 2019, Titan Global Finance PLC, repaid €160.6m of maturing Notes using available Group cash.

In July 2019 Titan Cement International S.A. (TCI) announced the successful outcome of the voluntary share exchange offer that was submitted on 16 April 2019 to acquire all of the ordinary and preference shares issued by TITAN Cement Company S.A. (TITAN). The result was that 93% of TITAN's ordinary shares and 92.36% of TITAN's preference shares were tendered. Given the successful outcome of the tender offer, TCI became the parent company of the TITAN Group and its shares were listed on 23rd July 2019 on Euronext Brussels, the Athens Exchange and Euronext Paris. Finally, on 19th August 2019, the Company completed a squeeze out and acquired 100% of the ordinary and preference shares of TITAN.

In November 2019, Titan Cement International SA (TCI) acquired from the International Finance Corporation (IFC) its minority stakes in TITAN subsidiaries in Southeast Europe and Egypt. This transaction concluded TITAN's successful cooperation with IFC gradually established since 2008 in Albania, Egypt, Serbia, North Macedonia, and Kosovo. The aggregate price for the transaction amounted to €81.8 million. This incremental investment in its own subsidiaries underscores TITAN's long-term commitment in these regions.

Finally, in November 2019 Standard & Poor's renewed its outlook on the Group. It assigned TITAN a credit rating of "BB" on a stable outlook.

Resolutions of the Board of Directors

Return of Capital: Following the authorization granted to the Board of Directors by the Extraordinary Meeting of the company's Shareholders on the 13th of May 2019, the Board of Directors of Titan Cement International SA decided the return of capital of €0.20 (20 cents) per share to all the Shareholders of the Company on record on May 14, 2020. There will be a separate announcement regarding the relevant payment details.

Share buy-back: The Board also decided to activate the buy-back programme for TCI shares (approved at the Extraordinary Meeting of Shareholders for an amount up to €50m, in May 2019). As of 20th of March 2020, TCI and TITAN initiated a share buyback programme for up to 1 million TCI shares for an amount up to €10m for a duration of two months.

Outlook

The coronavirus outlook has created significant uncertainty for the macroeconomic outlook. Although we have yet to see any significant impact on our operations and our industry is less exposed than most to the immediate effects of the outbreak, it is inevitable that we will be impacted.

Today, we are focused on the coronavirus crisis and its unprecedented impact on the world economy. We are taking measures to protect our people and to ensure customer needs satisfaction and operations continuity. We are creating contingencies and flexibilities and we have strengthened our liquidity position to €400m in combination of cash in hand and available committed bank credit facilities.

Up until the emergence of the coronavirus crisis, our planning for 2020 was based on a broadly positive outlook: In the USA, the long period of growth was expected to continue, with favourable macroeconomic indicators driving the residential market. TITAN is flexibly positioned in the east coast market by maintaining its existing position in its key metropolitan areas and remains focused on achieving efficiencies from previous capital expenditures and using emerging technologies to implement production cost improvements and logistics enhancements.

In Greece, the optimism for a pick-up in construction in 2020 was expected to be sustained. Large projects are anticipated to start during the course of the year. Private consumption was also expected to maintain its positive evolution. At the same time, the Group has been actively preparing for the upcoming new phase of the CO_2 ETS, which will inevitably lead to a reduction in clinker exports.

A priori, the countries of Southeastern Europe were expected to remain on a positive trajectory with economic growth driving construction activity.

Turkey and Egypt are anticipated to continue to experience low demand in 2020, although the long-term fundamentals that drive demand in both countries remain robust.

Treasury shares

The Extraordinary General Meeting of Shareholders of 13 May 2019 authorized, subject to Completion of the Tender Offer, the Board of Directors of the Company to acquire and dispose Company's own shares in accordance with the provisions of article 7:215 ff of the Belgian Companies and Associations Code (BCAC). This authorization covers the acquisition of Company's shares by any direct subsidiary of the Company, within the limits provided by the BCAC.

Following the Completion of the Tender Offer, Titan S.A. became a direct subsidiary of the Company and as per transparency declaration dated 26.7.2019 owned 4,844,923 Company shares, which pursuant to article 7:221 of the BCAC, are treated as Company's own shares. Titan S.A. has acquired these Company shares in exchange for the tendering of its own shares in the tender Offer. They represented 5.88% of the Company's capital.

After the Completion of the Tender Offer the Company has not acquired any own shares.

As at 31 December 2019, TITAN held 4,804,140 TCI shares, representing 5.83% of the voting rights of TCI.

Sale of treasury stock in the framework of Stock Option Plans

Following the Completion of the Tender Offer, Titan S.A. (direct subsidiary of the Company) disposed within 2019 to Titan Group employees, in implementation of stock option plans, 40.783 Company shares, representing approximately 0.05% of the share capital of the Company, for a total amount of € 407,830 (i.e.€ 10/share).

Post balance sheet events

COVID-19 Risk Assessment

Beginning in March 2020, due to the rapid spread of COVID-19 virus, in most countries large-scale social-distancing measures have been imposed, disrupting the global economy and resulting in downfall in demand. From the emergence of the coronavirus crisis, Titan has taken measures to protect the health and safety of our people and to ensure operational continuity and satisfaction of our customer needs. The health and safety of our staff, customers and suppliers is a top priority and several precautionary measures have been taken to this effect. Business continuity plans have also been implemented and all our cement manufacturing plants and other integrated activities' businesses remain operational. Although we have yet to see any significant impact on our operations and the first quarter's sales volumes were at normal levels, it is inevitable that as the COVID-19 crisis is spreading, we will also be impacted in the short term. The construction and building materials sectors are, in the short term, less exposed to this crisis (according to Moody's they are "low risk" sectors) but, nevertheless, are also expected to suffer from reduced sales volumes, particularly and more severely in Q2.

In order to assess the potential impact on Titan's liquidity and profitability, the Group has prepared an assessment of the risks which may be faced under a stressed scenario and has run a stress test which incorporates volume declines for the remaining of the year, longer trade receivable settlement days, flat working capital, substantial capex reduction, minor price decreases. No cost containment savings have been included in this forecast, although it is our intention and we have already started working on a number of initiatives that aim to reduce costs and improve cash-flow. Under this scenario, in terms of liquidity availability over the next 12 months, the Group is well covered.

We have created contingencies and flexibilities and we have strengthened our liquidity position to €400m in combination of cash in hand and available committed bank credit facilities. It is noted that there is a risk in 2020 that Group EBITDA may decline to a level that may lead to a breach of a financial covenant of our currently unused €200m standby revolving credit facility (RCF). If this covenant is breached, we intend to request a waiver from the lenders which we expect will be granted as the lenders will be fully aware of the exceptional circumstances that may cause this breach. However based on the assessment carried out by the Group it is not expected that this undrawn facility will be utilized. Our analysis and our projections confirm our confidence that the Group can weather the storm and the temporary decline in profitability.

The consequences of COVID-19 do not have a material impact on the Group's financial position for the year ended 31.12.2019. The Group management concludes that, although COVID-19 may have a significant impact on the Group's operations in 2020, such impact will be absorbable and does not endanger the long-term viability of the Group.

Going concern disclosure

The Board of Directors having taken into account:

a. the Company's financial position;

b. the risks facing the Company that could impact on its business model and capital adequacy; and

c. the fact that no material uncertainties are identified to the Company's ability to continue as a going concern in the foreseeable future and in any event over a period of at least twelve months from the date of approval of the Financial Statements

state that they consider it appropriate for the Company to continue to adopt the going concern basis in preparing its Financial Statements and that no material uncertainties are identified to the Company's ability to continue to adopt the going concern basis in preparing its Financial Statements in the foreseeable future and in any event over a period of at least twelve months from the date of approval of the Financial Statements for the fiscal year 2019.

Viability statement

The Board of Directors have assessed the prospects of the Company having regard on its current position and the major risks facing the Company over a period of five years, which was considered as appropriate to draw conclusions. The Board of Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

Annual report of the board of directors and financial accounts for the fiscal year 2019

The Board of Directors considers that the Annual Report and the Financial Accounts for the fiscal year 2019, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Financial Statements

The Annual Consolidated Financial Statements presented on the following pages were approved by the Board of Directors on 9 April 2020.

Chairman of the Board of Directors
Efstratios - Georgios (Takis) Arapoglou

Managing Director and Group CFO
Michael Colakides

Company CFO
Grigorios Dikaios

Financial Consolidation Director
Athanasios Danas

Consolidated Income Statement

(all amounts in Euro thousands)	*Notes*	Year ended 31 December 2019	2018*
Revenue	*3*	1,609,778	1,490,097
Cost of sales	*5*	-1,315,866	-1,201,884
Gross profit		**293,912**	**288,213**
Other operating income	*4.i*	9,682	15,405
Administrative expenses	*5*	-145,188	-130,241
Selling and marketing expenses	*5*	-25,289	-22,321
Net impairment losses on financial assets	*20*	-1,667	-1,160
Other operating expenses	*4.i*	-4,282	-5,952
Operating profit	*3*	**127,168**	**143,944**
Other income/(loss)	*4.ii*	14	-3,143
Net finance costs	*6.i, 6.ii*	-59,643	-63,817
(Loss)/gain from foreign exchange differences	*6.iii*	-4,539	9,319
Share of gain/(loss) of associates and joint ventures	*15*	1,366	-3,741
Profit before taxes		**64,366**	**82,562**
Income tax expense	*8*	-11,211	-26,578
Profit after taxes		**53,155**	**55,984**

Attributable to:			
Equity holders of the parent		50,905	53,847
Non-controlling interests		2,250	2,137
		53,155	**55,984**
Basic earnings per share (in €)	*9*	**0.6452**	**0.6706**
Diluted earnings per share (in €)	*9*	**0.6385**	**0.6653**

**IFRS 16 has been applied with the cumulative impact recognized in retained earnings without restating 2018 comparatives (note 1).*

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

Consolidated Statement of Comprehensive Income

(all amounts in Euro thousands)		Year ended 31 December	
	Notes	2019	2018*
Profit after taxes		**53,155**	**55,984**
Other comprehensive income:			
Items that may be reclassified to income statement			
Exchange gains on translation of foreign operations		14,090	15,356
Currency translation differences on transactions designated as part of net investment in foreign operation		10,284	2,918
Income tax relating to these items	*18*	-2,314	-657
Items that will not be reclassified to income statement			
Asset revaluation surplus	*12*	172	160
Effect due to changes in tax rates	*18*	35	142
Re-measurement losses on defined benefit plans	*24*	-748	-1,607
Share of other comprehensive (losses)/income of associates and joint ventures		-28	3
Income tax relating to these items	*18*	123	356
Other comprehensive income for the year net of tax		**21,614**	**16,671**
Total comprehensive income for the year net of tax		**74,769**	**72,655**
Attributable to:			
Equity holders of the parent		73,039	62,686
Non-controlling interests		1,730	9,969
		74,769	**72,655**

**IFRS 16 has been applied with the cumulative impact recognized in retained earnings without restating 2018 comparatives (note 1).*

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

Consolidated Statement of Financial Position

(all amounts in Euro thousands)		31/12/2019	31/12/2018*
Assets	Notes		
Property, plant and equipment	11	1,699,078	1,647,892
Investment properties	12	11,628	12,202
Goodwill	13	344,523	338,400
Intangible assets	14	80,817	66,821
Investments in associates and joint ventures	15	113,858	117,567
Derivative financial instruments	36	-	94
Receivables from interim settlement of derivatives	36	12,937	-
Other non-current assets	17	15,436	13,096
Deferred tax assets	18	13,939	8,715
Total non-current assets		**2,292,216**	**2,204,787**
Inventories	19	283,519	286,561
Receivables and prepayments	20	186,565	199,122
Income tax receivable		5,657	7,664
Derivative financial instruments	36	1,245	796
Receivables from interim settlement of derivatives	36	3,829	-
Cash and cash equivalents	21	90,388	171,000
Total current assets		**571,203**	**665,143**
Total Assets		**2,863,419**	**2,869,930**
Equity and Liabilities			
Equity and reserves attributable to owners of the parent	22,23	1,375,165	1,394,133
Non-controlling interests	15.3	34,626	77,157
Total equity (a)		**1,409,791**	**1,471,290**
Long-term borrowings	32	776,694	745,222
Long-term lease liabilities	33	46,126	-
Derivative financial instruments	36	11,084	-
Deferred tax liability	18	96,319	94,414
Retirement benefit obligations	24	35,268	32,741
Provisions	25	31,587	28,373
Non-current contract liabilities		-	18
Other non-current liabilities	26	55,062	5,669
Total non-current liabilities		**1,052,140**	**906,437**
Short-term borrowings	32	86,277	197,637
Interest payable		3,863	8,930
Short-term lease liabilities	33	17,030	-
Derivative financial instruments	36	2,692	2
Payables from interim settlement of derivatives	36	1,092	-
Trade and other payables	27	265,519	256,273
Current contract liabilities	27	13,580	15,944
Income tax payable		3,251	1,651
Provisions	25	8,184	11,766
Total current liabilities		**401,488**	**492,203**
Total liabilities (b)		**1,453,628**	**1,398,640**
Total Equity and Liabilities (a+b)		**2,863,419**	**2,869,930**

IFRS 16 has been applied with the cumulative impact recognized in retained earnings without restating 2018 comparatives (note 1).

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

Consolidated Statement of Changes in Equity

(all amounts in Euro thousands)

	Attributable to equity holders of the parent										
	Ordinary shares	Share premium	Preferred shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves (note 23)	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2018	**231,190**	**22,826**	**22,707**	**3,003**	**-103,952**	**-1,432**	**723,716**	**409,155**	**1,307,213**	**62,459**	**1,369,672**
Change in accounting policy	-	-	-	-	-	-	888	-1,357	-469	1	**-468**
Restated balance at 1 January 2018	**231,190**	**22,826**	**22,707**	**3,003**	**-103,952**	**-1,432**	**724,604**	**407,798**	**1,306,744**	**62,460**	**1,369,204**
Profit for the year	-	-	-	-	-	-	-	53,847	53,847	2,137	**55,984**
Other comprehensive income	-	-	-	-	-	-	8,839	-	8,839	7,832	**16,671**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**8,839**	**53,847**	**62,686**	**9,969**	**72,655**
Share capital increase	73,210	-	7,190	-	-	-	-80,400	-	-	-	**-**
Share capital decrease (note 10 ,22)	-38,531	-	-3,784	-	-	-	-	-	-42,315	-	**-42,315**
Taxes and expenses relevant to share capital increase	-	-	-	-	-	-	-2,944	-	-2,944	-	**-2,944**
Dividends distributed (note 10, 15.3)	-	-	-	-	-	-	-	-4,231	-4,231	-3,936	**-8,167**
Purchase of treasury shares (note 22)	-	-	-	-	-7,092	-1,522	-	-	-8,614	-	**-8,614**
Sale - disposal of treasury shares for option plan (note 22)	-	-	-	-	1,114	-	-	-675	439	-	**439**
Costs for share capital increase in subsidiaries	-	-	-	-	-	-	-	-1,100	-1,100	-	**-1,100**
Share based payment transactions (note 22)	-	-	-	1,755	-	-	-	-	1,755	-	**1,755**
Non-controlling interest's put option recognition (notes 30)	-	-	-	-	-	-	1,150	-	1,150	-1,594	**-444**
Non-controlling interest's participation in share capital increase of subsidiary	-	-	-	-	-	-	-	-	-	2,183	**2,183**
Acquisition of non-controlling interest	-	-	-	-	-	-	11,135	4,256	15,391	-15,391	**-**
Acquisition of joint venture (note 29)	-	-	-	-	-	-	64,540	632	65,172	23,466	**88,638**
Transfer among reserves (note 23)	-	-	-	-1,016	-	-	11,563	-10,547	-	-	**-**
Balance at 31 December 2018	**265,869**	**22,826**	**26,113**	**3,742**	**-109,930**	**-2,954**	**738,487**	**449,980**	**1,394,133**	**77,157**	**1,471,290**

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

Consolidated Statement of Changes in Equity (continued)

(all amounts in Euro thousands)

	Attributable to equity holders of the parent										
	Ordinary shares	Share premium	Preferred shares	Share options	Ordinary treasury shares	Preferred treasury shares	Other reserves (note 23)	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2019	**265,869**	**22,826**	**26,113**	**3,742**	**-109,930**	**-2,954**	**738,487**	**449,980**	**1,394,133**	**77,157**	**1,471,290**
Change in accounting policy (note 1)	-	-	-	-	-	-	-	-4,448	-4,448	-	**-4,448**
Restated balance at 1 January 2019	**265,869**	**22,826**	**26,113**	**3,742**	**-109,930**	**-2,954**	**738,487**	**445,532**	**1,389,685**	**77,157**	**1,466,842**
Profit for the year	-	-	-	-	-	-	-	50,905	50,905	2,250	**53,155**
Other comprehensive income/(loss)	-	-	-	-	-	-	22,134	-	22,134	-520	**21,614**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**22,134**	**50,905**	**73,039**	**1,730**	**74,769**
Change of parent company to Titan Cement International	893,479	-7,505	-26,113	-	-3,096	3,096	-902,726	-401	-43,266	-	**-43,266**
Issuance costs	-	-9,347	-	-	-	-	-	-	-9,347	-	**-9,347**
Deferred tax on treasury shares held by subsidiary	-	-	-	-	-	-	6,256	-	6,256	-	**6,256**
Taxes and expenses relevant to share capital decrease	-	-	-	-	-	-	-	-1,259	-1,259	-	**-1,259**
Dividends distributed (note 10, 15.3)	-	-	-	-	-	-	-	-12,694	-12,694	-979	**-13,673**
Purchase of treasury shares (note 22)	-	-	-	-	-6,713	-142	-	-	-6,855	-	**-6,855**
Sale - disposal of treasury shares for option plan (note 22)	-	-	-	-	2,600	-	-	-1,551	1,049	-	**1,049**
Share based payment transactions (note 22)	-	-	-	2,094	-	-	-	-	2,094	-	**2,094**
Non-controlling interest's participation in share capital increase of subsidiary	-	-	-	-	-	-	-	-	-	2,227	**2,227**
Acquisition of non-controlling interest	-	-	-	-	-	-	26,851	-50,388	-23,537	-45,509	**-69,046**
Transfer among reserves (note 23)	-	-	-	-932	-	-	2,051	-1,119	-	-	**-**
Balance at 31 December 2019	**1,159,348**	**5,974**	**-**	**4,904**	**-117,139**	**-**	**-106,947**	**429,025**	**1,375,165**	**34,626**	**1,409,791**

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

Consolidated Cash Flow Statement

(all amounts in Euro thousands)	*Notes*	Year ended 31 December 2019	2018*
Cash flows from operating activities			
Profit after taxes		**53,155**	**55,984**
Adjustments before changes in working capital	*28*	232,067	215,594
Changes in working capital	*28*	-1,045	-1,100
Cash generated from operations		**284,177**	**270,478**
Income tax paid		-9,817	-9,198
Net cash generated from operating activities (a)		**274,360**	**261,280**
Cash flows from investing activities			
Payments for property, plant and equipment	*11,12*	-103,663	-102,118
Payments for intangible assets	*14*	-5,650	-16,394
Payments for share capital increase in associates and joint ventures		-312	-15,015
Payments for acquisition of subsidiaries and joint ventures, net of cash acquired		-	-16,668
Proceeds from sale of PPE, intangible assets and investment property	*28*	6,824	1,850
Proceeds from dividends		3,335	2,649
Proceeds from disposal of joint venture, net of cash disposed	*15*	-	4,610
Interest received		1,713	1,855
Net cash flows used in investing activities (b)		**-97,753**	**-139,231**
Net cash flows after investing activities (a)+(b)		**176,607**	**122,049**
Cash flows from financing activities			
Proceeds from non-controlling interest's participation in subsidiary's share capital increase/establishment		2,227	2,123
Acquisition of non-controlling interests		-20,376	-63
Net payment due to change of parent company to TCI	*22*	-42,872	-
Issuance costs	*22*	-9,347	-
Payments due to share capital decreases		-1,266	-42,138
Dividends paid		-13,690	-8,152
Payments for shares bought back	*22*	-6,855	-8,614
Proceeds from sale of treasury shares	*22*	1,049	439
Proceeds from government grants		-	276
Interest and other related charges paid	*34*	-63,914	-61,620
Proceeds from borrowings and derivative financial instruments	*34*	366,086	313,789
Payments of borrowings and derivative financial instruments	*34*	-455,180	-301,795
Principal elements of lease/ finance lease (2018) payments	*34*	-15,936	-2,632
Net cash flows used in financing activities (c)		**-260,074**	**-108,387**
Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)		**-83,467**	**13,662**
Cash and cash equivalents at beginning of the year	*21*	171,000	154,247
Effects of exchange rate changes		2,855	3,091
Cash and cash equivalents at end of the year	*21*	**90,388**	**171,000**

**IFRS 16 has been applied with the cumulative impact recognized in retained earnings without restating 2018 comparatives (note 1).*

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

Contents

1. Corporate information and summary of significant accounting policies

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.

Information on the Group's structure is provided in note 16.

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.

Following the successful outcome of its voluntary tender offer, the Company acquired on 19 July 2019 approximately 93.00% and 92.36% of the ordinary and preference shares of Titan S.A respectively and became the Group's ultimate parent company.

Additionally, on 23 July 2019, the TCI's shares listed on Euronext Brussels, with a secondary listing on Athens Stock exchange and Euronext Paris.

Finally, on 19 August 2019, the Company completed its squeeze out rights and acquired 100% of the ordinary and preference shares of Titan S.A..

These transactions were a reorganisation of the Group that did not change the substance of the reporting Group. The consolidated financial statements of TCI are presented using the values from the consolidated financial statements of Titan S.A.. The Group equity structure reflects the share capital and share premium of TCI, while the other amounts in Group equity are those of the consolidated financial statements of Titan S.A.. The resulting difference that arose is recognized as a "reorganization reserve" (note 22).

These consolidated financial statements were authorized for issue by the Board of Directors on 9 April 2020.

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union and interpretations (IFRIC) issued by the IFRS Interpretations Committee. In addition, they have been prepared with the same accounting policies of the prior financial year, except for the adoption of new or revised standards, amendments and/or interpretations that are mandatory for the periods beginning on or after 1 January 2019.

They have been prepared on historical cost basis, except for investment properties, certain financial assets and liabilities (including derivative instruments) and plan assets of defined benefit pension plans measured at fair value. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

The preparation of financial statements, in conformity with IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Significant accounting estimates and judgments in note 2.

1.1.1 New standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2019 and have been endorsed by the European Union:

IFRS 16 "Leases"

IFRS 16 supersedes IAS 17 Lease, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial application recognized in the opening balance sheet on 1 January 2019.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application.

Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients on transition permitted by the standard:

- Reliance on previous assessments, made by applying IAS 17 and IFRIC 4 Determining whether an arrangement contains a Lease, of whether a contract is, or contains a lease at the date of initial application
- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Moreover, the Group elected to use the on-going recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets), for example small items of office furniture, or IT equipment. Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss within operating activities under the respective functions (note 33). In the cash flow statement these are classified as operating activities.

The Group chose not to separate the non-lease components from lease components. This simplification is applicable to all class of underlying asset to which the right of use relates, except for terminals in which non-lease components is separated from lease components.

Finally, for the recognition of deferred tax on leases, the Group treats a ROU asset and a lease liability as integrally linked. Consequently, a net amount is recognised as a deferred tax asset or liability.

The change in the accounting policy affected the following items in the statement of financial position of the Group on 1 January 2019:

(all amounts in Euro thousands)

	31/12/2018	IFRS 16 - transition adjustments	1/1/2019 - restated
Assets			
Property, plant and equipment	1,647,892	53,528	1,701,420
Investment properties	12,202	-	12,202
Goodwill	338,400	-	338,400
Intangible assets	66,821	-	66,821
Investments in associates and joint ventures	117,567	-	117,567
Derivative financial instruments	94	-	94
Other non-current assets	13,096	-	13,096
Deferred tax assets	8,715	-	8,715
Total non-current assets	**2,204,787**	**53,528**	**2,258,315**
Inventories	286,561	-	286,561
Receivables and prepayments	199,122	-199	198,923
Income tax receivable	7,664	-	7,664
Derivative financial instruments	796	-	796
Cash and cash equivalents	171,000	-	171,000
Total current assets	**665,143**	**-199**	**664,944**
Total Assets	**2,869,930**	**53,329**	**2,923,259**
Equity and Liabilities			
Equity and reserves attributable to owners of the parent	**1,394,133**	**-4,448**	**1,389,685**
Non-controlling interests	77,157	-	77,157
Total equity (a)	**1,471,290**	**-4,448**	**1,466,842**
Long-term borrowings	745,222	-8,994	736,228
Long-term lease liabilities	-	54,725	54,725
Deferred tax liability	94,414	-1,454	92,960
Retirement benefit obligations	32,741	-	32,741
Provisions	28,373	-	28,373
Non-current contract liabilities	18	-	18
Other non-current liabilities	5,669	-	5,669
Total non-current liabilities	**906,437**	**44,277**	**950,714**
Short-term borrowings	197,637	-2,879	194,758
Interest payable	8,930	-	8,930
Short-term lease liabilities	-	16,379	16,379
Derivative financial instruments	2	-	2
Trade and other payables	256,273	-	256,273
Current contract liabilities	15,944	-	15,944
Income tax payable	1,651	-	1,651
Provisions	11,766	-	11,766
Total current liabilities	**492,203**	**13,500**	**505,703**
Total liabilities (b)	**1,398,640**	**57,777**	**1,456,417**
Total Equity and Liabilities (a+b)	**2,869,930**	**53,329**	**2,923,259**

Adjustments recognized on adoption of IFRS 16

The lease liabilities on 1 January 2019 can be reconciled to the operating lease commitments on 31.12.2018 as follows:

(all amounts in Euro thousands)	
Operating lease commitments disclosed on 31.12.2018	**51,295**
Weighted average incremental borrowing rate on 1.1.2019	**4.56%**
Discounted using the lessee's incremental borrowing rate (IBR) on 1.1.2019	47,990
Add: finance lease liabilities recognized on 31.12.2018	11,873
(Less): short-term leases recognized on 1.1.2019	-729
(Less): low-value leases recognized on 1.1.2019	-369
Add: adjustments on 1.1.2019 as a result of a different treatment of extension and termination options	14,133
(Less): adjustments for non-lease components under IFRS 16	-1,794
Lease liability recognized on 1.1.2019	**71,104**
of which:	
Long-term lease liabilities	54,725
Short-term lease liabilities	16,379
Total lease liability recognized on 1.1.2019	**71,104**

The associated right-of-use assets of certain lease contracts were measured on a retrospective basis, as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

The recognized right-of-use assets and lease liabilities recognized on 1.1.2019 are presented in note 33.

Amendments to IFRS 9, 'Prepayment features with negative compensation' (effective 1 January 2019 with the EU).

These amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met - instead of at fair value through profit or loss, because they would otherwise fail the SPPI-test. In addition, this amendment clarifies an aspect of the accounting for financial liabilities following a modification.

IFRIC 23, 'Uncertainty over income tax treatments' (effective 1 January 2019).

This interpretation clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The application of IFRIC 23 did not materially impact the Group financial statements".

Amendments to IAS 28, 'Long term interests in associates and joint ventures' (effective 1 January 2019).

Clarification regarding the accounting for long-term interests in an associate or joint venture, to which the equity method is not applied, under IFRS 9. Specifically, whether the measurement and impairment of such interests should be done using IFRS 9, IAS 28 or a combination of both.

Amendments to IAS 19, 'Plan Amendment, Curtailment or Settlement' (effective 1 January 2019).

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement. In addition, an entity will have to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendments will affect any entity that changes the terms or the membership of a defined benefit plan such that there is past service cost or a gain or loss on settlement.

Annual improvements to IFRS Standards 2015-2017 cycle, applicable as of 1 January 2019 and containing the following amendments to IFRSs:

- IFRS 3 Business combination, paragraph 42A: The amendments clarify that, when an entity obtains control of a business that is a joint operation (as defined in IFRS 11), it applies the requirements for a business combination achieved in stages, including re-measuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer re-measures its entire previously held interest in the joint operation.
- IFRS 11 Joint Arrangements, paragraph B33CA: A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. In such cases, previously held interests in the joint operation are not re-measured.

- IAS 12 Income Taxes, paragraph 57A: The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.
- IAS 23 Borrowing Costs, paragraph 14: The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments

1.1.2 New standards and amendments that have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2019 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. The Group had no hedging relationship at the beginning and during 2019.

1.1.3 New standards and amendments that have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2019 and have not been endorsed by the European Union:

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 organized 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.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective January 2022)

The amendment clarifies that liabilities are classified as either current, or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

1.2 Consolidation

1.2.1 Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the full acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in the income statement.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interest and the fair value of any other participation previously held in the subsidiary acquired over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the amount recognized for non-controlling interest and the fair value of any other participation previously held in the subsidiary acquired the gain is recognised in profit or loss (note 1.6).

Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

The subsidiaries' financial statements are prepared as of the same reporting date and using the same accounting policies as the parent company. Intra-group transactions, balances and unrealised gains/losses on transactions between group companies are eliminated.

1.2.2 Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with the owners in their capacity as owners. The difference between consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Any profit or loss and any item of the Statement of Other Comprehensive Income is allocated between the share-holders of the parent and the non-controlling interest, even if the allocation results in a deficit balance of the non-controlling interest.

1.2.3 Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1.2.4 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangement and determined it to be a joint venture. Joint ventures are consolidated with the equity method of consolidation.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been adjusted where necessary to ensure consistency with the policies adopted by the Group. The financial statements of the joint venture are prepared as of the same reporting date with the parent company.

1.2.5 Associates

Associates are entities over which the Group has significant influence (holds directly or indirectly 20% or more of the voting power of the entity) but which it does not control. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any cumulative impairments losses) identified on acquisition.

Under the equity method the Group's share of the post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amount previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to "share of profit/(loss) of associates and joint ventures" in the income statement.

Profit and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the associates are prepared as of the same reporting date with the parent company.

1.2.6 Commitments to purchase interests held by non-controlling interests

As part of the acquisition process of certain entities, the Group has granted third party shareholders the option to require the Group to purchase their shares subject to predetermined conditions (a “put” option). These shareholders could be either international institutions, or private investors who are essentially financial or industrial investors or former shareholders of the acquired entities.

When the Group writes a put option on shares in a subsidiary that are held by non-controlling interests, then it applies the following policy for the recognition of put options:

- Non-controlling interest is still attributed its share of profit and losses (and other changes in equity).
- The non-controlling interest is reclassified as a financial liability at each reporting date, as if the acquisition took place at that date.

Any difference between the fair value of the liability under the put option at the end of the reporting period and the non-controlling interest reclassified is calculated based on the current policy of the Group for acquisitions of non-controlling interests.

If the put option is ultimately exercised, the amount recognized as the financial liability at that date will be extinguished by the payment of the exercise price. If the put option expires unexercised, the position will be unwound such that the non-controlling interest at that date is reclassified back to equity and the financial liability is derecognized.

1.3 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured in the functional currency, which is the currency of the primary economic environment in which each Group entity operates. The consolidated financial statements are presented in Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates (i.e. spot rates) prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised under finance function in the account “gain/(loss) from foreign exchange differences” of the income statement, except when deferred in other comprehensive income as qualifying net investment hedges. When the related investment is disposed of, the cumulative amount is reclassified to profit or loss.

Exchange differences arising from intragroup long term loans and receivables that are designated as part of a reporting entity's net investment in a foreign operation shall be recognised in profit or loss in the separate financial statements of the reporting entity, or, of the individual financial statements of the foreign operation, as appropriate. In the consolidated financial statements such exchange differences shall be recognized in other comprehensive income and included in "currency translation differences reserve on transactions designated as part of net investment in foreign operation" in other reserves. Where settlement of these intragroup long term loans and receivables is planned or is likely to occur in the foreseeable future, then these transactions cease to form part of the net investment in the foreign operation. The exchange differences arising up to that date are recognized in other comprehensive income and after that date, they are recognized in profit or loss. On disposal of the net investment in a foreign operation, the accumulated in other reserves exchange differences are reclassified from equity to profit or loss.

Translation differences on non-monetary financial assets and liabilities, such as equity investments held at fair value are included in the income statement. Translation differences on non-monetary financial assets, such as equities classified at fair value through other comprehensive income, are included in other comprehensive income.

Group companies

The financial statements of all Group entities (none of which operate in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet.
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All exchange differences resulting from the above are recognised in other comprehensive income and subsequently included in "foreign currency translation reserve".
- On the disposal of a foreign operation (partly or fully disposed), the cumulative exchange differences relating to that particular foreign operation, recognized in the "foreign currency translation reserve" within equity, are recognised in the income statement as part of the gain or loss on sale. On the partial disposal of a foreign subsidiary, the proportionate share of the cumulative amount is re-attributed to the non-controlling interest in that operation.

On consolidation, exchange differences arising from the translation of borrowings designated as hedges of investments in foreign entities, are taken to other comprehensive income and included under "currency translation differences on derivative hedging position" in other reserves.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

1.4 Property, plant and equipment

Property, plant and equipment (PPE) is stated at historical cost less accumulated depreciation and impairment losses, except for land (excluding quarries), which is shown at cost less impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the items and any environmental rehabilitation costs to the extent that they have been recognised as a provision (refer to note 1.20). Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement as incurred. Subsequent costs are depreciated over the remaining useful life of the related asset or to the date of the next major subsequent cost whichever is the sooner.

Depreciation, with the exception of quarries and land, is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

Buildings	Up to 50 years
Plant and machinery	Up to 40 years
Motor vehicles	5 to 20 years
Office equipment furniture and fittings (including computer equipment and software integral to the operation of the hardware)	2 to 10 years
Minor value assets	Up to 2 years

Land on which quarries are located is depreciated on a depletion basis. This depletion is recorded as the material extraction process advances based on the unit-of-production method. Other land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (refer to note 1.8 - Impairment of non-financial assets other than Goodwill).

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Interest costs on borrowings specifically used to finance the construction of PPE are capitalised during the construction period if recognition criteria are met (refer to note 1.29).

1.5 Investment properties

Investment property is property held for long-term rental yields or for capital appreciation or both and that is not occupied by any of the subsidiaries of the Group. Owner-occupied properties are held for production and administrative purposes. This distinguishes owner-occupied property from investment property.

Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs (refer to 1.29).

After initial recognition investment property is carried at fair value. Fair value reflects market conditions at the reporting date and is determined internally on an annual basis by management or external valuators. The best evidence of fair value is provided by current prices in an active market for similar property in the same location and condition and subject to the same lease terms and other conditions (comparable transactions). When such identical conditions are not present, the Group takes account of, and makes allowances for, differences from the comparable properties in location, nature and condition of the property or in contractual terms of leases and other contracts relating to the property.

A gain or loss arising from a change in the fair value of investment property is recognized in the period in which it arises in the income statement within "other income" or "other expense" as appropriate.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within the gain or loss from fair value adjustment on investment property. Investment properties are derecognised when they have been disposed.

If an investment property becomes owner-occupied, it is reclassified as PPE. Its fair value at the date of reclassification becomes its deemed cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, IAS 16 is applied up to the date of transfer, since investment property is measured at fair value. The property is fair valued at the date of transfer and any revaluation gain or loss, being the difference between fair value and the previous carrying amount, is accounted for as a revaluation surplus or deficit in equity in accordance with IAS 16. Revaluation surplus is recognized directly in equity through other comprehensive income, unless there was an impairment loss recognized for the same property in prior years. In this case, the surplus up to the extent of this impairment loss is recognized in profit or loss and any further increase is recognized directly in equity through other comprehensive income. Any revaluation deficit is recognized in profit or loss.

1.6 Goodwill and intangible assets (other than goodwill)

1.6.1 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed is smaller than the fair value of the net assets of the acquired subsidiary, the difference is recognized in the profit or loss. Goodwill represents the future economic benefits arising from assets that are not capable of being individually identified and separately recognized in a business combination.

Goodwill is not amortized. After initial recognition, it is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each cash-generating-unit that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Impairment reviews are undertaken annually (even if there is no indication of impairment) or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of the value-in-use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Where goodwill has been allocated to a cash-generating-unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

1.6.2 Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs (note 1.7), are not capitalised and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The Group's intangible assets have a finite useful life.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets.

Acquired computer software programs and licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software when these are expected to generate economic benefits beyond one year. Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred.

The amortization methods used for the Group's intangibles are as follows:

	Amortization Method	Useful Lives
Patents, trademarks and customer relationships	straight-line basis	up to 20 years
Licenses (mining permits)	straight-line basis / depletion method	shorter of: the permit period and the estimated life of the underlying quarry unit-of-production method
Development costs (quarries under operating leases)	note 1.7	note 1.7
Computer software	straight-line basis	3 to 7 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

1.7 Deferred stripping costs

Stripping costs comprise the removal of overburden and other waste products. Stripping costs incurred in the development of a quarry before production commences are capitalised as follows:

Where such costs are incurred on quarry land that is owned by the Group, these are included within the carrying amount of the related quarry, under PPE and subsequently depreciated over the life of the quarry on a units-of-production basis. Where such costs are incurred on leased quarries, these are included under 'Development expenditure' under Intangible assets and amortised over the shorter of the lease term and the useful life of the quarry.

1.8 Impairment of non-financial assets other than Goodwill

Assets that have an indefinite useful life (land not related to quarries) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised, as an expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. An asset's recoverable amount is the higher of an asset or cash generating units (CGU) fair value less costs of sell and its value-in-use.

1.9 Leases

1.9.1 Lessees

Until the 2018 financial year, leases were classified as either finance or operating leases.

Finance leases were capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest and reduction of the lease liability.

Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognized as a right-of-use (ROU) asset and a corresponding lease liability at the date at which the leased asset is available for use. Each lease payment is allocated between the lease liability and interest, which is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group presents ROU assets that do not meet the definition of investment property in the account “property, plant and equipment”, in the same line item as it presents underlying assets of the same nature that it owns. ROU assets that meet the definition of investment property are presented with investment property.

The lease liability is initially measured at the commencement date at the present value of the lease payments during the lease term that are not yet paid. It is discounted by using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate (IBR). The IBR is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value in a similar economic environment with similar terms and condition.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a modification that is not accounted for as a separate lease; a change in future lease payments arising from a change in an index or rate; a change in the estimate of the amount expected to be payable under a residual value guarantee; and if the Group changes its assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments)
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- Payments of penalties for terminating the lease if the lessee will exercise that option

The ROU asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. When ROU asset meets the definition of investment property is initially measured at cost, and subsequently measured at fair value, in accordance with the Group’s accounting policy.

The initial measurement of the ROU asset is comprised by:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs

For short term leases and leases of low value assets, the Group has elected not to recognise ROU assets and lease liabilities. It recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

For leases that contain both lease and non-lease components, the Group chose not to separate them, except for terminals in which non-lease components are separated from lease components.

1.9.2 Lessors

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Operating leases of PPE are recognized according to their nature in the statement of financial position.

Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

1.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Appropriate allowance is made for damaged, obsolete and slow moving items. Write-downs to net realisable value and inventory losses are expensed in cost of sales in the period in which the write-downs or losses occur.

1.11 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional and subsequently measured at amortised cost using the effective interest method, less loss allowance.

1.12 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments of three months or less from the date of acquisition, and bank overdrafts, if they exist. Bank overdrafts are included within borrowings in current liabilities in the balance sheet. The components of cash and cash equivalents have a negligible risk of change in value.

1.13 Share capital

Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as "share premium" in shareholders' equity. Incremental external costs directly attributable to the issue of new shares or share options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company or its subsidiaries purchases the Company's own equity share capital (treasury shares), the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity until they are cancelled or sold. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributed incremental transaction costs and the related income tax effect, is included in shareholders' equity.

1.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are carried at amortised cost using the effective interest method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transactions costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group entity has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

1.15 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss, it is not accounted for.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, joint arrangements and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.16 Employee benefits

1.16.1 Pension and other retirement obligations

The Group operates various pension and other retirement schemes, including both defined benefit and defined contribution pension plans in accordance with the local conditions and practices in the countries in which it operates. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of financial position in respect of defined benefit pension or retirement plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements under other operating expenses/income

Net interest expense or income under finance expenses

Re-measurements, comprising of the actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs.

1.16.2 Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits.The obligating event is the termination and not the service. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

1.16.3 Profit sharing and bonus plans

A liability for employee benefits in the form of profit sharing and bonus plans is recognised in other provisions when the following conditions are met:

there is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements; or

past practice has created a valid expectation by employees that they will receive a bonus/ profit sharing and the amount can be determined before the time of issuing the financial statements.

1.16.4 Share-based payments

Share options are granted to certain members of senior management at a discount to the market price of the shares on the respective dates of the grants and are exercisable at those prices. The options must be exercised within twelve months of their respective vesting period. The scheme has a contractual option term of three years.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense during the vesting period, which is the period over which all of the specific vesting conditions are to be satisfied. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, specified by the date of grant:

Including any market performance conditions (for example, an entity's share price);

Excluding the impact if any service and non-market performance vesting conditions (for example profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

Including the impact of any non-vesting conditions (for example, the requirement for employees to save)

At the end of each reporting date, the Group revises its estimates of the number of options that are expected to vest and recognises the impact of the revision of original estimates, if any, in administrative expenses and cost of goods sold in the income statement, with a corresponding adjustment to equity. When the options are exercised, either the Company issues new shares, or the Group settles the awards with existing treasury shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium reserve.

1.17 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

1.18 CO_2 Emission rights

Emission rights are accounted for under the net liability method, based on which the Group recognizes a liability for emissions when the emissions are made and are in excess of the allowances allocated. The Group has chosen to measure the net liability on the basis of the period for which the irrevocable right to the cumulative emissions rights have been received. Emission rights purchases in excess of those required to cover its shortages are recognized as intangible asset. Proceeds from the sale of granted emission rights are recorded as a reduction to cost of sales.

1.19 Provisions

Provisions represent liabilities of uncertain timing or amount and are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presenting in the income statement net of any reimbursement.

Provisions are not recognized for future operating losses. The Group recognises a provision for onerous contracts when the economic benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognised in the period in which the Group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Group are not provided for in advance.

Where the effect of the time value of money is material, provisions is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due the passage of time is recognized as a finance expense.

1.20 Site restoration, quarry rehabilitation and environmental costs

Companies within the Group are generally required to restore the land used for quarries and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities and consistent with the Group's environmental policies. Provisions for environmental restoration are recognised when the Group has a present legal or constructive obligation as a result of past events and, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions associated with environmental damage represent the estimated future cost of remediation. Estimating the future costs of these obligations is complex and requires management to use judgment.

The estimation of these costs is based on an evaluation of currently available facts with respect to each individual site and considers factors such as existing technology, currently enacted laws and regulations and prior experience in remediation of sites. Inherent uncertainties exist in such evaluations primarily due to unknown conditions, changing governmental regulations and legal standards regarding liability, the protracted length of the clean-up periods and evolving technologies. The environmental and remediation liabilities provided for reflect the information available to management at the time of determination of the liability and are adjusted periodically as remediation efforts progress or as additional technical or legal information becomes available.

Estimated costs associated with such rehabilitation activities are measured at the present value of future cash outflows expected to be incurred. When the effect of the passage of time is not significant, the provision is calculated based on undiscounted cash flows. Where a closure and environmental obligation arises from quarry/mine development activities or relate to the decommissioning PPE the provision can be capitalized as part of the cost of the associated asset (intangible or tangible). The capitalized cost is depreciated over the useful life of the asset and any change in the net present value of the expected liability is included in finance costs, unless they arise from changes in accounting estimates of valuation.

1.21 Revenue

Revenue is the amount of consideration expected to be received in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (value-added tax, other sales taxes etc.).

Revenue is recognized when (or as) a performance obligation is satisfied by transferring the control of a promised good or service to the customer. A customer obtains control of a good or service if it has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service. Control is transferred over time or at a point in time.

Revenue from the sale of goods is recognised when control of the good is transferred to the customer, usually upon delivery and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The main products of the Group are cement, clinker, ready-mix, fly ash and other cementitious products.

Revenue arising from services is recognised in the accounting period in which the services are rendered, and it is measured using either output methods or input methods, depending on the nature of service provided.

A receivable is recognized when there is an unconditional right to consideration for the performance obligations to the customer that are satisfied.

A contract asset is recognized when the performance obligation to the customer is satisfied before the customers pays or before payment is due, usually when goods or services are transferred to the customer before the Group has a right to invoice.

A contract liability is recognized when there is an obligation to transfer goods or services to a customer for which the Group has received consideration from the customer (prepayments) or there is an unconditional right to receive consideration before the Group transfers a good or a service (deferred income). The contract liability is derecognized when the promise is fulfilled and revenue is recorded in the profit or loss statement.

1.22 Dividend distribution

Dividend to the Company's shareholders is recognized in the financial statements in the period in which the Board of Directors' proposed dividend is ratified at the Shareholders' Annual General Meeting.

1.23 Segment information

Segment information is presented on the same basis as the internal information provided to the chief operating decision maker. The chief operating decision maker is the person (or the group of persons) that allocates resources to and assesses the operating results of the segments.

For management purposes, the Group is structured in five operating segments: Greece and Western Europe, North America, South Eastern Europe, Eastern Mediterranean and Joint Ventures. Each region has a regional Chief Executive Officer (CEO) who reports to the Group's CEO. In addition, the Finance Department is organized also by region for effective financial controlling and performance monitoring.

1.24 Financial assets

Classification and measurement

The Group classify their financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss) and,
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expenses. Trade receivables are initially measured at their transaction price.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Under IFRS 9, debt financial instruments are subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL). The classification is based on two criteria: a) the business model for managing the assets and b) whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the Group's debt financial assets are, as follows:

I. Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in the income statement.

II. Debt instruments at FVOCI, with gains or losses recycled to profit or loss on de-recognition. Financial assets in this category are debt instruments that meet the SPPI criterion and are held within a business model both to collect cash flows and to sell. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method.

III. Financial assets at FVPL comprise derivative instruments and equity instruments, which the Group had not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. A gain or loss on financial assets that subsequently measures at FVPL is recognized in income statement.

Other financial assets are classified and subsequently measured, as follows:

IV. Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on de-recognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group (or the Company) has irrevocably elected to so classify upon initial recognition or transition. Equity instruments at FVOCI are not subject to any impairment accounting. Dividends from such investments continue to be recognised in profit or loss, when the right to receive the payment is established, unless they represent a recovery of part of the cost of the investment.

V. Financial assets designated as measured at FVPL at initial recognition that would otherwise be measured subsequently at amortized cost or at FVOCI. Such a designation can only be made, if it eliminates or significantly reduces an "accounting mismatch" that would otherwise arise.

1.25 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset recognised amounts, and there is an intention to settle on the net basis the liability or realise the asset and settle the liability simultaneously. The legally enforceable right to offset should not depend on future events but it should apply in the ordinary course of business. However, it should be allowed for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

1.26 Impairment of financial assets

The Group record an allowance for expected credit losses (ECLs) for all financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For contract assets, trade receivables and lease receivables, the Group have applied the standard's simplified approach and have calculated ECLs based on lifetime expected credit losses.

For other financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

1.27 Derivative financial instruments and hedging activities

Initially, derivatives are recognized at fair value at commencement date and subsequently, they are re-measured at their fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income (OCI) and later is reclassified to profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of the hedge relationship, Group formally designates and documents the hedge relationship between hedging instruments and hedged items, to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

1.27.1 Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating both to the effective and ineffective portion of interest rate swaps hedging fixed rate borrowings is recognized in the income statement within "Finance income/expense".

1.27.2 Cash flow hedges

The effective portion of gains or losses from measuring cash flow hedging instruments is recognized in OCI and accumulated in reserves, in the account "translation differences on derivate hedging position". The gain or loss relating to the ineffective portion is recognized immediately in the income statement within "Finance income/expenses".

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

1.27.3 Net investment hedge

Hedges of net investments in foreign entities are accounted for similarly to cash flow hedges. Where the hedging instrument is a derivative, any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in currency translation differences on derivative hedging position in other reserves. The gain or loss relating to the ineffective portion is recognised immediately in other income/expenses in the income statement. However, where the hedging instrument is not a derivative (for example, a foreign currency borrowing), all foreign exchange gains or losses arising on the translation of a borrowing that hedges such an investment (including any ineffective portion of the hedge) are recognized in equity in "translation differences on derivative hedging position" in "other reserves".

Gains or losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold. The Group's "other reserves" include gains that have resulted from such hedging activities carried out in the past.

Derivatives that do not qualify for hedge accounting

Certain derivative transactions, do not qualify for hedge accounting under rules in IFRS. Any gains or losses arising from changes in the fair value of financial instruments that are not part of a hedging relationship are included in finance income / (expenses), or gain / (loss) from foreign exchange differences in the income statement for the period in which they arise, depending on their nature.

1.28 De-recognition of financial assets and liabilities

1.28.1 Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. A respective liability is also recognized.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

1.28.2 Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

1.29 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective assets until such as the asset is substantially ready for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the profit of loss in the period in which they are occurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

1.30 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.31 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount. Examples of exceptional items include gains/losses on disposal of non-current assets, restructuring costs and other unusual gains or losses.

2. Significant accounting estimates and judgments

The preparation of the financial statements requires management to make estimations and judgments that affect the reported disclosures. On an ongoing basis, management evaluates its estimates, which are presented bellow.

Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These management's estimation and assumptions form the basis for making judgments about the carrying value of assets and liabilities that are not readily available from other sources. The resulting accounting estimates will, seldom equal the related actual results by definition. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

2.1 Impairment of goodwill

Impairment tests for goodwill use the recoverable amounts of cash-generating units that are determined based on value-in-use calculations (note 13). These calculations require the use of estimates, which mainly relate to future earnings and discount rates.

2.2 Income taxes

Group entities are subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2.3 Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies (note 8).

2.4 Useful lives and residual values

PPE are depreciated over their estimated useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product lifecycles, life-of-mine and maintenance programmes are taken into account.

2.5 Leases

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and ROU assets recognized.

2.6 Allowance for trade receivable

The Group's management periodically reassess the allowance for trade receivables using parameters such as its credit policy, reports from its legal counsel on recent developments of the cases they are handling, and its estimates about the impact of other factors affecting the recoverability of the receivables (note 20).

2.7 Provision for environmental rehabilitation

The Group recognizes provision for environmental rehabilitation that is re-estimated on an annual basis. It reflects the present value of the expected restoration costs, using estimated cash flows and is calculated based on the area of the land disturbed at the reporting date and the cost of rehabilitation per metric unit of land at the level of the broader area of interest. Given the complexity of the calculations and the significant assumptions therein, management provides its best estimate in relation to the present value of the aforementioned liability.

2.8 Business combinations

On the acquisition of a company or business, a determination of the fair value and the useful lives of tangible and intangible assets acquired is performed, which requires the application of judgement. Future events could cause the assumptions used by the Group to change which could have an impact on the results and net position of the Group (note 1.2).

2.9 Fair value of share-based payments

Fair values used in calculating the amount to be expensed as a share-based payment is subject to a level of uncertainty. The Group is required to calculate the fair values of the equity-settled instruments granted to employees in terms of the share option schemes. These fair values are calculated by applying a valuation model, which is in itself judgmental, and takes into account certain inherently uncertain assumptions (note 1.16d and note 22).

3. 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 grands.

Information by operating segment

(all amounts in Euro thousands)	For the year ended 31 December 2019				
	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Gross revenue	315,626	952,120	262,588	150,308	1,680,642
Inter-segment revenue	-70,735	-109	-20	-	-70,864
Revenue from external customers	**244,891**	**952,011**	**262,568**	**150,308**	**1,609,778**
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	11,853	179,314	77,191	-1,225	267,133
Depreciation, amortization and impairment of tangible and intangible assets	-22,001	-73,450	-25,869	-18,645	-139,965
Operating (loss)/profit	-10,148	105,864	51,322	-19,870	127,168
ASSETS					
Property, plant & equipment	302,096	680,998	301,001	414,983	1,699,078
Intangible assets and goodwill	34,899	208,687	60,449	121,305	425,340
Other non-current assets	22,463	22,331	9,015	8,991	62,800
Current assets	175,106	194,218	112,954	88,925	571,203
Total assets of segments excluding joint ventures	**534,564**	**1,106,234**	**483,419**	**634,204**	**2,758,421**
Investment in joint ventures (note 15.2)					104,998
Total assets					**2,863,419**
LIABILITIES					
Non-current liabilities	273,292	546,408	61,365	171,075	1,052,140
Current liabilities	105,014	117,338	32,750	146,386	401,488
Total liabilities	**378,306**	**663,746**	**94,115**	**317,461**	**1,453,628**
Capital expenditures (note 11,12,14)	22,876	62,352	14,272	19,124	118,624
Impairment of property, plant and equipment (note 11)	-201	-538	-1,508	-	-2,247
Allowance for doubtful debtors (note 20)	-412	-1,012	-309	66	-1,667
Investment in associates (note 15)	3,209	1,404	4,247	-	8,860
Non-qualified deferred compensation plans (note 17,24)	-	3,826	-	-	3,826
Non-current assets excluding financial instruments, deferred tax assets and post employment benefit assets	344,957	891,089	369,564	536,288	2,141,898

Summarised financial information of the joint ventures, based on their IFRS financial statements, is disclosed in note 15.2
Capital expenditures consist of additions of property, plant and equipment, intangible assets and investment property.
Impairment charges are included in the income statement.
Revenue consists of the sale of goods and services. There are sales between operating segments. Total assets and capital expenditures are presented in the operating segment of the company that owns the assets.

3.Operating segment information (continued)

Information by business activities

(all amounts in Euro thousands)	For the year ended 31 December 2019			
	Cement	Ready mix concrete, aggregates and building blocks	Other	Total
Revenue	909,318	695,756	4,704	1,609,778

The cement activity includes cement and cementitious materials.

The business activities that are common to all segments of the Group are the production and trade of cement, ready-mix concrete, aggregates and transportation services.

Greece and Western Europe segment is also engaged in the production and trade of dry mortars and the Regulatory Electricity Market. North America segment includes the production and trade of building blocks and the processing of fly ash. Finally, South Eastern Europe and Eastern Mediterranean segments are engaged in the processing of alternative fuels.

Other activities include transportation services and the activity of Regulatory Electricity Market in Greece. None of these activities have the prerequisite magnitude to be presented separately.

At Group level, Revenue is derived from a set of customers none of which separately represents greater than or equal to 10%.

Information by operating segment

(all amounts in Euro thousands)	For the year ended 31 December 2018				
	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Gross revenue	296,090	860,312	239,694	154,294	1,550,390
Inter-segment revenue	-58,999	-209	-1,085	-	-60,293
Revenue from external customers	**237,091**	**860,103**	**238,609**	**154,294**	**1,490,097**
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	10,856	177,872	59,663	11,350	259,741
Depreciation, amortization and impairment of tangible and intangible assets	-20,795	-60,562	-22,528	-11,912	-115,797
Operating (loss)/profit	-9,939	117,310	37,135	-562	143,944
ASSETS					
Property, plant & equipment	299,016	639,151	307,701	402,024	1,647,892
Intangible assets and goodwill	30,006	205,105	60,764	109,346	405,221
Other non-current assets	17,560	9,034	9,258	7,687	43,539
Current assets	217,052	201,657	114,884	131,550	665,143
Total assets of segments excluding joint ventures	**563,634**	**1,054,947**	**492,607**	**650,607**	**2,761,795**
Investment in joint ventures (note 15)					108,135
Total assets					**2,869,930**
LIABILITIES					
Non-current liabilities	304,971	295,303	72,033	234,130	906,437
Current liabilities	87,279	261,276	60,662	82,986	492,203
Total liabilities	**392,250**	**556,579**	**132,695**	**317,116**	**1,398,640**

3. Operating segment information (continued)

Information by operating segment

(all amounts in Euro thousands)	For the year ended 31 December 2018				
	Greece and Western Europe	North America	South Eastern Europe	Eastern Mediterranean	Total
Capital expenditures (note 11,12,14)	19,106	58,465	15,905	20,854	114,330
Provision for obtaining license for construction of production line	-	-	-	4,725	4,725
Impairment of property, plant and equipment (note 11)	-	-659	-	-	-659
Impairment of Goodwill (note 13)	-629	-	-	-	-629
Allowance for doubtful debtors (note 20)	-628	-344	-173	-15	-1,160
Investment in associates (note 15)	3,062	2,285	4,085	-	9,432
Non-qualified deferred compensation plans (note 17, 24)	-	3,510	-	-	3,510
Non-current assets excluding financial instruments, deferred tax assets and post employment benefit assets	334,190	846,541	376,998	511,370	2,069,099

Capital expenditures consist of additions of property, plant and equipment, intangible assets and investment properties.

Impairment charges are included in the income statement.

Information by business activities

(all amounts in Euro thousands)	For the year ended 31 December 2018			
	Cement	Ready mix concrete, aggregates and building blocks	Other	Total
Revenue	847,704	634,295	8,098	1,490,097

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)	2019	2018
Operating profit	**127,168**	**143,944**
Other income/(loss)	14	-3,143
Net finance costs	-59,643	-63,817
(Loss)/gain from foreign exchange differences	-4,539	9,319
Share of profit of associates (note 15.1)	2,413	1,772
Share of loss of joint ventures (note 15.2)	-1,047	-5,513
Profit before taxes	**64,366**	**82,562**

4. Other income and expenses

i) Other operating income and expenses

(all amounts in Euro thousands)	2019	2018
Scrap sales	428	1,225
Compensation income	1,580	4,138
Income from subsidies	130	33
Income from services	4,123	2,712
Rental income	2,624	2,527
Gains on disposal of PPE, intangible assets and investment property (note 28)	-	14
Various recurrent taxes - fees	-	1,050
Other income	797	3,706
Other income total	**9,682**	**15,405**
Losses on disposals of PPE, intangible assets and investment property (note 28)	-804	-
Fair value loss from investment property (note 12)	-140	-159
Restructuring cost	-1,801	-2,414
Exceptional items	-	-79
Various recurrent taxes - fees	-	-1,351
Other expenses	-1,537	-1,949
Other expenses total	**-4,282**	**-5,952**

The restructuring cost relates to voluntary retirement incentive programs in all Group operating segments.

ii) Other income/(loss)

(all amounts in Euro thousands)	2019	2018
Income from participations and investments	14	55
Loss of obtaining control in joint venture	-	-3,075
Loss from participations and equity instruments	-	-123
Other income/(loss)	**14**	**-3,143**

5. Expenses by nature

(all amounts in Euro thousands)	2019	2018
Staff costs and related expenses (note 7)	-318,228	-277,053
Raw materials and consumables used	-403,691	-358,635
Energy cost	-243,498	-240,514
Changes in inventory of finished goods and work in progress	1,057	2,593
Distribution expenses	-179,135	-171,892
Third party fees	-133,791	-125,173
Depreciation, amortization and impairment (note 11,13,14,26)	-139,965	-115,797
Other expenses	-69,092	-67,975
Total expenses by nature	**-1,486,343**	**-1,354,446**
Included in:		
Cost of sales	-1,315,866	-1,201,884
Administrative expenses	-145,188	-130,241
Selling and marketing expenses	-25,289	-22,321
	-1,486,343	**-1,354,446**

In June 7, 2019 the Annual General Meeting approved the remuneration of the external auditor during the financial year 2019. For the statutory audit of consolidated financial statements for Titan Cement International the fees would be up to the amount of €100 thousand. Moreover, the external auditor was appointed by the respective Annual General Meetings as the auditor of 30 Group subsidiaries worldwide. The external auditor also undertook the tax compliance audit of the TCI and its subsidiaries in Greece. The total fees for the above services, under the exchange rates prevailing at the time of their appointment, amounted to €1,222 thousand (2018: €1,274 thousand).

In 2019, following prior approval by the Audit Committee, the external auditor provided to TCI additional non-audit related services for which the fees paid amounted to €373 thousand (2018: €151 thousand).
All the above fees are included in the account "Third party fees".

6. Net finance costs and foreign exchange differences

(all amounts in Euro thousands)	2019	2018
i) Finance income		
Interest income and related income	1,696	1,849
Other finance income	-	68
Finance income	**1,696**	**1,917**
ii) Finance expenses		
Interest expense and related expenses	-57,163	-64,422
Finance costs of actuarial studies (note 24)	-516	-418
Unwinding of discount of rehabilitation and other provisions (note 25)	-664	-281
Interest expense on lease liabilities (2018 -Finance lease interest)	-2,996	-371
Fair value losses from financial assets	-	-184
Fair value losses on derivatives	-	-58
Finance expense	**-61,339**	**-65,734**
iii) Gain/(loss) from foreign exchange differences		
Net exchange gains	11,952	34,926
Fair value losses on derivatives	-16,491	-25,607
(Losses)/gains from foreign exchange differences	**-4,539**	**9,319**

7. Staff costs

(all amounts in Euro thousands)	2019	2018
Wages, salaries and related expenses	286,021	249,532
Social security costs	27,014	23,938
Fair value of share options granted to directors and employees (note 28)	2,094	1,755
Other post retirement and termination benefits - defined benefit plans (note 4,6,24)	5,415	4,660
Total staff costs	**320,544**	**279,885**

The average number of Group employees for the fiscal year 2019 was 5,382.

8. Income tax expense

(all amounts in Euro thousands)	2019	2018
Current tax	7,035	4,086
Deferred tax (note 18)	2,221	21,730
Non deductible taxes and differences from tax audit	1,955	762
	11,211	**26,578**

The tax on Group profit differs from the amount that would arise had the Group companies used the nominal tax rate of the country in which they operate as follows:

(all amounts in Euro thousands)	2019	2018
Profit before tax	**64,366**	**82,562**
Tax calculated at the domestic rates applicable to profits	11,998	16,948
Tax adjustments in respect of:		
Income not subject to tax	-254	-1,005
Expenses not deductible for tax purposes	3,095	10,690
Effect of change in Greek tax rate	592	-779
Effect of unrecognized deferred tax asset on tax carry forward losses	-682	650
Tax incentives	-3,527	-2,981
Base Erosion and Anti-Abuse Tax	1,584	1,133
Change in recognition of net operating loss carryforwards	-1,111	201
Other	-484	1,721
Effective tax charge	**11,211**	**26,578**

Deferred tax assets are recognized for the carryforwards of unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. The calculation of the tax carry-forward receivable to be recognized requires management judgment in assessing future profitability and recoverability (note 2.3).

On 31 December 2019, certain Group entities had tax carry forward losses of €235 million (2018: €233.5 million). These entities have recognized deferred tax assets amounting to €60.1 million (2018: €63.1 million), attributable to losses amounting to €230.7 million (2018: €277.5 million), as these deferred tax assets will be recoverable using the estimated future taxable income based on approved business plans (note 18).

The deferred tax assets include an amount of €26.7 million, which relates to tax losses from the operations in Egypt. The subsidiaries of this territory generated losses the last two years due to the recorded drop in the cement consumption and the decline in prices. Gradual improvement is recorded from the fourth quarter of 2019 and the group has concluded that the deferred tax assets will be recoverable using the estimated taxable income based on the approved business plans and budgets for the subsidiary. The subsidiary is expected to generate taxable income from 2020 and onwards. The losses can be carried forward until 2024.

The Group's subsidiary in USA, Titan America LLC, has a deffered tax asset balance of €29.6 million on 31 December 2019. The Group has concluded that these deferred tax assets are recoverable, since the USA business segment is profitable and the subsidiary can carry forward the losses until 2035.

For the remaining €2.4 million tax carry forward losses, no deferred tax asset has been recognized, since they did not meet the recognition criteria according to IAS 12 and may be carried forward indefinitely.

9.Earnings per share

Following a successful tender offer and completion of a squeeze out exercise, Titan Cement International S.A. (the parent or TCI) acquired 100% of the ordinary and preference shares of Titan Cement Company S.A. (“Titan S.A.”) (note 22).

Basic earnings per share are calculated by dividing the net profit attributable to shareholders for the year by the weighted average number of shares in issue during the year, excluding shares purchased by the Group and held as treasury shares.

(all amounts in Euro thousands unless otherwise stated)	2019	2018
Net profit for the year attributable to equity holders of the parent	50,905	53,847
Weighted average number of ordinary shares in issue	78,902,574	72,885,158
Weighted average number of preferred shares in issue	-	7,407,852
Total weighted average number of shares in issue for basic earnings per share	78,902,574	80,293,010
Basic earnings per ordinary and preferred share (in €)	**0.6452**	**0.6706**

The diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to net profit (numerator).

(all amounts in Euro thousands unless otherwise stated)	2019	2018
Net profit for the year attributable to equity holders of the parent	50,905	53,847
Weighted average number of ordinary shares for diluted earnings per share	78,902,574	72,885,158
Share options	827,404	638,373
Weighted average number of preferred shares in issue	-	7,407,852
Total weighted average number of shares in issue for diluted earnings per share	79,729,978	80,931,384
Diluted earnings per ordinary and preferred share (in €)	**0.6385**	**0.6653**

10. Dividends and return of capital

For the year ended 31.12.2019

Following the authorization granted to the Board of Directors by the Extraordinary Meeting of the company’s Shareholders on the 13th of May 2019, the Board of Directors of Titan Cement International SA decided the return of capital of € 0.20 (20 cents) per share to all the Shareholders of the Company on record on May 14, 2020.

For the year ended 31.12.2018

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. The final amounts distributed per share were increased by the amount, corresponding to the treasury shares held by the Company.

11. Property, plant and equipment

(all amounts in Euro thousands)	Year ended 31 December 2018							
	Land	Quarries	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
Opening balance	**236,117**	**134,572**	**177,860**	**769,365**	**52,143**	**11,459**	**71,991**	**1,453,507**
Additions	471	7,083	648	5,354	446	677	89,406	104,085
Fair value adjustments due to joint venture acquisition (note 29)	396	-	26,963	80,536	-	-	-	107,895
Additions due to acquisition of joint venture (note 29)	1,441	-	4,950	14,413	63	217	150	21,234
Disposals (NBV)	-170	-212	-13	-951	-30	-	-460	-1,836
Reclassification of assets from/to other PPE categories	3,508	-30	6,825	38,580	18,952	3,219	-73,409	-2,355
Transfers to other accounts	-	-	-	-408	-	-	-1,344	-1,752
Depreciation charge (note 28)	-3,805	-8,955	-10,555	-69,230	-11,945	-3,046	-	-107,536
Impairment of PPE (note 28)	-659	-	-	-	-	-	-	-659
Exchange differences	8,868	5,236	7,441	36,471	2,386	141	2,315	62,858
Ending balance	**246,167**	**137,694**	**214,119**	**874,130**	**62,015**	**12,667**	**88,649**	**1,635,441**

Lease assets under finance leases

Opening balance	-	-	-	**134**	**12,405**	-	-	**12,539**
Additions	-	-	-	240	-	-	-	240
Additions due to acquisition of joint venture (note 29)	-	-	-	-	107	-	-	107
Reclassification of assets from PPE	-	-	-	752	1,603	-	-	2,355
Depreciation charge (note 28)	-	-	-	-54	-3,353	-	-	-3,407
Exchange differences	-	-	-	1	616	-	-	617
Ending balance	**-**	**-**	**-**	**1,073**	**11,378**	**-**	**-**	**12,451**
At 31 December 2018								
Cost	291,288	223,075	426,386	1,851,656	252,723	58,757	88,649	3,192,534
Accumulated depreciation	-42,108	-85,381	-212,264	-970,320	-179,330	-46,078	-	-1,535,481
Accumulated losses of impairment of PPE	-3,013	-	-3	-6,133	-	-12	-	-9,161
Net book value	**246,167**	**137,694**	**214,119**	**875,203**	**73,393**	**12,667**	**88,649**	**1,647,892**

11. Property, plant and equipment (continued)

(all amounts in Euro thousands)	Year ended 31 December 2019							
	Land	Quarries	Buildings	Plant & equipment	Motor vehicles	Office furniture, fixtures and equipment	Assets under construction	Total
Opening balance	**246,167**	**137,694**	**214,119**	**874,130**	**62,015**	**12,667**	**88,649**	**1,635,441**
Additions	27	4,992	362	7,128	352	614	82,865	96,340
Interest capitalization	-	-	-	-	-	-	389	389
Disposals (NBV)	-2,089	-100	-307	-1,826	-320	-51	-112	-4,805
Reclassification of assets from/to other PPE categories	6,594	6	7,261	58,161	22,716	3,157	-97,895	-
Transfers from other accounts	103	-	446	973	-19	-6	296	1,793
Depreciation charge (note 28)	-4,210	-10,129	-12,058	-74,581	-14,662	-3,567	-	-119,207
Impairment of PPE (note 28)	-1,508	-	-	-196	-5	-	-538	-2,247
Exchange differences	8,556	2,342	1,673	16,563	1,059	90	3,608	33,891
Ending balance	**253,640**	**134,805**	**211,496**	**880,352**	**71,136**	**12,904**	**77,262**	**1,641,595**

Right of use assets

Opening balance	-	-	-	**1,073**	**11,378**	-	-	**12,451**
Change in accounting policy (note 1, 33)	12,744	-	16,370	19,523	4,711	180	-	53,528
Additions	705	-	4,382	-98	2,334	-	-	7,323
Disposals (NBV)	-	-	-339	-2,404	-80	-	-	-2,823
Depreciation charge (note 28, 33)	-1,353	-	-3,621	-4,842	-4,258	-122	-	-14,196
Exchange differences	242	-	384	405	169	-	-	1,200
Ending balance	**12,338**	**-**	**17,176**	**13,657**	**14,254**	**58**	**-**	**57,483**

At 31 December 2019								
Cost	325,954	231,755	466,977	1,968,709	279,722	62,742	77,803	3,413,662
Accumulated depreciation	-55,397	-96,950	-237,727	-1,068,372	-194,327	-49,768	-	-1,702,541
Accumulated losses of impairment of PPE	-4,579	-	-578	-6,328	-5	-12	-541	-12,043
Net book value	**265,978**	**134,805**	**228,672**	**894,009**	**85,390**	**12,962**	**77,262**	**1,699,078**

11. Property, plant and equipment (continued)

Disposal of assets

During 2019, the Group received €6,824 thousand (2018: €1,850 thousand) from the disposal of tangible assets with total net book value of €7,628 thousand (2018: €1,836 thousand). Thus, the Group recognized €804 thousand losses (2018: €14 thousand gains) on disposal of PPE in the consolidated income statement (note 4).

Impairments of property, plant and equipment

In 2019, the Group recorded impairment losses of €2,247 thousand, that were presented in the cost of sales in the consolidated income statement. Specifically, the amount of €1,508 thousand was recorded for a plot of land in Bulgaria. On 31.12.2019, its recoverable amount was estimated to be €1,465 thousand. Moreover, an impairment loss of €538 thousand was recognised for an asset under construction in North America with zero recoverable amount at the end of 2019. Finally, the amount of €200 thousand impairment was recorded in Greece for two machineries, whose recoverable values were estimated to zero.

During 2018, the Group recognized an impairment to a parcel of land in North America amounting to €659 thousand.

The aforementioned land was impaired as its recoverable amounts was lower than its carrying amounts. The recoverable amount is the fair value less costs to sell and is determined using a sale price quote from an unrelated third party as the amount that the buyer would purchase this tangible asset. This quote is not from an active market and represents a level 3 in the valuation hierarchy.

Property, plant and equipment pledged as security

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 €39.0 million and €4.6 million respectively, securing bank credit facilities. As at 31.12.2019, utilization under these credit facilities amounted to €5.6 million and €1.05 million respectively.

12. Investment property

Property that is leased among Group subsidiaries is not included in investment property but in property, plant and equipment in the Group statement of financial position. Investment property is measured at fair value by external, independent, certified valuators, members of the institute of the certified valuators and certified from the European Group of Valuers' Associations (TEGoVA) & RICS (Royal Institution of Chartered Surveyors).

(all amounts in Euro thousands)	2019	2018
Opening balance	**12,202**	**12,130**
Net loss from measurement at fair value (note 4)	-140	-159
Transfer from own-used property after revaluation	172	231
Transfer to property, plant and equipment (note 11)	-575	-
Exchange differences	-31	-
Ending balance	**11,628**	**12,202**

(all amounts in Euro thousands)	2019	2018
Rental income derived from investment property	366	428
Direct operating expenses (including repair and maintenance) that did not generate rental income	-15	-2
Net profit arising from investment properties carried at fair value	-140	-159

Investment property is measured at fair value on a yearly basis. The fair value measurement of the investment property of the Group has been mainly conducted in accordance with the comparative method or the current market values of similar properties. The main factors that were taken into consideration, are the property location, the surface area, the local urban planning, the bordering road networks, the regional infrastructure, the property maintenance status and merchantability, the technical construction standards in the case of buildings and the impact of environmental issues if any.

The investment properties are leased to tenants under operating leases with rentals payable monthly, quartetly or yearly. Lease payments for some contracts include Consumer Price Index (CPI) increases, but there are no other variable lease payments that depend on an index or rate.

Minimum lease payments receivable on leases of investment properties are as follows:

(all amounts in Euro thousands)	2019	2018
within one year	424	431
Between 1 and 2 years	352	423
Between 2 and 3 years	344	262
Between 3 and 4 years	299	253
Between 4 and 5 years	168	204
Later than five years	609	256
	2,197	**1,829**

13. Goodwill

(all amounts in Euro thousands)	Initial goodwill	Goodwill impairment	Total goodwill
Balance at 1 January 2018	**304,557**	**-16,888**	**287,669**
Additions due to acquisition of joint venture (note 29)	35,638	-	35,638
Impairment (note 28)	-	-629	-629
Exchange differences	15,992	-270	15,722
Balance at 31 December 2018	**356,187**	**-17,787**	**338,400**
Balance at 1 January 2019	**356,187**	**-17,787**	**338,400**
Exchange differences	6,164	-41	6,123
Balance at 31 December 2019	**362,351**	**-17,828**	**344,523**

Impairment testing of goodwill

The provision of goodwill impairment is charged to the income statement.

Key assumptions

Group cash-generating-units (CGUs) are defined generally as a country or group area on the basis of the sales and management structure. The recoverable amount of all CGUs has been determined based on value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering generally a five-year period. In specific circumstances when the Titan considers that actual results of a CGU do not fairly reflect historical performance and most external economic variables provide confidence that a reasonably determinable improvement in the mid term is expected in operating results, management uses cash flow projections over a period up to 10 years to the extent that Titan has detailed, explicit and reliable financial forecasts and can demonstrate its ability to forecast cash flows accurately over that longer period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The calculation of value-in-use for the Group's evaluated CGUs is most sensitive to the following assumptions:

Sales volumes:

Volume assumptions have been provided by local management and reflect its best estimates as derived from sales forecasts for the development of which a combination of factors have been taken into consideration: past performance, local market growth estimates, infrastructure projects in which the company will participate (public investments), etc. Sales volume growth rates are also based on published industry research and take into account demographic trends including population growth, household formation, and economic output (among other factors) in the countries where the Group operates. In addition to demographic trends, long-term growth rates take into account cement/concrete intensity in construction which has historically varied based on building codes, availability of raw materials, and other factors.

Selling prices:

Price assumptions have been provided by local management and reflect its best estimates. Factors that have been taken into consideration involve historical information-inflation, brand loyalty, growth rate of the regional economy, competition, production cost increases, etc. Operating expenses are normally measured as constant proportions of revenues following experience adjusted by external information sources in respect of inputs that behave accordingly to international prices, such as oil and gas.

Perpetual growth rates:

Factors that have been taken into consideration are estimates from the local Central Banks in the countries where the Group operates relating to the growth of the local economies over the next years along with the co-relation that exists between the growth of the economy and that of the construction sector.

13. Goodwill (continued)

Discount rates:

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its post tax weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Country-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Key assumptions used for value in use calculations in respect of goodwill 2019

(all amounts in Euro thousands)

	Carrying amount of goodwill	Perpetual Growth rates	Discount rates
North America	194,694	2% - 3%	4.5%
Bulgaria	45,440	1%	2.5%
Egypt	50,149	8%	17.5%
Turkey	37,135	9.5%	16%
Other	17,105	1%-3.5%	3% - 7.2%
Total	**344,523**		

Key assumptions used for value in use calculations in respect of goodwill 2018

(all amounts in Euro thousands)

	Carrying amount of goodwill	Perpetual Growth rates	Discount rates
North America	191,022	2% - 3%	5.1% - 5.7%
Bulgaria	45,440	2%	3.5%
Egypt	43,910	6%	18,1%
Turkey	40,969	7.5%	18%
Other	17,059	2%	6.2% - 7.6%
Total	**338,400**		

Sensitivity of recoverable amounts

As at December 19, 2019, the Group analyzed the sensitivities of the recoverable amounts to the reasonably change in key assumptions. For Goodwill allocated to North America which accounts for more than 50% of the Group's goodwill, there was significant headroom and no reasonably possible change in assumptions would lead to impairment. 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: 4.6% for Turkey and 7.9% for Egypt
• Increase in the Discount rate by: 2.2% for Turkey and 2.6% for Egypt
• Decrease in the operating results (EBITDA) for each year of planning as well as in the terminal value of around seven per cent for Turkey and around seven per cent for Egypt

For the remaining CGUs the sensitivity analysis did not show a situation in which the carrying value of the CGU would exceed their recoverable amount.

14. Intangible assets

(all amounts in Euro thousands)	Licences	Development expenditure	Trademarks	Customer relationships	Other intangible assets	Total
Balance at 1 January 2018	**22,555**	**68**	**16,573**	**7,922**	**11,184**	**58,302**
Additions	5,656	704	-	-	3,645	10,005
Additions due to acquisition of joint venture (note 29)	34	-	2	-	6	42
Transfers from property, plant & equipment (note 11)	-	-	-	-	867	867
Amortization charge (note 28)	-741	-	-828	-1,495	-819	-3,883
Exchange differences	441	-	664	280	103	1,488
Balance at 31 December 2018	**27,945**	**772**	**16,411**	**6,707**	**14,986**	**66,821**
Balance at 1 January 2019	**27,945**	**772**	**16,411**	**6,707**	**14,986**	**66,821**
Additions	9,640	-	-	-	5,321	14,961
Reclassification of assets from/to other intangible assets categories	-	259	-	-	-259	-
Transfers from property, plant & equipment (note 11)	-	-	-	-	15	15
Amortization charge (note 28)	-1,069	-76	-885	-1,656	-849	-4,535
Exchange differences	1,992	-	597	740	226	3,555
Balance at 31 December 2019	**38,508**	**955**	**16,123**	**5,791**	**19,440**	**80,817**

Other intangible assets include mainly computer software.

15. Investments in associates, joint ventures and subsidiaries

15.1 Investment in associates

The Group financial statements incorporate the following companies with the equity method of consolidation:

a) Karierni Materiali Plovdiv AD with ownership percentage 48.711% (31.12.2018: 48.711%), Karierni Materiali AD with ownership percentage 48.764% (31.12.2018: 48.764%). The aforementioned companies are based in Bulgaria and operate in the aggregates business.

b) Vris OOD that the Group had percentage ownership of 48.764% until 31.12.2018, was merged with Karierni Materiali AD in January 2019.

c) Ecorecovery S.A. with ownership percentage 48% (31.12.2018: 48%) and Nordeco S.A. with ownership percentage 47.464% (31.12.2018: 47.388%). The aforementioned companies are based in Greece and they process, manage and trade solid waste for the production of alternative fuels.

d) ASH Venture LLC with ownership percentage 33% (31.12.2018: 33%) which beneficiates, markets and sells fly ash. ASH Venture LLC is based in USA.

None of the aforementioned companies is listed on a public exchange market.

Based on their contribution in its profit before taxes, the Group decided that each one of the aforementioned associates is individually immaterial and thus it discloses in aggregate its interests in these associates as follows:

(all amounts in Euro thousands)	2019	2018
Summarized statement of financial position as at 31 December		
Non-current assets	33,980	40,530
Current assets	8,615	9,241
Total assets	**42,595**	**49,771**
Non-current liabilities	2,318	2,353
Current liabilities	8,268	8,967
Total liabilities	**10,586**	**11,320**
Equity	**32,009**	**38,451**
Group's carrying amount of the investment	**8,860**	**9,432**
Summarized income statement and statement of comprehensive income for the year ended 31 December		
Revenue	**27,094**	**22,459**
Profit after taxes	6,172	4,509
Other comprehensive (losses)/income for the year	-57	7
Total comprehensive income for the year net of tax	**6,115**	**4,516**
Reconciliation of summarized financial information		
Carrying amount of the investment as at 1st of January	**9,432**	**7,702**
Profit for the year	2,413	1,772
Other comprehensive (losses)/income for the year	-28	3
Share capital increase	312	2,442
Dividends received	-3,321	-2,594
Foreign exchange differences	52	107
Carrying amount of the investment as at 31st of December	**8,860**	**9,432**

15.Investments in associates, joint ventures and subsidiaries (continued)

15.2 Investment in joint ventures

On 31 December 2019, the Group incorporated in its financial statements the company Companhia Industrial De Cimento Apodi with ownership percentage 50% (31.12.2018: 50%). The Group has joint control over the joint venture and therefore applies the equity method of consolidation. Apodi is based in Brazil and operates in the production of cement.

In September 2018, the aforementioned joint venture Companhia Industrial De Cimento Apodi established the company Apodi Distribuição e Logistica Ltda, which is based in Brazil and operates in the ready-mix industry. Since then, the Group owns 50% of the company's voting rights, has joint control over the newly established company and incorporates it in the consolidated financial statements with the equity method of consolidation.

Until 10 October 2018, the Group owned 50% of Adocim Cimento Beton Sanayi ve Ticaret A.S. (Adocim) and incorporated it in the consolidated financial statements with the equity method. Adocim is based in Turkey, owns a modern cement plant, a grinding unit and 3 ready-mix concrete units.

On 11 October 2018, the Group acquired an additional 25% of Adocim, while at the same time disposing of its 50% participation in the grinding plant with the selling price of €4.6 mil.. Thereafter, Group consolidates Adocim with the full consolidation method (note 29).

None of the aforementioned companies is listed on a public exchange market.

Summarised financial information of the joint ventures, based on their IFRS financial statements, are set out below:

(all amounts in Euro thousands)	Companhia Industrial De Cimento Apodi - Consolidated *		Adocim Cimento Beton Sanayi ve Ticaret A.S.
Summarized statement of financial position as at 31 December	2019	2018	2018
Non-current assets	185,310	181,108	-
Other current assets	34,283	32,913	-
Cash and cash equivalents	1,336	624	-
Total assets	**220,929**	**214,645**	**-**
Long-term borrowings	85,804	83,413	-
Other non-current liabilities	987	716	-
Short-term borrowings	34,998	39,103	-
Other current liabilities	24,985	13,776	-
Total liabilities	**146,774**	**137,008**	**-**
Equity	**74,155**	**77,637**	**-**
Summarized income statement and statement of comprehensive income	1.1 - 31.12.2019	1.1 - 31.12.2018	1.1 - 10.10.2018
Revenue	**83,824**	**74,543**	**31,754**
Depreciation, amortization and impairments of assets	-10,561	-9,023	-1,489
Finance income	2,926	1,250	22
Finance expense	-10,872	-12,171	-3,027
Income tax	739	-2,596	1,658
Loss after taxes	-2,095	-5,066	-5,912
Total comprehensive loss for the year net of tax	**-2,095**	**-5,066**	**-5,912**
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	13,805	15,262	4,518
Reconciliation of summarized financial information	2019	2018	2018
Carrying amount of the investment as at 1st of January	**108,135**	**110,772**	**42,371**
Loss for the year	-1,047	-2,575	-2,964
Intra-group eliminations	-	-	26
Share capital increase	-	12,573	-
Disposal of joint ventures (note 29)	-	-	-4,335
Change in consolidation method (note 29)	-	-	-20,809
Foreign exchange differences	-2,090	-12,635	-14,289
Carrying amount of the investment as at 31st of December	**104,998**	**108,135**	**-**

** Consolidated figures before elimination with the broader Group*

15. Investments in associates, joint ventures and subsidiaries (continued)

15.3 Subsidiaries with significant percentage of non-controlling interests

On 20 November 2019, the Group acquired from the International Finance Corporation (IFC) its stakes in Alexandria Development Co Ltd (17.28%) and Titan Cement Cyprus Limited (11.85%). Consquently, the Group's ownership percentage for both ADL and TCC from that date is 100.00% (note 16). The aggregate price for the transactions amounted to €81.8 million of which €13.3 mil. relates to put option purchase price that IFC held in Antea (note 30) and expired in November 2019.

Non-controlling interest as at 31 December 2019, is €34.6 million of which €26.9 million derived from Adocim Cimento Beton Sanayi ve Ticaret A.S., €2.7 million from Alexandria Portland Cement Co. S.A.E., €3.8 million from Usje Cementarnica AD and €1.2 million from Cement Plus LTD.

On 31 December 2018, the non-controlling interest of the Group was €77.2 million, of which €20.9 million was derived from Alexandria Development Co Ltd and its subsidiaries, €27.6 million from Titan Cement Cyprus Limited and its subsidiaries and finally €29.2 million from Adocim Cimento Beton Sanayi ve Ticaret A.S.

The following table summarizes the financial information of subsidiaries, in which the non-controlling interests held significant portion (note 16).

(all amounts in Euro thousands)	Alexandria Development Co.Ltd -Consolidated *		Titan Cement Cyprus Limited - Consolidated *		Adocim Cimento Beton Sanayi ve Ticaret A.S.	
Summarized statement of financial position as at 31 December	2019	2018	2019	2018	2019	2018
Non-current assets	-	361,391	-	115,526	135,558	150,605
Current assets	-	101,823	-	75,350	19,978	20,893
Total assets	**-**	**463,214**	**-**	**190,876**	**155,536**	**171,498**
Non-current liabilities	-	81,375	-	5,894	25,324	33,477
Current liabilities	-	178,288	-	21,048	22,802	21,322
Total liabilities	**-**	**259,663**	**-**	**26,942**	**48,126**	**54,799**
Equity	**-**	**203,551**	**-**	**163,934**	**107,410**	**116,699**
Attributable to:						
Equity holders of the parent	-	182,701	-	136,364	80,557	87,524
Non-controlling interests	-	20,850	-	27,570	26,853	29,175
Summarized income statement and statement of comprehensive income	1.1 - 30.11.2019	1.1 - 31.12.2018	1.1 - 30.11.2019	1.1 - 31.12.2018	1.1 - 31.12.2019	11.10 - 31.12.2018
Revenue	**106,795**	**135,240**	**154,808**	**154,036**	**23,532**	**5,357**
(Loss)/profit after taxes	-19,546	-19,185	35,419	29,024	-7,589	-676
Other comprehensive income/(losses) for the year	18,981	2,856	152	231	-10,606	16,330
Total comprehensive (losses)/income for the year net of tax	**-565**	**-16,329**	**35,571**	**29,255**	**-18,195**	**15,654**
Total comprehensive (losses)/income attributable to non-controlling interests	-46	-2,416	5,203	4,441	-4,549	3,877
Dividends distributed to non-controlling interest	-	-	979	3,936	-	-
Summarized cash flow information						
Cash flows from operating activities	-20,560	787	38,697	41,932	4,536	-5,060
Cash flows from investing activities	-4,447	-24,821	-6,391	-7,444	-2,013	-1,222
Cash flows from financing activities	4,868	44,015	-1,189	-26,108	-733	-1,099
Net (decrease)/increase in cash and cash equivalents	**-20,139**	**19,981**	**31,117**	**8,380**	**1,790**	**-7,381**
Cash and cash equivalents at beginning of the period	34,586	14,061	40,327	31,941	191	7,369
Effects of exchange rate changes	2,112	544	-42	6	-29	203
Cash and cash equivalents at end of the year	**16,559**	**34,586**	**71,402**	**40,327**	**1,952**	**191**

** Consolidated figures before elimination with the broader Group*

16. Principal subsidiaries, associates and joint ventures

			2019 % of investment (*)		2018 % of investment (*)	
Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	Direct	Indirect	Direct	Indirect
Full consolidation method						
Titan Cement International S.A. (1)	Belgium	Investment holding company	Parent company		-	-
Titan Cement Company S.A	Greece	Cement producer	100.000	-	Parent company	
Aeolian Maritime Company	Greece	Shipping	-	-	100.000	-
Aitolika Quarries S.A.	Greece	Quarries & aggregates	-	63.723	-	63.723
Albacem S.A.	Greece	Trading company	-	100.000	99.996	0.004
Interbeton Construction Materials S.A.	Greece	Ready mix & aggregates	-	100.000	99.910	0.090
Intertitan Trading International S.A.	Greece	Trading company	-	100.000	99.999	0.001
Gournon Quarries S.A.	Greece	Quarries & aggregates	-	100.000	54.930	45.070
Quarries of Tagaradon Community S.A.	Greece	Quarries & aggregates	-	67.587	-	67.587
Vahou Quarries S.A.	Greece	Quarries & aggregates	-	100.000	-	100.000
Sigma Beton S.A.	Greece	Quarries & aggregates	-	100.000	-	100.000
Titan Atlantic Cement Industrial & Commercial S.A.	Greece	Investment holding company	-	100.000	43.947	56.053
Titan Cement International Trading S.A.	Greece	Trading company	-	100.000	99.960	0.040
Brazcem Participacoes S.A.	Brazil	Investment holding company	-	100.000	-	100.000
Double W & Co OOD	Bulgaria	Port	-	99.989	-	99.989
Granitoid AD	Bulgaria	Trading company	-	99.760	-	99.760
Gravel & Sand PIT AD	Bulgaria	Quarries & aggregates	-	99.989	-	99.989
Trojan Cem EOOD (2)	Bulgaria	Trading company	-	94.959	-	83.625
Zlatna Panega Cement AD	Bulgaria	Cement producer	-	99.989	-	99.989
Green Alternative Energy Assets EAD	Bulgaria	Alternative fuels	-	100.000	-	100.000
Titan Investment EAD (3)	Bulgaria	Own/develop real estate	-	-	-	99.989
Cementi ANTEA SRL (2)	Italy	Trading company	-	100.000	-	80.000
Cementi Crotone S.R.L.	Italy	Import & distribution of Cement	-	100.000	-	100.000
Fintitan SRL	Italy	Import & distribution of cement	-	100.000	100.000	-
Separation Technologies Canada Ltd	Canada	Processing of fly ash	-	100.000	-	100.000
Alvacim Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
East Cement Trade Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Feronia Holding Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Iapetos Ltd	Cyprus	Investment holding company	-	100.000	100.000	-
KOCEM Limited	Cyprus	Investment holding company	-	100.000	-	100.000
Themis Holdings Ltd	Cyprus	Investment holding company	-	100.000	-	100.000
Titan Cement Cyprus Limited (2)	Cyprus	Investment holding company	-	100.000	-	88.151
Alexandria Portland Cement Co. S.A.E (2)	Egypt	Cement producer	-	98.724	-	90.186
Beni Suef Cement Co.S.A.E. (2)	Egypt	Cement producer	-	98.724	-	90.186
GAEA -Green Alternative Energy Assets (2)	Egypt	Alternative fuels	-	99.975	-	64.902
Titan Beton & Aggregate Egypt LLC (2)	Egypt	Quarries & aggregates	-	98.760	-	90.457
Sharr Beteiligungs GmbH (2)	Germany	Investment holding company	-	100.000	-	88.151
Arresa Marine Co	Marshall Islands	Shipping	-	100.000	-	100.000
Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S.	Turkey	Processing and trading of cement	-	100.000	-	100.000
Adocim Cimento Beton Sanayi ve Ticaret A.S.	Turkey	Cement producer	-	75.000	-	75.000

16. Principal subsidiaries, associates and joint ventures (continued)

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2019 % of investment (*) Direct	2019 % of investment (*) Indirect	2018 % of investment (*) Direct	2018 % of investment (*) Indirect
Full consolidation method						
Titan Cement U.K. Ltd	U.K.	Import & distribution of cement	-	100.000	100.000	-
Titan Global Finance PLC	U.K.	Financial services	-	100.000	100.000	-
Alexandria Development Co.Ltd (2)	U.K.	Investment holding company	-	100.000	-	82.717
Titan Egyptian Inv. Ltd	U.K.	Investment holding company	-	100.000	-	100.000
Carolinas Cement Company LLC	U.S.A.	Own/develop real estate	-	100.000	-	100.000
Essex Cement Co. LLC	U.S.A.	Trading company	-	100.000	-	100.000
Markfield America LLC	U.S.A.	Insurance company	-	100.000	-	100.000
Massey Sand and Rock Co	U.S.A.	Quarries & aggregates	-	100.000	-	100.000
Mechanicsville Concrete LLC	U.S.A.	Ready mix	-	100.000	-	100.000
Metro Redi-Mix LLC	U.S.A.	Ready mix	-	100.000	-	100.000
Miami Valley Ready Mix of Florida LLC	U.S.A.	Ready mix	-	100.000	-	100.000
Pennsuco Cement Co. LLC	U.S.A.	Cement producer	-	100.000	-	100.000
Norfapeake Terminal LLC (4)	U.S.A.	Trading company	-	100.000	-	-
Roanoke Cement Co. LLC	U.S.A.	Cement producer	-	100.000	-	100.000
S&W Ready Mix Concrete Co. Inc.	U.S.A.	Ready mix	-	100.000	-	100.000
S&W Ready Mix LLC	U.S.A.	Ready mix	-	100.000	-	100.000
Separation Technologies LLC	U.S.A.	Processing of fly ash	-	100.000	-	100.000
Standard Concrete LLC	U.S.A.	Trading company	-	100.000	-	100.000
ST Mid-Atlantic LLC	U.S.A.	Processing of fly ash	-	100.000	-	100.000
ST Equipment & Technology LLC	U.S.A.	Sales of fly ash processing equipment	-	100.000	-	100.000
ST Equipment & Technology Trading Company LLC	U.S.A.	Trading company	-	100.000	-	100.000
Summit Ready-Mix LLC	U.S.A.	Ready mix	-	100.000	-	100.000
Titan Florida LLC	U.S.A.	Cement producer	-	100.000	-	100.000
Titan Mid-Atlantic Aggregates LLC	U.S.A.	Quarries & aggregates	-	100.000	-	100.000
Titan Virginia Ready Mix LLC	U.S.A.	Ready mix	-	100.000	-	100.000
Titan America LLC	U.S.A.	Investment holding company	-	100.000	-	100.000
Trusa Realty LLC	U.S.A.	Real estate brokerage	-	100.000	-	100.000
Cementara Kosjeric AD (2)	Serbia	Cement producer	-	100.000	-	88.151
Stari Silo Company DOO (2)	Serbia	Trading company	-	100.000	-	88.151
TCK Montenegro DOO (2)	Montenegro	Trading company	-	100.000	-	88.151
Esha Material DOOEL (2)	North Macedonia	Quarries & aggregates	-	100.000	-	88.151
GAEA Zelena Alternative Enerjia DOOEL	North Macedonia	Alternative fuels	-	100.000	-	100.000
MILLCO-PCM DOOEL (2)	North Macedonia	Renting and leasing of machines, equipment and material goods	-	100.000	-	88.151
Rudmak DOOEL (2)	North Macedonia	Trading company	-	100.000	-	88.151
Usje Cementarnica AD (2)	North Macedonia	Cement producer	-	94.959	-	83.625
Vesa DOOL	North Macedonia	Trading company	-	100.000	-	100.000
Cement Plus LTD (2)	Kosovo	Trading company	-	64.999	-	57.297
Esha Material LLC (2)	Kosovo	Quarries & aggregates	-	100.000	-	88.151
Kosovo Construction Materials L.L.C. (2)	Kosovo	Quarries & aggregates	-	100.000	-	88.151
Sharrcem SH.P.K. (2)	Kosovo	Cement producer	-	100.000	-	88.151
Alba Cemento Italia, SHPK (2)	Albania	Trading company	-	100.000	-	80.000
Antea Cement SHA (2)	Albania	Cement producer	-	100.000	-	80.000
GAEA Enerjia Alternative e Gjelber Sh.p.k.	Albania	Alternative fuels	-	100.000	-	100.000
Aeas Netherlands B.V. (2)	Holland	Investment holding company	-	100.000	-	88.151
Colombus Properties B.V.	Holland	Investment holding company	-	100.000	100.000	-
Salentijn Properties1 B.V.	Holland	Investment holding company	-	100.000	100.000	-
Titan Cement Netherlands BV (2)	Holland	Investment holding company	-	100.000	-	88.151

16. Principal subsidiaries, associates and joint ventures (continued)

Subsidiary, associate and joint venture name	Country of incorporation	Nature of business	2019 % of investment (*) Direct	2019 % of investment (*) Indirect	2018 % of investment (*) Direct	2018 % of investment (*) Indirect
Equity consolidation method						
Companhia Industrial De Cimento Apodi S.A.	Brazil	Cement producer	-	50.000	-	50.000
Apodi Concretos Ltda	Brazil	Ready mix	-	50.000	-	50.000
Apodi Distribuição e Logistica Ltda	Brazil	Trading company	-	50.000	-	50.000
ASH Venture LLC	U.S.A.	Processing of fly ash	-	33.000	-	33.000
Ecorecovery S.A.	Greece	Engineering design services for solid and liquid waste facilities	-	48.000	48.000	-
Nordeco S.A. (2)	Greece	Engineering design services for solid and liquid waste facilities	-	47.464	-	47.388
Karierni Materiali Plovdiv AD	Bulgaria	Quarries & aggregates	-	48.711	-	48.711
Karierni Materiali AD	Bulgaria	Quarries & aggregates	-	48.764	-	48.764
Vris OOD (3)	Bulgaria	Quarries & aggregates	-	-	-	48.764

(*) Percentage of investment represents both percentage of shareholding and percentage of control

Significant Group structure changes

1) New parent company

2) Change in percentage ownership

3) Merger

4) Formed subsidiary

17. Other non-current assets

(all amounts in Euro thousands)	2019	2018
Utility deposits	2,842	2,847
Excess benefit plan assets (note 24)	3,826	3,510
Other non-current assets	8,768	6,739
	15,436	**13,096**

18. Deferred income taxes

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.

(all amounts in Euro thousands)	2019	2018
Deferred tax assets to be recovered:		
after more than 12 months	-121,561	-99,971
within 12 months	-11,977	-11,637
Deferred tax liabilities to be used:		
after more than 12 months	189,439	167,408
within 12 months	26,479	29,899
Deferred tax liability (net)	**82,380**	**85,699**

The movement in the deferred income tax account after set-offs is as follows:

(all amounts in Euro thousands)	2019	2018
Opening balance, net deferred liability *	**85,699**	**36,679**
Income statement charge (note 8)	2,221	21,730
Change in accounting policy (note 1)	-1,454	-
Tax charged to equity through other comprehensive income	2,155	159
Tax charged to equity	-6,256	-
Fair value adjustments due to joint venture acquisition (note 29)	-	22,210
Exchange differences	15	4,921
Ending balance, net deferred liability	**82,380**	**85,699**

** Restated on 1/1/2019 for IFRS 16 - transition adjustments (note 1)*

18. Deferred income taxes (continued)

(all amounts in Euro thousands)	2019	2018
Analysis of deferred tax liabilities (before set - offs)		
Property, plant and equipment	150,046	145,648
Mineral deposits	20,127	20,723
Intangible assets	38,292	35,186
Unrealized foreign exchange differences	5,694	3,262
Investments	157	379
Receivables and prepayments	351	351
Trade and other payables	9	4
Prepaid expenses	1,113	1,044
Other	186	435
	215,975	**207,032**
Analysis of deferred tax assets (before set - offs)		
Intangible assets	-290	-1,782
Investments & other non-current receivables	-3,215	-3,575
Treasury Shares	-6,256	-
Unrealized foreign exchange differences	-9,051	-9,367
Inventories	-1,578	-3,267
Post-employment and termination benefits	-7,922	-7,572
Receivables and prepayments *	-7,222	-9,227
Tax losses carried forward (note 8)	-60,086	-63,066
Interest expense tax carried forward	-3,914	-2,328
Deferred income	-681	-749
Long-term debt/lease obligations	-12,896	-2,933
Provisions and accrued expenses *	-18,644	-15,795
Trade and other payables	-107	-115
Other	-1,733	-1,557
	-133,595	**-121,333**
Net deferred tax liability	**82,380**	**85,699**
Deferred tax assets (after set - offs)	13,939	8,715
Deferred tax liabilities (after set - offs)	96,319	94,414
Net deferred tax liability	**82,380**	**85,699**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

** Restated on 1/1/2019 for IFRS 16 - transition adjustments (note 1)*

18. Deferred income taxes (continued)

The movement in deferred tax assets and liabilities (prior to offsetting balances within the same tax jurisdiction) during the year is as follows:

(all amounts in Euro thousands)	January 1, 2019	Change in accounting policy (note 1)	Credit to equity	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	Exchange differences	December 31, 2019
Deferred tax liabilities (before set - offs)							
Property, plant and equipment	145,648	-1,454	-	1,671	-35	4,216	150,046
Mineral deposits	20,723	-	-	-976	-	380	20,127
Intangible assets	35,186	-	-	2,462	-	644	38,292
Unrealized foreign exchange differences	3,262	-	-	-106	2,314	224	5,694
Investments	379	-	-	-225	-	3	157
Receivables and prepayments	351	-	-	-	-	-	351
Trade and other payables	4	-	-	4	-	1	9
Prepaid expenses	1,044	-	-	49	-	20	1,113
Other	435	-	-	-258	-	9	186
	207,032	**-1,454**	**-**	**2,621**	**2,279**	**5,497**	**215,975**
Deferred tax assets (before set - offs)							
Intangible assets	-1,782	-	-	1,496	-	-4	-290
Investments & other non-current receivables	-3,575	-	-	360	-	-	-3,215
Treasury Shares	-	-	-6,256	-	-	-	-6,256
Unrealized foreign exchange differences	-9,367	-	-	1,482		-1,166	-9,051
Inventories	-3,267	-	-	1,713	-	-24	-1,578
Post-employment and termination benefits	-7,572	-	-	92	-123	-319	-7,922
Receivables and prepayments	-9,227	-	-	2,006	-	-1	-7,222
Tax losses carried forward (note 8)	-63,066	-	-	6,092	-	-3,112	-60,086
Interest expense tax carried forward	-2,328	-	-	-1,584	-	-2	-3,914
Deferred income	-749	-	-	81	-	-13	-681
Long-term debt/lease obligations	-2,933	-	-	-9,726	-	-237	-12,896
Provisions and accrued expenses	-15,795	-	-	-2,255	-	-594	-18,644
Trade and other payables	-115	-	-	8	-	-	-107
Other	-1,557	-	-	-165	-	-11	-1,733
	-121,333	**-**	**-6,256**	**-400**	**-123**	**-5,483**	**-133,595**
Net deferred tax liability	**85,699**	**-1,454**	**-6,256**	**2,221**	**2,156**	**14**	**82,380**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

18. Deferred income taxes (continued)

The movement in deferred tax assets and liabilities (prior to offsetting balances within the same tax jurisdiction) during the prior year is as follows:

(all amounts in Euro thousands)	January 1, 2018	Fair value adjustments due to joint venture acquisition (note 29)	Acquisition of joint venture (note 29)	Debit/(Credit) to net profit	Debit/(Credit) to equity through statement OCI	Exchange differences	December 31, 2018
Deferred tax liabilities (before set - offs)							
Property, plant and equipment	122,894	23,670	329	-8,176	-142	7,073	145,648
Mineral deposits	19,802		-	-17	-	938	20,723
Intangible assets	32,132	-	-	1,633	-	1,421	35,186
Unrealized foreign exchange differences	-8,841	-	-	11,709	657	-263	3,262
Provisions	-342	-	-	342	-	-	-
Investments	584	-	-	-225	-	20	379
Receivables and prepayments	351	-	-	-	-	-	351
Trade and other payables	161	-	-	-157	-	-	4
Prepaid expenses	860	-	-	139	-	45	1,044
Cash and cash equivalents	12	-	-	-12	-	-	-
Other	565	-	-	204	-	-334	435
	168,178	**23,670**	**329**	**5,440**	**515**	**8,900**	**207,032**
Deferred tax assets (before set - offs)							
Intangible assets	-3,188	-	-	1,506	-	-100	-1,782
Investments & other non-current receivables	-3,611	-	-	36	-	-	-3,575
Unrealized foreign exchange differences	-	-	-	-9,367	-	-	-9,367
Inventories	-4,039	-	-	824	-	-52	-3,267
Post-employment and termination benefits	-7,996	-	-50	930	-356	-100	-7,572
Receivables and prepayments *	-8,283	-	-1,714	1,018	-	-248	-9,227
Tax losses carried forward (note 8)	-80,833	-	-	20,581	-	-2,814	-63,066
Interest expense tax carried forward	-2,057	-	-	-271	-	-	-2,328
Deferred income	-866	-	-	154	-	-37	-749
Long-term debt/lease obligations	-3,439	-	-	648	-	-142	-2,933
Government grants and other non current liabilities	-1,070	-	-	1,070	-	-	-
Provisions and accrued expenses *	-15,396	-	-25	89	-	-463	-15,795
Trade and other payables	-14	-	-	-101	-	-	-115
Other	-707	-	-	-827	-	-23	-1,557
	-131,499	**-**	**-1,789**	**16,290**	**-356**	**-3,979**	**-121,333**
Net deferred tax liability	**36,679**	**23,670**	**-1,460**	**21,730**	**159**	**4,921**	**85,699**

** Restated on 1/1/2018 for IFRS 9 - transition adjustments (note 1)*

19. Inventories

(all amounts in Euro thousands)	2019	2018
Inventories		
Raw materials-maintenance stores	190,156	200,124
Provision for obsolete raw materials & maintenance stores	-1,757	-4,053
Finished goods	97,901	93,636
Provision for obsolete finished goods	-2,781	-3,146
	283,519	**286,561**
Analysis of provision for impairment of inventories		
Balance at 1 January	**7,199**	**10,196**
Charge for the year (note 28)	1,179	1,116
Unused amounts reversed (note 28)	-884	-848
Utilized	-2,880	-3,339
Reclassification to PPE	-90	-
Exchange differences	14	74
Balance at 31 December	**4,538**	**7,199**

The Group's subsidiaries have not pledged their inventories as collateral.

20. Receivables and prepayments

(all amounts in Euro thousands)	2019	2018
Trade receivables	111,657	120,215
Cheques receivables	25,736	26,528
Allowance for doubtful debtors	-25,543	-26,544
Total trade receivables	**111,850**	**120,199**
Creditors advances	5,839	6,120
V.A.T. and other tax receivables	11,470	8,537
Prepayments	12,464	12,677
Notes receivable	23,460	24,461
Receivables from authorities	11,444	17,935
Other receivables	12,037	11,182
Allowance for doubtful debtors	-1,999	-1,989
Total other receivables	**74,715**	**78,923**
	186,565	**199,122**

20. Receivables and prepayments (continued)

As at 31 December 2019, the balances of trade receivables and impairment are as follows:

(all amounts in Euro thousands)	Trade receivables	Impairments
Current	67,340	1,138
More than 30 days past due	31,154	1,383
More than 60 days past due	5,667	467
More than 120 days past due	33,232	22,555
	137,393	**25,543**

As at 31 December 2018, the balances of trade receivables and impairment are as follows:

(all amounts in Euro thousands)	Trade receivables	Impairments
Current	63,965	1,089
More than 30 days past due	29,791	648
More than 60 days past due	8,137	228
More than 120 days past due	44,850	24,579
	146,743	**26,544**

(all amounts in Euro thousands)	Expected credit loss rate	Trade receivables	Impairments
As at 31 December 2019			
Not credit-impaired	3%	104,161	2,988
Credit-impaired	68%	33,232	22,555
		137,393	**25,543**
As at 31 December 2018			
Not credit-impaired	2%	101,893	1,965
Credit-impaired	55%	44,850	24,579
		146,743	**26,544**

Trade receivables and other receivables from related parties are non-interest bearing and are normally settled on 30-170 days.

After the adoption of IFRS 9 on 1.1.2018, the Group applies the IFRS 9 simplified approach for measuring expected credit losses. The approach uses a lifetime expected loss allowance for all trade and other receivables.

On that basis, an impairment analysis is performed as at 31.12.2019 using provisional rates that are based on days past due for groupings of various customer segments with similar characteristics. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, forecasts of future economic conditions, in addition with specific information for individual receivables.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the income statement.

Moreover, the Group hold collaterals amounting to €32,878 thousand (31.12.2018: €33,316 thousand) (note 30).

Allowance for doubtful and other debtors analysis	2019	2018
Balance at 1 January	**28,533**	**27,599**
Charge for the year (note 28)	2,612	2,317
Unused amounts reversed (note 28)	-945	-1,157
Utilized	-2,685	-1,530
Additions due to acquisitions	-	771
Exchange differences	27	533
Balance at 31 December	**27,542**	**28,533**

The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situation. It was assessed that a portion of the receivables is expected to be recovered.

21. Cash and cash equivalents

(all amounts in Euro thousands)	2019	2018
Cash at bank and in hand	50	51
Short-term bank deposits	90,338	170,949
	90,388	**171,000**

Short-term bank deposits comprise primarily of current accounts and time deposits. The effective interest rates on these short-term bank deposits are based on floating rates and are negotiated on a case by case basis.

22. Share capital and premium

(all amounts are shown in Euro thousands unless otherwise stated)	Ordinary shares		Preference shares		Share premium	Re-organization reserve (note 23)	Non-Distributable and Distributable reserve (note 23)	Total	
	Number of shares	€'000	Number of shares	€'000	€'000	€'000	€'000	Number of shares	€'000
Shares issued and fully paid									
Balance at 1 January 2018	**77,063,568**	**231,190**	**7,568,960**	**22,707**	**22,826**	**-**	**-**	**84,632,528**	**276,723**
Share capital increase	-	73,210	-	7,190	-	-	-	-	80,400
Share capital decrease	-	-38,531	-	-3,784	-	-	-	-	-42,315
Balance at 31 December 2018	**77,063,568**	**265,869**	**7,568,960** -	**26,113** -	**22,826**	**-**	**-**	**84,632,528**	**314,808**
New parent TCI existing shares	5,555	100	-	-	-	-	-	5,555	100
Shares tendered during sell out and squeeze out	-2,114,301	-	-75,914	-	-	-42,965	-	-2,190,215	-42,965
Preference shares exchanged due to tender offer	7,493,046	-	-7,493,046	-26,113	-	26,113	-	-	-
Issuance costs	-	-	-	-	-9,347	-	-	-	-9,347
Change of parent company to Titan Cement International	-	1,194,348	-	-	-22,826	-1,171,522	-	-	-
Change of nominal value	-	-15,321	-	-	15,321	-	-	-	-
Transfer to reserve	-	-285,648	-	-	-	-	285,648	-	-
Balance at 31 December 2019	**82,447,868**	**1,159,348**	**-**	**-**	**5,974**	**-1,188,374**	**285,648**	**82,447,868**	**262,596**

(all amounts are shown in Euro thousands unless otherwise stated)	Ordinary shares		Preference shares		Total	
	Number of shares	€'000	Number of shares	€'000	Number of shares	€'000
Treasury shares						
Balance at 1 January 2018	**4,054,246**	**103,952**	**110,473**	**1,432**	**4,164,719**	**105,384**
Treasury shares purchased	351,151	7,092	86,837	1,522	437,988	8,614
Treasury shares sold	-44,226	-1,114	-	-	-44,226	-1,114
Balance at 31 December 2018	**4,361,171**	**109,930**	**197,310**	**2,954**	**4,558,481**	**112,884**
Treasury shares purchased	342,979	6,713	7,520	142	350,499	6,855
Treasury shares sold	-104,840	-2,600	-	-	-104,840	-2,600
Change of parent company to Titan Cement International	204,830	3,096	-204,830	-3,096	-	-
Balance at 31 December 2019	**4,804,140**	**117,139**	**-**	**-**	**4,804,140**	**117,139**

On 16 April 2019, Titan Cement International (the Company or 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, at an exchange ratio of one new ordinary share issuable by TCI for each Titan S.A. share.

Following the successful outcome of its voluntary tender offer, the Company acquired on 19 July 2019 approximately 93.00% (71,672,737 shares) and 92.36% (6,990,335 shares) of the ordinary and preference shares of Titan S.A respectively and became the Group's ultimate parent company.

Additionally, on 23 July 2019, the TCI's shares listed on Euronext Brussels, with a secondary listing on Athens Stock exchange and Euronext Paris. Transactions costs of €9.3 million incurred relating mainly to payments to legal, regulatory and other professional advisers for the issuance of new shares and their listing in Brussels Stock Exchange. These costs are deducted from the Share Premium.

Finally, on 19 August 2019, the Company completed its squeeze out rights and acquired 100% of the ordinary and preference shares of Titan S.A. that it did not acquire upon completion of the voluntary tender offer. Out of the remaining of 5,390,831 ordinary shares (7.00% interest) and 578,625 preference shares (7.64% interest) of Titan S.A., 3,276,530 ordinary shares and 502,711 preference shares were exchanged for an equal number of TCI shares while 2,114,301 ordinary shares and 75,914 preference shares were acquired for a cash consideration of €43 million.

These transactions were a reorganisation of the Group that did not change the substance of the reporting Group. The consolidated financial statements of TCI are presented using the values from the consolidated financial statements of Titan S.A.. The Group equity structure reflects the share capital and share premium of TCI, while the other amounts in Group equity are those of the consolidated financial statements of Titan S.A.. The acquiring entity's net assets are recorded at book value in the new entity's consolidated financial statements. The resulting difference that arose from the equity structure was recognised as a component of equity. Any difference between the cost of the transaction and the carrying value of the net assets was recorded in equity as reorganization reserve (note 23).

After the above changes, and including 4,804,140 ordinary shares held as treasury shares, the share capital on 31 December 2019 amounts to €1,159.3 million and is comprised of 82,447,868 shares without nominal value.

The average ordinary shares stock price of Titan Cement Company S.A. (old parent) for the period 1.1.2019 - 22.7.2019 was €18.82 (2018: €21.05) and the average shares stock price of new parent Titan Cement International S.A. for the period 23.7.2019 - 31.12.2019 was €18.63. The closing stock price on 31 December 2019 was €19.10 (31.12.2018: €19.38).

22. Share capital and premium

Share options

Share options are granted to members of senior management. Movements in the number of share options outstanding are as follows:

	2017 scheme	2014 scheme
Balance at 1 January 2018	**258,110**	**646,782**
Granted	402,370	-
Exercised	-	-44,226
Non vested	-	-161,305
Cancelled	-1,510	-34,526
Balance at 31 December 2018	**658,970**	**406,725**
Granted	601,710	-
Exercised	-	-104,515
Non vested	-	-53,968
Cancelled	-13,280	-11,291
Balance at 31 December 2019	**1,247,400**	**236,951**

Share options outstanding at the end of the year have the following terms:

	2017 scheme		2014 scheme	
Exercise price	€ 10		€ 10	
	2019	2018	2019	2018
Expiration date				
2020	-	-	7,477	47,311
2021	-	-	39,926	70,134
2022	-	-	189,548	289,280
2023	255,620	257,270	-	-
2024	397,740	401,700	-	-
2025	594,040	-	-	-
	1,247,400	**658,970**	**236,951**	**406,725**

2014 Programme

On 20 June 2014, the General Meeting of TITAN Cement Company S.A. approved the introduction of a new, three-year (2014-2016) Stock Option Programme. According to this Programme, the Board of Directors can grant option up to 1,000,000 ordinary shares at a sale price €10.00 per share. Beneficiaries of the Stock Option Plan were the executive members of the Board of Directors of TITAN Cement Company S.A., the managers and the employees with the same rank in affiliated companies inside and outside Greece, as well as a limited number of additional employees who stand out on a continuous basis for their good performance and have a high potential for advancement.

The vesting period of the stock options that were granted in 2014, 2015 and 2016 was three years. Therefore, the relevant option rights became mature in December of 2016, 2017 and 2018 respectively, provided that the beneficiaries were still employees of the Group. After the completion of the three-year vesting period, the final option rights number, which the beneficiaries would be entitled to exercise, should be determined by the Board of Directors of TITAN Cement Company S.A. within the first four months of 2017, 2018 and 2019 respectively and depends:

a) By 50% on the average three year Return on Average Capital Employed (ROACE) compared to the target of each year period, as this will be determined by the Board of Directors before granting the relevant option rights.

b) By 50% on the overall performance of TITAN Cement Company S.A. common share compared to the average overall performance of the shares of predefined international cement producing companies.

22. Share capital and premium (continued)

2014 Programme (continued)

The Beneficiaries shall be entitled to exercise their stock option rights, either in whole or in part, within the first five working days of each month, paying the relevant amounts until the expiration date of their stock options, i.e. until December of the third year after these stock options have been vested.

The options granted under the 2014 Programme have been accounted for in terms of the requirements of IFRS 2 “Share based payments”.
The number of Share Options that were granted was: 250,190 during 2014, 313,080 during 2015 and 303,150 during 2016.

The fair value of the options granted in 2014 was €7.39 per option, determined using the Binomial Method and the Monte Carlo Simulation valuation model. The significant inputs used in the aforementioned methodologies were the share price at grant date of €25.32, the employee forfeiture rate 9.2%, the volatility of the share price estimated at 47.2%, the dividend yield of 0.376% and the yield of the 3 year EU Benchmark (Deutsche Bund) Government bond yield rate of 0.083%.

The fair value of the options granted in 2015 was €4.14 per option, determined using the Binomial Method and the Monte Carlo Simulation valuation model. The significant inputs used in the aforementioned methodologies were the share price at grant date of €19.55, the employee forfeiture rate 9.2%, the volatility of the share price estimated at 40.61%, the dividend yield of 0.59% and the yield of the 1 year EURIBOR rate of 0.166%.

The fair value of the options granted in 2016 was €5.17 per option, determined using the Binomial Method and the Monte Carlo Simulation valuation model. The significant inputs used in the aforementioned methodologies were the share price at grant date of €20.38, the employee forfeiture rate 9.2%, the volatility of the share price estimated at 42.80%, the dividend yield of 0.87% and the yield of the 1 year EURIBOR rate of -0.15%.

On 31 December 2019, the number of the cancelled share options that were granted during 2014, 2015 and 2016 was 4,300, 12,060 and 14,370 respectively. Out of the options that were granted in 2014, the share options that were not vested amounted to 125,378. Out of the options that were granted in 2015, the share options that were not vested amounted to 161,305 and out of the options that were granted in 2016 the share options that were not vested amounted to 53,968.

Out of the share options that were granted during 2014, 27,400 vested and cancelled while 7,477 remain unexercised. The remaining 85,635 share options were exercised by 76 Group executives. Out of the share options that were granted during 2015, 38,095 vested and cancelled while 39,926 remain unexercised. The remaining 61,694 share options were exercised by 59 Group executives. Out of the share options that were granted during 2016, 4,065 vested and cancelled while 189,548 remain unexercised. The remaining 41,199 share options were exercised by 28 Group executives.

Total purchase cost of common treasury shares amounted to €1,588 thousand. The sale price of common treasury share (over-the-counter transaction) equaled to €10.00 per share. The total share price amounted to €641 thousand. The loss caused by this transaction amounted to €947 thousand, recognised in equity.

The Extraordinary General Meeting of Shareholders of the new Parent Company Titan Cement International S.A. approved on May 13, 2019 , subject to Completion of the share exchange Tender Offer between Titan Cement International SA and TITAN Cement Company S.A., the amendment of the existing stock option plans, namely to replace the stock options on Titan Cement Company S.A. shares by stock options on shares of Titan Cement International, without otherwise amending the terms and conditions of the plans. Titan Cement Company still has the obligation to settle the share-based payment transaction. As a result, two plans (2014 and 2017) are currently under implementation by stock options on shares of Titan Cement International owned by its subsidiary Titan Cement Company S.A. During 2019 the Beneficiaries were provided with shares of Titan Cement International owned by its subsidiary Titan Cement Company, with total purchase cost amounted to €755 thousand. The sale price was €10 per share with total share price amounted to €408 thousand. The resulting loss €347 thousand was recognised in equity.

22. Share capital and premium (continued)

2017 Programme

On 12 May 2017, the General Meeting of TITAN Cement Company S.A. approved the introduction of the current three-year Stock Option Programme. According to this Programme, the Board of Directors can grant option up to 1,000,000 ordinary shares of the Company at a sale price equal to €10.00 per share. Beneficiaries of the Stock Option Plan are the executive members of the Board of Directors, the managers and the senior employees of the Company and its affiliated companies inside and outside Greece.

The vesting period of the stock options that were granted in 2017, 2018 and 2019 shall be three years. Therefore, the relevant option rights shall become mature in December of 2019, 2020 and 2021 respectively, provided that the beneficiaries are still employees of the Group. After the completion of the three-year vesting period, the final option rights number that the beneficiaries will be entitled to exercise will be determined within the first four months of 2020, 2021 and 2022 respectively and depend:

a) by 50% on the average three year Return on Average Capital Employed (ROACE) of the Group against the target for each three-year period and

b) by 50% on the overall performance of TITAN stock compared to the average performance of the shares of the predefined international cement producing companies.

The Beneficiaries shall be entitled to exercise their stock option rights, either in whole or in part, within the first five working days of each month, paying the relevant amounts until the expiration date of their stock options, i.e. until December of the third year after these stock options have been vested.

The options granted under the 2017 Programme have been accounted for in terms of the requirements of IFRS 2 “Share based payments”.

The number of Share Options that were granted during 2017 was 263,680.

The fair value of the options granted in 2017 was €6.6 per option, determined using the Binomial Method and the Monte Carlo Simulation valuation model. The significant inputs used in the aforementioned methodologies were the share price at grant date of €25.8, the employee forfeiture rate 4.5%, the volatility of the share price estimated at 42.82%, the dividend yield of 0.9% and the yield of the 1 year EURIBOR rate of -0.127%.

On 1 June 2018, 402,370 share options were granted to Group executives under the three-year Stock Option Programme of 2017. The exercise price of the options is €10.0. The fair value of the options granted in 2018 was €5.99 per option, determined using the Binomial Method and the Monte Carlo Simulation valuation model. The significant inputs used in the aforementioned methodologies were the share price at grant date of €21.00, the employee forfeiture rate 2.5%, the volatility of the share price estimated at 42.71%, the dividend yield of 0.86% and the yield of the 1 year EURIBOR rate of -0.184%.

On June 7 2019, 601,710 share options were granted to Group Executives under the three- years Stock Option Programme of 2017. The exercise price is €10.00. The fair value of the options granted was €4.13 per option, determined using the Binomial Method and the Monte Carlo Simulation model. The significant inputs used were the share price at the grant date of €17.72, the employee forfeiture rate 2.7%, the volatility of the share price estimated at 40.49%, the divident yield of 0.92% and the yield of the 1 year EURIBOR rate of -0.175%.

On 31 December 2019 the number of the cancelled share options that were granted during 2017 is 8,060, the number of the cancelled share options that were granted during 2018 is 4,630 and the respective amount for the share options granted in 2019 is 7,670.

23. Other reserves

(all amounts in Euro thousands)

	Legal reserve	Special reserve	Non-Distributable reserve	Distributable reserve	Re- organization reserve (note 22)	Contingency reserves	Tax exempt reserves under special laws	Revaluation reserve (note 22)	Actuarial differences reserve	Currency translation differences on derivative hedging position	Foreign currency translation reserve	Total other reserves
Balance at 1 January 2018	**93,819**	**572,877**	**-**	**-**	**-**	**334,702**	**98,534**	**40,169**	**-161**	**41,115**	**-456,451**	**724,604**
Other comprehensive income/(losses)	-	-	-	-	-	-	-	276	-1,248	-	9,811	8,839
Share Capital increase	-	-834	-	-	-	-202	-79,364	-	-	-	-	-80,400
Taxes and expenses relevant to share capital increase	-	-	-	-	-	-80	-2,864	-	-	-	-	-2,944
Acquisition of joint venture (note 29)	-	-	-	-	-	-	-	-	-	-	64,540	64,540
Acquisition of non-controlling interest (note 29)	2,490	2,001	-	-	-	-31	31	398	-	-	6,246	11,135
Non-controlling interest's put option recognition & transfer between reserves	-	-	-	-	-	-	-	1,150	-	-	-	1,150
Transfer from retained earnings	358	-	-	-	-	-	-	-	-	-	-	358
Transfer among reserves	20	-26	-	-	-	1,016	8,271	-3,430	-	-	5,354	11,205
Balance at 31 December 2018	**96,687**	**574,018**	**-**	**-**	**-**	**335,405**	**24,608**	**38,563**	**-1,409**	**41,115**	**-370,500**	**738,487**
Balance at 1 January 2019	**96,687**	**574,018**	**-**	**-**	**-**	**335,405**	**24,608**	**38,563**	**-1,409**	**41,115**	**-370,500**	**738,487**
Other comprehensive income/(losses)	-	-	-	-	-	-	-	199	-655	-	22,590	22,134
Deferred tax on treasury shares held by subsidiary	-	-	-	-	-	-	-	6,256		-		6,256
Change of parent company to TCI	-	-	84,994	200,654	-1,188,374	-	-	-	-	-	-	-902,726
Acquisition of non-controlling interest	2,786	303	-	-	-	-	1,821	19,443	-	-	2,498	26,851
Transfer from retained earnings	1,651	-	-	-	-	-	-	-	-	-	-	1,651
Transfer among reserves	-90	63,496	-	-	-	-62,520	28	-261	-	-	-253	400
Balance at 31 December 2019	**101,034**	**637,817**	**84,994**	**200,654**	**-1,188,374**	**272,885**	**26,457**	**64,200**	**-2,064**	**41,115**	**-345,665**	**-106,947**

23. Other reserves (continued)

Certain Group companies are obliged according to the applicable commercial law to retain a percentage of their annual net profits as legal reserve. This reserve cannot be distributed during the operational life of the Group companies.

The "Contingency Reserves" include, among others, reserves formed by certain Group subsidiaries by applying developmental laws. These reserves have exhausted their tax liability or have been permanently exempted from taxation, so there is no additional tax charge for the Group and the Company from their distribution.

The "Tax Exempt Reserves under Special Laws", according to the Greek tax legislation, are exempt from income tax, provided that they are not distributed to the shareholders. The distribution of the remaining aforementioned reserves can be carried out after the approval of the shareholders at the Annual General Meeting and the payment of the applicable tax. Depending on whether they are capitalized or distributed, some of these reserves have different tax charge. The Group has no intention to distribute the remaining amount of these reserves and consequently, has not calculated the income tax that would arise from such distribution.

Following the completion of the share exchange transaction, Titan Cement International share capital was reduced by €200 million with this amount being transferred in Distributable reserves. These reserves may be distributed in the future subject to the approval of the respective authoritative body. From the aforementioned amount that had been reduced, the capital decrease of €150 million was considered to be an equity instrument on the basis that Titan Cement International has an unconditional right to avoid delivering cash or another financial asset to settle the contractual obligation towards the shareholders.

Under the requirements of the Belgian Law, Titan Cement International reduced the share capital by €85 million and formed an undistributable reserve equivalent to the value of the treasury shares held by its subsidiary TITAN Company S.A.

The "Revaluation Reserve" includes €53 million (2018: €38.3 million) as the fair value of tangible and intangible assets that the Group had in Egypt through its participation in the joint venture Lafarge-Titan Egyptian Investments Ltd, until it fully acquired the joint venture.

The "Actuarial Differences Reserve" records the re-measurement gains and losses (actuarial gains and losses) arising from the actuarial studies performed by the Group's subsidiaries for various benefit, pension or other retirement schemes (note 24).

The "Foreign Currency Translation Reserve" is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. Moreover, it includes the currency translation differences reserve on transactions designated as part of net investment in foreign operations. During the last quarter of 2016, the Group subsidiary Titan Egyptian Investment Ltd (TEIL) decided to renew the loan of €76.9 million that had entered into with its subsidiary in Egypt, Alexandria Portland Cement Co. S.A.E. (APCC) in 2010. According to its accounting policy, the Group recognizes in its consolidated financial statements the aforementioned intergroup loan as part of the net investment in the Egyptian operation. On 31 December 2019, this reserve has a debit balance of €26.0 million (2018: €27.1 million).

The "Currency Translation Differences on Derivative Hedging Position Reserve" illustrates the exchange differences arising from the translation into euro of loans in foreign currency, which have been designated as net investment hedges for certain Group subsidiaries abroad. It also illustrates the exchange differences arising from the valuation of financial instruments used as cash flow hedges for transactions in foreign currencies.

24. Retirement and termination benefit obligations

Greece

Greek labor legislation requires that the payment of retirement and termination indemnities is based on the number of years of service to the Company by the employees and on their final remuneration. The Group grants retirement indemnities which exceed the legal requirements. These retirement indemnities are unfunded and the liabilities arising from such obligations are actuarially valued by an independent firm of actuaries. The last actuarial valuation was undertaken in December 2019. The principal actuarial assumptions used were a discount rate of 0.8% (2018: 1.7%), future salary increases of 1.7% (2018: 1.75%) and pension regulated by Laws 2112/1920 and 4093/2012.

USA

The Group's U.S. subsidiaries operate defined benefit plans and other post-retirement benefit plans. The method of accounting for the latter, as well as the valuation assumptions and the frequency of valuations are similar to those used for defined benefit plans.

All of the Group's U.S. subsidiaries' defined benefit pension plans and all but one of its other post-retirement plans have been frozen as to new participants and credited service. One post-retirement benefit plan exists (for certain active and former employees) whereby eligible retirees receive benefits consisting primarily of assistance with medical insurance costs between the dates of early retirement and Medicare eligibility.

On 31 December 2019 the plan assets of the Group's subsidiaries in the US have invested approximately 58% (2018: 54%) in equity instruments quoted in US and international stock markets and 42% (2018: 46%) in fixed investments (US and international bonds). The discount rate that has been adopted for the study of the pension plans of the Group's subsidiaries in the U.S. was 3.20% (2018: 4%).

Non-qualified deferred compensation plan

This plan is intended to constitute an unfunded plan of deferred compensation for a selected group of highly compensated employees under the Employee Income Security Act of 1974 ("ERISA"). For this purpose the Group's U.S. subsidiary created an irrevocable trust to facilitate the payment of deferred compensation to participants under this plan. Under this plan the participants are eligible to defer from 0% to 20% of eligible compensation for the applicable plan year. On 31 December 2019 and 2018, plan assets totaled €3,826 thousand and €3,510 thousands, respectively, and are classified as other non current assets in the accompanying consolidated statement of financial position (note 17). There were no costs for the plan for the year ended December 31, 2019 or 2018.

24. Retirement and termination benefit obligations (continued)

The amounts relating to defined benefit pension plans and other post retirement and termination benefits (defined benefit plans) recognized in the statement of comprehensive income in the account other expenses are as follows:

(all amounts in Euro thousands)	2019	2018
Current service cost	3,091	1,508
Interest cost	904	785
Provision of past service cost for the following year due to the voluntary resignation plans	1,280	545
Interest income	-388	-367
	4,887	**2,471**
Additional post retirement and termination benefits paid out, not provided for	7	320
Post retirement and termination benefits paid out, not provided for due to the voluntary resignation plans	521	1,869
	5,415	**4,660**
Amounts recognized in profit before interest, taxes, depreciation, amortization and impairment	4,899	4,242
Amounts recognized in finance cost (note 6)	516	418
Amounts recognized in the income statement	**5,415**	**4,660**
Actuarial losses recognized in other comprehensive income	748	1,607
Amount charged to statement of total comprehensive income	**6,163**	**6,267**
Present value of the liability at the end of the period	49,902	45,903
Minus fair value of US plans assets	-14,634	-13,162
	35,268	**32,741**

Change in the present value of the defined benefit obligation

(all amounts in Euro thousands)	2019	2018
Opening balance	**32,741**	**32,440**
Total expense	5,415	4,660
Re-measurement losses recognized immediately in other comprehensive income	748	1,607
Additions due to acquisition of joint venture (note 29)	-	281
Other	-	791
Exchange differences	134	-398
Benefits paid during the year	-3,770	-6,640
Ending balance	**35,268**	**32,741**

Changes in the fair value of US plan assets:

(all amounts in Euro thousands)	**2019**	**2018**
Fair value of plan assets at the beginning of the period	13,162	14,393
Expected return	1,833	-409
Company contributions	325	510
Administrative expenses	-232	-206
Benefits paid	-693	-1,822
Exchange difference	239	696
Fair value of plan assets at the end of the period	**14,634**	**13,162**

24. Retirement and termination benefit obligations (continued)

A quantitative sensitivity analysis for significant assumptions is shown below:

(all amounts in Euro thousands) **Assumptions**	Year ended 31 December 2019		Year ended 31 December 2018	
	1.0% increase	1.0% decrease	1.0% increase	1.0% decrease
Impact on the net defined benefit obligation:				
Discount rate	-3,786	4,507	-3,244	3,835
Salary	3,013	-2,579	2,384	-2,059
Health care costs	98	-83	90	-78
Impact on the current service costs:				
Discount rate	-117	145	-117	144
Salary	162	-133	162	-133
Healthcare costs	4	-3	3	-3

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected payments to be made in the future years out of the undiscounted defined benefit plan obligation:

	2019	2018
Not later than 1 year	3,088	2,567
Later than 1 year and not later than 5 years	8,576	7,619
Later than 5 years and not later than 10 years	10,685	11,054
Beyond 10 years	30,475	32,074
Total expected payments	**52,824**	**53,314**

The components of actuarial losses that re-calculated and recognized immediately in the other comprehensive income for the years ended December 31, 2019 and 2018 are as follows:

	2019	2018
Due to experience	-1,111	-1,183
Due to assumptions (financial)	3,430	-298
Due to assumptions (demographic)	-124	2,309
Re-measurement losses on DBO	**2,195**	**828**
Re-measurement gains on plan assets	-1,447	779
Re-measurement losses for the period	**748**	**1,607**

25. Provisions

(all amounts in Euro thousands)		1 January 2019	Charge for the year	Unused amounts reversed	Unwinding of discount	Utilized	Exchange differences	31 December 2019
Provisions for restoration of quarries	a	18,052	1,756	-1,160	664	-288	166	19,190
Provisions for other taxes	b	5,185	192	-	-	-2,089	308	3,596
Litigation provisions	c	5,770	13	-48	-	-5,222	330	843
Other provisions	d	11,132	9,087	-930	-	-3,338	191	16,142
		40,139	**11,048**	**-2,138**	**664**	**-10,937**	**995**	**39,771**

(all amounts in Euro thousands)		1 January 2018	Charge for the year	Unused amounts reversed	Unwinding of discount	Utilized	Exchange differences	31 December 2018
Provisions for restoration of quarries	a	15,830	3,320	-1,656	274	-106	390	18,052
Provisions for other taxes	b	3,966	1,188	-	-	-	31	5,185
Litigation provisions	c	7,289	10,930	-	-	-12,775	326	5,770
Other provisions	d	11,645	7,041	-238	7	-7,536	213	11,132
		38,730	**22,479**	**-1,894**	**281**	**-20,417**	**960**	**40,139**

(all amounts in Euro thousands)	2019	2018
Non-current provisions	31,587	28,373
Current provisions	8,184	11,766
	39,771	40,139

a. This provision represents the present value of the estimated costs to rehabilitate quarry sites and other similar post-closure obligations. It is expected that this amount will be used over the next 1 to 50 years.

b. This provision relates to future obligations for other taxes such as stamp duties, sales tax, employee payroll tax etc. It is expected that this amount will be fully utilized in the next five years.

c. This provision has been established with respect to claims made against certain companies in the Group by third parties, mainly against the subsidiaries in Egypt. These claims concern labour compensations, labour cases for previous years' benefits and dues and claims for shares revaluation. It is expected that this amount will be utilized mainly in the next twelve months.

d. The other provisions are comprised of amounts relating to risks none of which are individually material to the Group. It is expected that the remaining amounts will be used over the next 1 to 20 years.

26. Other non-current liabilities

(all amounts in Euro thousands)	2019	2018
Government grants	3,899	4,604
Consideration for acquisition of non-controlling interest	41,453	-
Other non-current liabilities	9,710	1,065
	55,062	**5,669**
Analysis of Government grants:		
Non - current	3,899	4,604
Current (note 27)	69	69
	3,968	**4,673**
Opening balance	**4,673**	**4,714**
Additions	-	276
Transfer to other non current liabilities	-485	-
Amortization (note 28)	-220	-317
Ending balance	**3,968**	**4,673**

Government grants relating to capital expenses are reflected as long-term liabilities and are amortized on a straight line basis, based on the estimated useful life of the asset for which the grant was received.

Government grants received in respect of expenses are reflected in the income statement when the related expense is incurred so that the expense is matched to the income received.

27. Trade payables, other liabilities and current contract liabilities

(all amounts in Euro thousands)	2019	2018
Trade payables	184,713	178,841
Amounts due to related parties (note 31)	-	68
Other payables	16,234	16,480
Consideration for acquisition of non-controlling interest	20,360	-
Accrued expenses	28,556	44,193
Social security	3,586	3,635
Dividends payable	331	983
Government grants (note 26)	69	69
Other taxes	11,670	12,004
Trade and other payables	**265,519**	**256,273**

Other payables include liabilities relating to transportation of cement and raw materials, as well as employee benefit payables.

Trade payables are non-interest bearing and are normally settled in 10-180 days.

Other payables are non-interest bearing and have an average term of one month.

(all amounts in Euro thousands)	2019	2018
Customer down payments/advances	10,558	13,086
Deferred Income	3,022	2,858
Current contract liabilities	**13,580**	**15,944**

The amount of €15,536 thousand, which was included in the contract liability balance at the beginning of 2019, is recognised in revenue.

28. Cash generated from operations

(all amounts in Euro thousands)	2019	2018
Profit after taxes	53,155	55,984
Adjustments for:		
Taxes (note 8)	11,211	26,578
Depreciation (note 11)	133,403	110,943
Amortization of intangibles (note 14)	4,535	3,883
Amortization of government grants received (note 26)	-220	-317
Impairment of assets (note 11,13)	2,247	1,288
Net loss/(profit) on disposals of tangible and intangable assets (note 4)	804	-14
Provision for impairment of debtors charged to income statement (note 20)	1,667	1,160
Cost of inventory obsolescence (note 19)	295	268
Provision for restoration of quarries (note 25a)	1,260	-269
Provision for litigation (note 25c)	-35	196
Other provisions	8,157	6,810
Provision for retirement and termination benefit obligations (note 24)	4,887	2,471
Decrease of investment property (note 12)	140	159
Loss from participations and investments	-	123
Fair value losses from financial assets	-	184
Losses from acquisition of joint venture	-	3,075
Dividend income	-14	-55
Finance income (note 6)	-1,696	-1,917
Interest expense and related expenses (note 6)	60,159	64,793
Losses on financial instruments (note 6)	16,491	25,665
Gains from foreign exchange differences (note 6)	-11,952	-34,926
Share stock options (note 7)	2,094	1,755
Share in (gain)/loss of associates and joint ventures (note 15)	-1,366	3,741
Changes in working capital:		
Decrease/(increase) in inventories	10,280	-14,248
Decrease/(increase) in trade and other receivables	7,586	-913
Decrease/(increase) in operating long-term receivables and payables	5,931	-1,923
(Decrease)/increase in trade payables	-24,842	15,984
Cash generated from operations	**284,177**	**270,478**

In the cash flow statement, proceeds from the disposals of tangible and intangible assets, and investment property are as follows:

Net book amount	7,628	1,836
Net (losses)/gains on disposals (note 4)	-804	14
Net proceeds from disposals	**6,824**	**1,850**

29. Business combinations

Year ended 31 December 2018

On 11 October 2018, the Group acquired an additional 25% of the joint venture Adocim Cimento Beton Sanayi ve Ticaret A.S. (Adocim) with a consideration of €24 million. Since the acquisition date, the Group's ownership percentage is 75% and the company is consolidated in the Group's financial statements with the full consolidation method instead of the equity method.

The Group has elected to measure the non-controlling interests at the proportionate share of the Adocim's identifiable net assets.

The assets and liabilities of the Adocim Cimento Beton Sanayi ve Ticaret A.S. as they were recorded at the date of acquisition, are as follows:

(all amounts in Euro thousands)

	Fair value on acquisition
Assets	
Non-current assets	129,699
Inventory	5,954
Receivables and prepayments	15,373
Cash and cash equivalents	7,368
Total assets	**158,394**
Liabilities	
Long-term borrowings	5,537
Short-term borrowings	22,704
Deferred tax liabilities	22,202
Other liabilities and taxes payable	14,086
Total liabilities	**64,529**
Total identifiable net assets at fair value	**93,865**
Non-controlling interest measured at fair value	-23,466
Goodwill arising on acquisition (note 13)	35,638
Total investment	**106,037**
Cash flow on acquisition:	
Purchase consideration for additional 25% stake settled in cash	24,037
Net cash acquired with the subsidiaries	-7,369
Net cash flow on acquisition of additional percentage	**16,668**
Accounting of net result from business combination	
Fair value of previously held stake in joint venture	82,000
Selling price of Adocim's grinding plant (note 15.2)	4,609
Carrying amount of Adocim's grinding plant at 11.10.2018 (note 15.2)	-4,335
Carrying amount of investment in Adocim (excluding grinding plant) at 11.10.2018 (note 15.2)	-20,809
Reclasified foreign exchange differences (note 23)	-64,540
Net loss form business combination	**-3,075**

For the calculation of the fair value measurement of the company's existing 50% participation, an income approach, and more specifically a Discounted Cash Flows method was employed considering macroeconomic conditions and industry specific characteristics. The key assumptions adopted for the above valuation included a discount rate of 18% and a perpetuity growth rate of 7.5%.

30. Contingencies and commitments

Contingent liabilities

(all amounts in Euro thousands)	2019	2018
Bank guarantee letters	18,614	18,469
Other	130	1,020
	18,744	**19,489**

Litigation matters

A. Privatization cases

1. In 2011, two former employees of Beni Suef Cement Company SAE (BSCC) filed an action before the Administrative Court of Cairo, seeking the nullification of the privatization of BSCC that took place in 1999, when BSCC was sold to Financière Lafarge in a public auction, before being subsequently acquired by Titan Group. The Administrative Court of Cairo rejected in 2014 the plaintiffs' claim in connection with BSCC's privatization, however ruled that BSCC was under the obligation to re- instate all employees the employment of whom had been terminated, including employees who had left the company in the framework of voluntary staff reduction programs. Both the plaintiffs and BSCC have appealed the ruling issued by the first instance Court before the Supreme Administrative Court, which on 19 January 2015 suspended the case until the Supreme Constitutional Court of Egypt issues a final ruling on the constitutionality of Law no. 32/2014. The case is still suspended and no further action has been taken until now. The view of BSCC's lawyers is that the plaintiffs' action is devoid of any legal or factual ground.

2. In June 2013 another action was filed before the Administrative Court of Cairo seeking as in the above case to nullification of the privatization of BSCC. The Administrative Court of Cairo issued on 25 June 2015 a first instance ruling referring the case to the Investment Circuit no. 7, which has recently referred the case to the commissioners' panel where no hearing date has been scheduled until now. The view of BSCC's lawyers is that the action is devoid of any legal or factual ground.

3. In 2012, an ex-employee of Alexandria Portland Cement Company SAE (APCC) brought an action before the Administrative Court of Alexandria against the President of the Republic of Egypt, the Prime Minister, the Minister of Investments, the Minister of Industry, the Governor of Alexandria, the Manager of the Mines and Salinas Project in Alexandria and the Manager of the Mines and Quarries Department in Alexandria (but not against Alexandria Portland) seeking the nullification of the privatization of APCC through its sale to Blue Circle Cement Group in 1999, before APCC was subsequently acquired by Titan Group. The Administrative Court of Alexandria issued on 31 January 2015 a first instance ruling suspending the case initially until 28 May 2016 and subsequently until 15 October 2016, provided that by such date the Supreme Constitutional Court of Egypt would have ruled on the constitutionality of the above Law no. 32/2014. The case was subsequently referred to the Administrative Court of Cairo, Investment Circuit no.1 but no hearing has been scheduled until now. The view of APCC's lawyers is that the action is devoid of any legal and factual ground.

4. In May 2013, a new action was filed by three ex-employees of APCC seeking, as in the above case, the nullification of the sale of APCC to Blue Circle Cement Group. The case has been repeatedly adjourned and, as in the above cases, no judgment will be handed down from the competent Administrative Court until the Supreme Constitutional Court of Egypt decides on the constitutionality of Law no. 32/ 2014. The view of APCC's lawyers is that the action is devoid of any legal and factual ground.

5. Sharr Beteiligungs GmbH (SharrB), a Titan Group entity based in Germany, filed in February 17, 2020 a claim in arbitration seeking the arbitral tribunal's confirmation that it has satisfied its commitment to implement investments estimated at €35 million within five years, pursuant to Section 5.01(a) of the Share Purchase Agreement entered into between the Privatization Agency of Kosovo (PAK) and SharrB on 9 December 2010 (SPA). The parties concluded the SPA in the context of PAK's privatization process, through which SharrB acquired a cement plant in Kosovo (Sharr Cement Plant) by acquiring the local operating company, Ndërmarrja e Re SharrCem SH.P.K. (SharrCem).
Under the SPA, SharrB committed to make investments estimated at €35 million over a five-year period. SharrB duly complied with its obligation, by investing a total of €35.1 million by the end of 2015. As a testament to its continued dedication to developing SharrCem, SharrB has invested another €12.3 million since then, above and beyond any contractual obligation. PAK claims that SharrB invested some €25.6 million, leaving a shortfall of about €9.4 million. Throughout the investment period 2011-2015, SharrB submitted annual investment reports to PAK. All of these were accepted without any comment by PAK.
SharrB commenced the arbitration proceedings to vindicate its performance of the SPA by way of declaratory relief, and also to obtain redress for PAK's other breaches of the SPA. We estimate that we have a strong case and good chances of succeeding in this arbitration.

30. Contingencies and Commitments (continued)

B. Other cases

1.An individual residing in the vicinity of the plant of Alexandria Portland has filed a claim before the Administrative Court of Alexandria against the Governor of Alexandria, the Head of El-Agamy District, the Minister of Trading and Industry, the Minister of Environment, the President of Alexandria Environmental Affairs Agency, the President of Industrial Development Authority and APCC, seeking the abolition of the administrative decision of the competent Egyptian authority which issued the operating license for the plant of APCC in Alexandria, alleging violations of environmental and related regulation. On 18.4.2018 the Court decided in favor of APCC and rejected the case. The plaintiff has not appealed the decision within the time period provided for lodging an appeal. Therefore, the case has been finally concluded.

2. In 2007, BSCC obtained the license for the construction of a second production line at the company's plant in Beni Suef through a bidding process run by the Egyptian Trading and Industrial Authority(IDA) for a license fee of EGP 134.5 million (€7.5 million)* IDA subsequently unilaterally raised the license fee to EGP 251 million (€13.9 million)*. In October 2008 BSCC filed a case before the Administrative Court refusing the price increase and requesting the license price to be set at EGP 500 (€27.8)*, or alternatively to EGP 134.5 million (€7.5 million)*, as had been originally determined through the bidding process. The Administrative Court dismissed BSCC's action and BSCC filed an appeal in June 2018 before the High Administrative Court. Until today no appeal hearing has been scheduled.

BSCC has also lodged an action against IDA requesting the calculation of the payable interest, which is accruing on the EGP 251 million (€13.9 million)* fee that IDA is claiming, on the basis of the legal interest of 4% per annum and not on the basis of the CBE interest (varying from 9% to 19%) as calculated by IDA.

In June 2018, BSCC and IDA entered into an agreement, pursuant to which BSCC paid to IDA the amount of EGP 251 million (€13.9 million)* for the value of the license plus the amount of EGP 24.9 million (€1.4 million)*, as down payment for interest, calculated on the basis of the CBE interest. Moreover, BSCC agreed to pay the remaining amount of interest amounting to EGP 240.3 million (€13.4 million)*, in 12 monthly instalments, under the express agreement that, in case the Egyptian Courts accept the appeal of BSCC on the value of the license and/or the action of BSCC on the calculation of the payable interest, IDA will pay back to BSCC the relevant amounts. The view of BSCC's lawyers is that there is high probability that the High Administrative Court will adopt the price of EGP 134.5 million (€7.5 million)* for the license. Likewise, the view of BSCC's lawyers is that there is very high probability that BSCC's action on the calculation of the payable interest will be accepted by the Court.

BSCC recorded an increase of intangible assets amounted to EGP 251 million (€13.9 million)*, in order to recognize the license claimed by IDA. In 2019, recognised additionally as capital expenditure the amount of EGP 166.6 million (€9.3 million)*, that represented interest asked by IDA. The total amount recognised in intangible assets as license for the construction of a second production line at the company's plant is EGP 417.6 million (€23.2 million)* and the total amount of interest expenses, that it was charged in 2018 income statement, amounted to EGP 98.7 million (€5.5 million)*.

3. A non-governmental organization, the Nile Agricultural Organization, raised a court case against BSCC claiming that the latter illegally occupied the plaintiff's land and seeking compensation amounting to EGP 300 million (€16.7 million)*. The contested land however had been legally allocated to BSCC many years ago by the relevant authority, the New Urban Communities Agency, and since 1988 BSCC has held the licenses for the exploitation of the quarries on this land. The case was fully rejected by the court by virtue of decision 263/2018 and the plaintiff has not appealed the decision within the time period provided for lodging an appeal. Therefore, the case has been finally concluded.

Put option in Antea

The Group had granted to non controlling interest shareholder, the International Finance Corporation (IFC), the option to sell its shares in ANTEA Cement SHA at predetermined conditions. The put option expired in November 2019 and it was settled through the acquisition of the minority stakes, that the IFC held in the Group's operations in Southeast Europe and Egypt, with a purchase price of €13.3 mil. (note 15.3). Until its expiration date, the fair value of the put option was €13.0 mil. (31.12.2018: €12.5 mil.) and it was presented as a current liability in the statement of financial position.

Contingent tax liability

The financial years, referred to in note 37, have not been audited by the tax authorities and therefore the tax obligations of the Company and its subsidiaries for those years have not yet been finalized.

Contingent assets

(all amounts in Euro thousands)	2019	2018
Bank guarantee letters for securing trade receivables (note 20)	24,332	24,481
Other collaterals against trade receivables (note 20)	8,546	8,835
	32,878	**33,316**
Collaterals against other receivables	1,427	1,635
	34,305	**34,951**

** Foreign currencies presented to Euro, using 31/12/2019 currency tranlation rates*

30. Contingencies and Commitments (continued)

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)	2019	2018
Property, plant and equipment	1,835	1,945

Purchase commitments

Energy supply contracts (Gas, electricity, etc.)

(all amounts in Euro thousands)	2019	2018
	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.

Operating lease commitments - where the Group is the lessee (2018)

The Group or the Company leases motor vehicles, properties and other equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

(all amounts in Euro thousands)	2019	2018
Not later than 1 year	-	14,453
Later than 1 year and not later than 5 years	-	29,127
Beyond 5 years	-	7,715
	-	**51,295**

31. Related party transactions

Following a successful tender offer and completion of a squeeze out exercise, Titan Cement International S.A. (TCI) acquired Titan Cement Company S.A. and became the new parent company of the Group (note 22). The Group may enter into various transactions with related parties. During 2019, the Group did not record transactions with related parties. During 2018, the Group had purchases from related parties amounted to €810 thousand with an outstanding credit balance of €63 thousand and €5 thousand outstanding credit balance from executives and members of the Board.

Directors	2019	2018
Executive members on the Board of Directors	6	6
Non-executive members on the Board of Directors	9	9

Key management compensation	2019	2018
Short-term employee benefits	5,019	4,306
Share-based payments	2,198	1,650
Post-employment benefits	233	149
	7,450	**6,105**

32. Borrowings

(all amounts in Euro thousands)	2019	2018
Current		
Bank borrowings	54,780	15,132
Bank borrowings in non euro currency	31,497	19,328
Debentures	-	160,298
Finance lease liabilities *	-	2,879
	86,277	**197,637**
Non-current		
Bank borrowings	80,806	24,849
Bank borrowings in non euro currency	49,249	66,014
Debentures	646,639	645,365
Finance lease liabilities *	-	8,994
	776,694	**745,222**
Total borrowings	**862,971**	**942,859**

Maturity of non-current borrowings:

	2019	2018
Between 1 and 2 years	301,300	20,969
Between 2 and 3 years	125,492	323,631
Between 3 and 4 years	833	42,559
Between 4 and 5 years	349,069	-
Over 5 years	-	349,069
	776,694	**736,228**

Maturity of non-current finance lease liabilities *:

(all amounts in Euro thousands)	2019	2018
Between 1 and 2 years	-	38
Between 2 and 3 years	-	4,809
Between 3 and 4 years	-	4,033
Between 4 and 5 years	-	114
	-	**8,994**

** Finance lease liabilities were included in borrowings until 31 December 2018, but were reclassified to lease liabilities on 1 January 2019 with the adoption of the new leasing standard (note 1).*

In July 2019, Titan Global Finance PLC (TGF) obtained a loan by a Brazilian bank, in the amount of €50 million for a six month period. In December 2019, the bank loan was extended for another six months, up to July 2020 and is guaranteed by the new parent company of the Group TCI.

In July 2019, TGF's Guarantees Notes of €160.6 million expired and were fully repaid accordingly.

In December 2019, TGF amended the Syndicate Revolving Facility Agreement of €300 million, dated April 5th, 2017 and maturing in January 2022, by including TCI, as an Additional Guarantor and an Additional Obligor, as well as by reducing the available commitment of €300 million to €200 million, with more competitive margins aligned with the prevailing market conditions. As at 31 December 2019, the above named facility was unused.

32. Borrowings

The weighted average effective interest rates that affect the Income Statement are as follows:

	2019	2018
Borrowings (USD)	4.29%	5.04%
Borrowings (EGP)	17.86%	20.25%
Borrowings (BGN)	2.18%	2.34%
Borrowings (LEK)	3.45%	4.50%
Borrowings (TRY)	24.97%	24.29%
Borrowings (€)	2.91%	2.91%
Finance lease liabilities (USD)	-	2.93%
Finance lease liabilities (EUR)	-	2.91%

Bank borrowings in foreign currencies (finance leases are included in 2018*):

	Amounts in Euro equivalent	
	2019	2018
USD	402,467	413,643
TRY	10,772	9,896
EGP	59,594	58,592
BGN	-	7,024
LEK	9,914	16,836
GBP	-	145

The Group has the following undrawn borrowing facilities:

(all amounts in Euro thousands)	2019	2018
Floating rate:		
- Expiring within one year	250,792	232,662
- Expiring beyond one year	237,945	323,991

The present value of the finance lease liabilities may be analyzed as follows*:

(all amounts in Euro thousands)	2019	2018
Finance lease liabilities - minimum lease payments		
Not later than 1 year	-	3,220
Later than 1 year and not later than 5 years	-	9,661
	-	**12,881**
Future finance charges on finance leases	-	-1,008
Present value of finance lease liabilities	-	**11,873**

During 2018, the Group subsidiary in U.S.A., Titan America LLC (TALLC) entered into two new finance leases in the principal amount of €263 thousand with a term of one year and an average interest rate of 4.5%.

** Finance lease liabilities were included in borrowings until 31 December 2018, but were reclassified to lease liabilities on 1 January 2019 with the adoption of the new leasing standard (note 1).*

33. Leases

Group as a lessee

The Group has various lease contracts for offices, terminals, machinery, vehicles, computer hardware and other equipment. Rental contracts are typically made for fixed periods of 1 to 30 years, but may have extension or termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. There are leases with fixed increases and others where the increase is based on changes in price indices.

The consolidated statement of financial position includes the following balances related to lease contracts:

Balances of right-of-use assets (note 11)

(all amounts in Euro thousands)	31/12/2019	1/1/2019
Land	12,338	12,744
Buildings	17,176	16,370
Plant & equipment	13,657	20,596
Motor vehicle	14,254	16,089
Office furniture, fixtures and equipment	58	180
	57,483	**65,979**

Balances of lease liabilities

(all amounts in Euro thousands)	31/12/2019	1/1/2019
Long-term lease liabilities	46,126	54,725
Short-term lease liabilities	17,030	16,379
	63,156	**71,104**

The maturity analysis of lease liabilities is disclosed in note 35.

The following amounts that related to leases are recognised in the consolidated income statement:

(all amounts in Euro thousands)	2019
Depreciation charge of ROU assets (note 11)	14,196
Interest expense (included in finance cost)	2,996
Expense relating to short-term leases	2,081
Expense relating to low-value leases that are not shown as short-term leases	685
Expenses relating to variable lease payments not included in lease liabilities	184

The total cash outflow for the leases in 2019 was €18,885 thousand.

Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise extension options and the extension options are only included in the lease term if the lease is reasonably certain to be extended. Extension option which are reasonably certain to be exercised mainly concern assets which are of strategic importance for the operations of the Group and are not easily replaceable, without incurring significant relocation costs and disruption of the business such as terminals, ready-mix sites and heavy equipment. The assessment of reasonably certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the lessee (note 2.5).

On 31.12.2019, the undiscounted potential future cash flows of €39,842 thousand were not included in the lease liability due to it not being reasonably certain that the leases will be extended. The timing of these payments would be as follows:

(all amounts in Euro thousands)	
Within 10 years	8,922
From 10 to 20 years	18,400
In more than 20 years	12,520
	39,842

Discount rate

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the leases in the Group, the lessee's incremental borrowing rate (IBR) is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms and conditions.
In order to determine IBR, the Group usually uses third party financing that it is received by the individual lessee and makes adjustments to reflect changes in financing conditions, since third party financing was received. Also, it makes judgements specific to the lease, such as term, country, currency and security.

34. Changes in liabilities arising from financing activities

(all amounts in Euro thousands)	Long-term borrowings	Short-term borrowings	Lease liabilities	Derivatives and interim settlements	Other financial liabilities	Total
Year ended 31 December 2018						
Opening balance	**809,210**	**54,223**	**13,704**	**-3,447**	**7,162**	**880,852**
Cash flows	111,684	-79,656	-2,391	-21,351	-57,346	-49,060
Changes due to acquisition of joint venture	5,537	22,576	-	-	329	28,442
Changes in fair value	-	-	-	25,607	-	25,607
Transfer among financial liabilities	-195,269	195,862	-	-	-593	-
Charged in the finance expenses	2,372	-	-	-	59,336	61,708
Other changes	-	-	-	-2,029	-	-2,029
Currency translation differences on transactions designated as part of net investment in foreign operation	-2,918	-	-	-	-	-2,918
Exchange differences	5,457	1,753	560	331	43	8,144
Ending balance	**736,073**	**194,758**	**11,873**	**-889**	**8,931**	**950,746**
Year ended 31 December 2019						
Opening balance	**736,073**	**194,758**	**11,873**	**-889**	**8,931**	**950,746**
Cash flows	69,730	-147,744	-15,936	-18,732	-63,110	-175,792
Acquisition of leases	-	-	6,848	-	-	6,848
Change in accounting policy (note 1)	-	-	59,231	-	-	59,231
Changes in fair value	-	-	-	16,491	-	16,491
Transfer among financial liabilities	-39,496	39,496	-	-	-	-
Charged in the finance expenses	2,397	-	-	-	58,086	60,483
Other changes	-	52	-298	-556	-279	-1,081
Currency translation differences on transactions designated as part of net investment in foreign operation	-3,072	-7,212	-	-	-	-10,284
Exchange differences	11,062	6,927	1,438	543	235	20,205
Ending balance	**776,694**	**86,277**	**63,156**	**-3,143**	**3,863**	**926,847**

35. Financial risk management objectives and policies

Financial Risk Factors

The Group, by nature of its business and geographical positioning, is exposed to financial risks. The Group's overall financial risk is managed by Group Finance and Treasury units, aiming to minimize the potential unfavorable impact arising from the markets' fluctuations on Group's financial performance. The Group does not engage in speculative transactions or transactions which are not related to its commercial, investing or borrowing activities.

a) Liquidity risk

The Group, in addition to its operating cash flows, maintains sufficient cash and other liquid assets, as well as extensive committed credit lines with several international banks to ensure the fulfilment of its financial obligations. Group Treasury controls Group funding as well as the management of liquid assets.

The table below summarizes the maturity profile of financial and lease liabilities at 31 December 2019 & 2018 based on contractual undiscounted payments.

(all amounts in Euro thousands)	Year ended 31 December 2019					
	< 1 month	1 to 6 months	6 to 12 months	1 to 5 years	>5years	Total
Borrowings	2,596	35,390	69,167	836,555	-	943,708
Lease liabilities (note 33)	1,837	7,009	8,107	36,152	22,519	75,624
Derivative financial instruments	2,692	-	-	11,084	-	13,776
Payables from interim settlement of derivatives	1,092	-	-	-	-	1,092
Other non-current liabilities	-	-	-	51,163	-	51,163
Trade and other payables	139,695	87,751	26,611	-	-	254,057
	147,912	**130,150**	**103,885**	**934,954**	**22,519**	**1,339,420**
	Year ended 31 December 2018					
Borrowings	7,216	33,463	183,655	484,240	355,444	1,064,019
Other non-current liabilities	-	-	-	1,065	-	1,065
Trade and other payables	143,905	100,138	5,571	-	-	249,614
	151,121	**133,601**	**189,226**	**485,305**	**355,444**	**1,314,698**

Borrowings include the floating and fixed rate outstanding principal at year-end plus accrued interest up to maturity.
The amounts that are described as "less than 1 month" are on demand short-term uncommitted facilities and interest accruals.

b) Market risk

Market risk comprises three main types of risk: currency risk, price risk, such as commodity risk and interest rate risk.

Group exposure to exchange rate (FX) risk derives from existing or expected cash flows denominated in currencies other than the Euro (imports / exports) and from international investments.

FX risks are managed using natural hedges, FX derivatives / swaps and FX forwards. Borrowings denominated in the same currency as the assets that are being financed and these create a natural hedge for investments in foreign subsidiaries exposed to FX conversion risk.

However, part of the financing of Group activities in the USA, Egypt, Albania and Turkey, is in different currencies (Euro) than their functional ones. Their refinancing in local currencies, along with FX hedging transactions, are examined at regular intervals.

35. Financial risk management objectives and policies (continued)

In August 2018, Titan America LLC (TALLC) entered into new cross currency interest rate swap agreements (CCS) that expire in November 2024. The derivatives hedge the interest payments and the foreing currency exposure created by the new €150 million 7-year, fixed rate loan that TALLC borrowed from TGF in December 2017.

During the year 2019, TALLC entered into various short-term forward contracts, in order to hedge foreign currency risk arising from financial liabilities in Euro. Particularly, TALLC has rollovered the hedges of EUR/USD forward contracts of €252 million loan agreements with maturity January 2020.

On 31.12.2019, the total net balance of the derivatives, which is calculated by taking into account the fair values and the interim settlemens of all derivatives contracts, was equal to an asset of €3,143 thousand (31.12.2018: €888 thousand) (note 36).

Sensitivity analysis in foreign exchange rate changes

The following table demonstrates the sensitivity of the Group's profit before tax and the Group's equity to reasonable changes in the USA Dollar, Serbian Dinar, Egyptian Pound, British Pound, Turkish Lira, Albanian Lek and Brazilian Real floating exchange rates, with all other variables held constant:

(all amounts in Euro thousands)

	Foreign Currency	Increase/ Decrease of Foreign Currency vs. €	Effect on Profit Before Tax	Effect on equity
Year ended 31 December 2019	USD	5%	3,822	23,574
		-5%	-3,458	-21,329
	RSD	5%	778	1,374
		-5%	-703	-1,243
	EGP	5%	-1,587	16,122
		-5%	1,436	-14,587
	GBP	5%	64	243
		-5%	-58	-220
	TRY	5%	-613	6,231
		-5%	554	-5,638
	ALL	5%	254	3,245
		-5%	-230	-2,936
	BRL	5%	-72	8,076
		-5%	66	-7,307
Year ended 31 December 2018	USD	5%	4,776	26,499
		-5%	-4,321	-23,975
	RSD	5%	744	1,812
		-5%	-673	-1,639
	EGP	5%	-1,318	13,872
		-5%	1,192	-12,551
	GBP	5%	63	202
		-5%	-57	-183
	TRY	5%	-501	6,866
		-5%	453	-6,212
	ALL	5%	274	2,996
		-5%	-248	-2,710
	BRL	5%	-64	8,292
		-5%	58	-7,503

Note: Calculation of "Effect on Profit before tax" is based on year average FX rates; calculation of "Effect on Equity" is based on year end FX rate changes.

35. Financial risk management objectives and policies (continued)

The ratio of fixed to floating rates of the Group's net borrowings is determined by market conditions, Group strategy and financing requirements. Occasionally interest rate derivatives may be used to mitigate the relevant risk and balance the mix of fixed and floating rates of the Group's borrowings.

On 31 December 2019, the Group's ratio of fixed to floating interest rates, taking into account outstanding cross currency swaps and interest rate swaps, stood at 92%/8% (31 December 2018: 89%/11%).

The impact of interest rate volatility is limited in the income statement and cash flow from operating activities of the Group, as shown in the sensitivity analysis table below:

Sensitivity analysis of Group's borrowings due to interest rate changes

(all amounts in Euro thousands)		Interest rate variation (+/-)	Effect on profit before tax (-/+)
Year ended 31 December 2019	EUR	1.0%	-
	USD	1.0%	2,279
	BGN	1.0%	-
	EGP	1.0%	604
	ALL	1.0%	101
	TRY	1.0%	37
Year ended 31 December 2018	EUR	1.0%	192
	USD	1.0%	-
	BGN	1.0%	71
	EGP	1.0%	594
	ALL	1.0%	163
	TRY	1.0%	54

Note: Table above excludes the positive impact of interest received from deposits.

Interest rate trends and the duration of the Group's financing needs are monitored on a forward looking basis. Consequently, decisions about the duration and the mix between fixed and floating rate debt are taken on an ad-hoc basis.

c) Credit Risk

The Group has no significant concentrations of credit risk. Trade accounts receivable consist mainly of a large, widespread customer base. All Group companies monitor the financial position of their debtors on an on-going basis.

When considered necessary, additional collateral is requested to secure credit. Provisions for impairment losses are made for special credit risks. As at 31 December 2019, there are no outstanding doubtful significant credit risks which are not already covered by a provision for doubtful receivables.

Credit risk arising from financial institutions' inability to meet their obligations towards the Group deriving from placements, investments and derivatives, is mitigated by pre-set limits on the degree of exposure to each individual financial institution as well as by utilizing the collateral mechanism of credit support agreements (CSA Agreements). These pre-set limits are set in accordance to the Group Treasury policies. At 31 December 2019, the Group's majority financial assets and derivative financial instruments were held with investment grade financial institutions with pre-agreed credit support agreements.

As at 31 December 2019, the Group's cash and cash equivalents were held at time deposits and current accounts in financial institutions that most of them are highly rated. Note 21 includes an analysis on cash & cash equivalents.

35. Financial risk management objectives and policies (continued)

d) Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its operations and maximize shareholder value.

The Group manages its capital structure conservatively with the leverage ratio, as this is shown from the relationship between total liabilities and total equity as well as net debt and earnings before interest, taxes, depreciation, amortization and impairment (EBITDA). Titan's policy is to maintain leverage ratios in line with an investment grade profile.

The Group includes within net debt, interest bearing loans, borrowings and lease liabilites, less cash and cash equivalents.

(all amounts in Euro thousands)	2019	2018
Long-term borrowings (note 32)	776,694	745,222
Long-term lease liabilities (note 33)	46,126	-
Short-term borrowings (note 32)	86,277	197,637
Short-term lease liabilities (note 33)	17,030	-
Debt	**926,127**	**942,859**
Less: cash and cash equivalents (note 21)	90,388	171,000
Net Debt	**835,739**	**771,859**
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	**267,133**	**259,741**
Total liabilities	**1,453,628**	**1,398,640**
Total equity	**1,409,791**	**1,471,290**

36. 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	
	2019	2018	2019	2018
Financial assets				
At amortised cost				
Other non-current financial assets	5,521	5,852	5,521	5,852
Trade receivables	111,850	120,199	111,850	120,199
Cash and cash equivalents	90,388	171,000	90,388	171,000
Other current financial assets	34,309	36,329	34,309	36,329
Fair value through profit and loss				
Receivables from interim settlement of derivatives - non current	12,937	-	12,937	-
Other non-current financial assets	181	181	181	181
Derivative financial instruments - non current	-	94	-	94
Derivative financial instruments - current	1,245	796	1,245	796
Receivables from interim settlement of derivatives - current	3,829	-	3,829	-
Other current financial assets	30	30	30	30
Financial liabilities				
At amortised cost				
Long term borrowings	776,694	745,222	801,245	733,786
Other non-current financial liabilities	41,470	1,220	41,470	1,220
Short term borrowings	86,277	197,637	86,277	200,200
Other current financial liabilities	250,717	235,075	250,717	235,075
Fair value through profit and loss				
Derivative financial instruments - non current	11,084	-	11,084	-
Derivative financial instruments - current	2,692	2	2,692	2
Payables from interim settlement of derivatives - current	1,092	-	1,092	-
Other current financial liabilities - put option	-	12,499	-	12,499

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

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

36. Financial instruments and fair value measurement (continued)

Offsetting derivative financial instruments with interim settlement of derivatives

On 31.12.2019, 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.

In 2019, derivatives and their associated interim settlements have been presented on a gross basis in the consolidated statement of financial position. In prior years, the Group had presented these instruments on a net basis, as they appeared to permit net settlement, based on judgement and interpretation of information available at the time. However, the settlement of two cross currency swaps on a gross basis during 2019 prompted the Group to decide changing the presentation of derivative and their interim settlements to a gross basis on 31 December 2019. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", this change is a change in estimate, as the gross settlement in 2019 provided further evidence that net settlement in similar cases in the future may not be achieved, which was not evident at previous reporting dates.

The following 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 statement of financial position as at 31.12.2019, in order to summarize the total net position of the Group:

(all amounts in Euro thousands)	Asset /(Liability)		
	Fair value of derivatives	Interim settlement of derivatives	Net balance
Balance at 31 December 2019			
Forwards - expired in 2020	-1,447	2,737	**1,290**
Cross currency swaps - expired in 2024	-11,084	12,937	**1,853**
	-12,531	15,674	**3,143**

Fair value hierarchy

The Group and the Company use 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 and the Company's assets and liabilities.

(all amounts in Euro thousands)	Group Fair value		Fair value hierarchy
	2019	2018	
Assets			
Investment property	11,628	12,202	Level 3
Other financial assets at fair value through profit and loss	211	211	Level 3
Derivative financial instruments	1,245	890	Level 2
Receivables from interim settlement of derivatives	3,829	-	Level 2
Liabilities			
Long-term borrowings	671,189	634,072	Level 2
Long-term borrowings	130,056	99,714	Level 3
Short-term borrowings	-	162,861	Level 2
Short-term borrowings	86,277	37,339	Level 3
Derivative financial instruments	13,776	2	Level 2
Payables from interim settlement of derivatives	1,092	-	Level 2
Put option (note 22)	-	12,499	Level 3

36. Financial instruments and fair value measurement (continued)

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 2018.

The fair value of level 3 investment property is estimated by the Group by external, independent, certified valuators. The fair value measurement of the investment property has been mainly conducted in accordance with the comparative method, or the current market values of similar properties. The main factors that were taken into consideration, are the property location, the surface area, the local urban planning, the bordering road networks, the regional infrastructure, the property maintenance status and merchantability, the technical construction standards in the case of buildings and the impact of environmental issues if any.

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than a forced liquidation or sale. The following methods and assumptions were used to estimate the fair values:

For long and short term borrowings in level 2, the evaluation of their fair value is based on parameters such as interest rates, specific country risk factors, or price quotations at the reporting date. Specifically, they are used quoted market prices, or dealer quotes for the specific or similar instruments.

For the majority of the borrowings in level 3, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.The fair values of non-current borrowings in level 3 are based on discounted cash flows using a borrowing rate that is prevailed in current market condition.

Level 2 derivative financial instruments comprise fx forwards, cross currency interest rate swaps and interest rate swaps.

The Group use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. The aforementioned contracts have been fair valued using: a) forward exchange rates that are quoted in the active market and b) forward interest rates extracted from observable yield curves.

Level 3 other financial assets at fair value through profit and loss refer mainly to investments in foreign property funds in which the Group owns an insignificant percentage. Their valuation is made based on their financial statements, which present the assets at fair value.

Finally, the put option of Level 3 consisted of the put option that the Group had granted to non-controlling interest shareholder, the International Finance Corporation (IFC), of its subsidiary in Albania, ANTEA Cement SHA. The put option expired in November 2019 and it was settled through the acquisition of the minority stakes, that the IFC held in the Group's operations in Southeast Europe and Egypt, with a purchase price of €13.3 mil. (note 15.3).

The put option was valued using a discounted cash flow model. The valuation required management to make certain assumptions about unobservable inputs to the model, such as the gross margin growth rate (2018: 2.5%) and the discount rate (2018: 8.0%).

37. Fiscal years unaudited by tax authorities

(1)	Titan Cement Company S.A	2013-2019	(4)	Titan America LLC	2017-2019
(2)	Aeolian Maritime Company	-		Separation Technologies Canada Ltd	2015-2019
(1)	Albacem S.A.	2013-2019		Stari Silo Company DOO	2008-2019
(1)	Interbeton Construction Materials S.A.	2013-2019		Cementara Kosjeric AD	2009-2019
(1)	Intertitan Trading International S.A.	2013-2019		TCK Montenegro DOO	2007-2019
(1)	Vahou Quarries S.A.	2013-2019		Double W & Co OOD	2018-2019
(1)	Gournon Quarries S.A.	2013-2019		Granitoid AD	2007-2019
(1)	Quarries of Tagaradon Community S.A.	2013-2019		Gravel & Sand PIT AD	2005-2019
(1)	Aitolika Quarries S.A.	2013-2019		Zlatna Panega Beton EOOD	2008-2016
(1)	Sigma Beton S.A.	2013-2019		Zlatna Panega Cement AD	2010-2019
(1)	Titan Atlantic Cement Industrial and Commercial S.A.	2013-2019		Titan Investment EAD	2017-2019
(1)	Titan Cement International Trading S.A.	2013-2019		Cement Plus LTD	2014-2019
	Aemos Cement Ltd	2012-2018		Rudmak DOOEL	2006-2019
	Alvacim Ltd	2013-2019		Esha Material LLC	2016-2019
	Iapetos Ltd	2007-2019		Esha Material DOOEL	2016-2019
	Rea Cement Ltd	2012-2016		Usje Cementarnica AD	2009-2019
	Themis Holdings Ltd	2012-2019		Titan Cement Netherlands BV	2010-2019
	Tithys Ltd	-		Alba Cemento Italia, SHPK	2012-2019
	Feronia Holding Ltd	2007-2019		Antea Cement SHA	2017-2019
	Vesa DOOL	2006-2019		Sharr Beteiligungs GmbH	2014-2019
	Trojan Cem EOOD	2010-2019		Kosovo Construction Materials L.L.C.	2010-2019
(3)	Titan Global Finance PLC	2018-2019		Sharrcem SH.P.K.	2017-2019
	Salentijn Properties1 B.V.	2007-2019	(2)	Alexandria Development Co.Ltd	-
	Titan Cement Cyprus Limited	2017-2019		Alexandria Portland Cement Co. S.A.E	2010-2019
	KOCEM Limited	2007-2019		Beni Suef Cement Co.S.A.E.	2011-2019
	Fintitan SRL	2015-2019		East Cement Trade Ltd	2006-2019
	Cementi Crotone S.R.L.	2013-2019		Titan Beton & Aggregate Egypt LLC	2015-2019
	Cementi ANTEA SRL	2010-2019	(2)	Titan Egyptian Inv. Ltd	-
	Colombus Properties B.V.	2010-2019		Green Alternative Energy Assets EAD	2012-2019
	Brazcem Participacoes S.A.	2016-2019		GAEA Zelena Alternative Enerjia DOOEL	2013-2019
	Adocim Cimento Beton Sanayi ve Ticaret A.S.	2019		GAEA Enerjia Alternative e Gjelber Sh.p.k.	2014-2019
	Titan Cement International S.A.	2019		GAEA -Green Alternative Energy Assets	2016-2019
	Aeas Netherlands B.V.	2010-2019		MILLCO-PCM DOOEL	2016-2019
	Titan Cement U.K. Ltd	2017-2019		Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S.	2019

(1) For the fiscal year 2013, Certified Auditors Accountants tax audited the above companies and issued tax certificates without qualifications, according to the terms of article 82, par. 5 of the Law 2238/1994. For the fiscal years 2014-2018 the tax audit was conducted again by the Certified Auditors Accountants and tax certificates without qualifications have also been issued according to the article 65A, par. 1 of L. 4174/2013.

(2) Under special tax status.

(3) As per UK tax legislation, HMRC could address any enquiry only for the years 2018-2019.

(4) Companies operating in the U.S.A. are incorporated in the Titan America LLC subgroup (note 16).

38. Reclassifications

In order the consolidated income statement of 2018 to be comparable with the corresponding income statement of 2019, the following changes took place in the accounts: 1) "cost of sales" increased by €112,395 thousand, 2) "administrative expenses" increased by €5,266 thousand, 3) "selling and marketing expenses" increased by €34 thousand and 4) "other operating expenses" decreased by €1,898 thousand. The aforementioned changes are made without impacted the Group's "profit after taxes" and mainly to adjust prior year's figures to the new presentation of the consolidated income statement, that presents "operating profit" and not "earnings before interest, taxes, amortization and impairment".

39. Events after the reporting period

Beginning in March 2020, due to the rapid spread of COVID-19 virus, in most countries large-scale social-distancing measures have been imposed, disrupting the global economy and resulting in downfall in demand. From the emergence of the coronavirus crisis, the Group has taken measures to protect the health and safety of its people and to ensure operational continuity and satisfaction of its customer needs. The health and safety of the Group's staff, customers and suppliers is a top priority and several precautionary measures have been taken to this effect. Business continuity plans have also been implemented and all cement manufacturing plants and other integrated activities' businesses remain operational. Although the Group has yet to see any significant impact on its operations and the first quarter's sales volumes were at normal levels, it is inevitable that as the COVID-19 crisis is spreading, the Group will also be impacted in the short term. The construction and building materials sectors are, in the short term, less exposed to this crisis (according to Moody's they are "low risk" sectors) but, nevertheless, are also expected to suffer from reduced sales volumes, particularly and more severely in the second quarter.

In order to assess the potential impact on its liquidity and profitability, the Group has prepared an assessment of the risks, which may be faced under a stressed scenario and has run a stress test, which incorporates volume declines for the remaining of the year, longer trade receivable settlement days, flat working capital, substantial capex reduction, minor price decreases. No cost containment savings have been included in this forecast, although there is the intention and the Group has already started working on a number of initiatives that aim to reduce costs and improve cash-flow. Under this scenario, in terms of liquidity availability over the next 12 months, the Group is well covered.

The Group has created contingencies and flexibilities and it has strengthened its liquidity position to €400m in combination of cash in hand and available committed bank credit facilities. It is noted that there is a risk in 2020 that Group EBITDA may decline to a level that may lead to a breach of a financial covenant of its currently unused €200m standby revolving credit facility (RCF). If this covenant is breached, the Group intends to request a waiver from the lenders which it expects will be granted as the lenders will be fully aware of the exceptional circumstances that may cause this breach. However based on the assessment carried out by the Group it is not expected that this undrawn facility will be utilized. The analysis and the projections confirm the confidence that the Group can weather the storm and the temporary decline in profitability.

The consequences of COVID-19 do not have a material impact on the Group's financial position for the year ended 31.12.2019. The Group management concludes that, although COVID-19 may have a significant impact on the Group's operations in 2020, such impact will be absorbable and does not endanger the long term viability of the Group.

Parent Company Separate Summarized Financial Statements

Income Statement

(all amounts in Euro thousands)	Year ended 31 December	
	2019	2018
Operating income	1	-
Operating charges	-6,876	-
Operating loss	**-6,875**	**-**
Financial result	-1,481	-
Profit/(loss) for the period before taxes	**-8,356**	**-**
Income taxes	-1	-
Profit/(loss) for the period	**-8,357**	**-**

Statutory Balance Sheet After Appropriation

(all amounts in Euro thousands)	December 31, 2019	December 31, 2018
Assets		
Fixed assets		
Formation expenses	7,722	-
Tangible assets	129	-
Financial fixed assets		
Participating interests	1,503,182	-
Other financial fixed assets	15	-
Total financial fixed assets	**1,503,197**	-
Total fixed assets	**1,511,048**	**-**
Current assets		
Amounts receivable within one year	40	-
Cash at bank and in hand	418	-
Deferred charges and accrued income	160	-
Total current assets	**618**	**-**
Total assets	**1,511,666**	**-**
Equity and liabilities		
Equity		
Capital	1,159,348	-
Share premium	15,320	-
Reserves	135,648	-
Retained (losses)/earnings	-8,357	-
Total equity	**1,301,959**	**-**
Provisions and deferred taxes	**1,861**	**-**
Amounts payable		
Amounts payable after more than one year		
Financial debt	56,000	-
Other amounts payable	133,510	-
Total amounts payable after more than one year	**189,510**	**-**
Amounts payable within one year		
Financial debt	83	-
Trade debts	777	-
Taxes, remunerations and social security	922	-
Other amounts payable	16,490	-
Total amounts payable within one year	**18,272**	**-**
Accruals and deferred income	64	-
Total amount payables	**207,846**	**-**
Total equity and liabilities	**1,511,666**	**-**

Declaration by the persons responsible

The Board of Directors hereby declares that, to the best of its knowledge:

a. The financial statements prepared in accordance with International Reporting Standards (IFRS), give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and of the entities included in the consolidation;

b. The management report includes a fair review of the development and performance of the business and the position of the issuer and of the entities included in the consolidation, together with a description of the main risks and uncertainties that these entities face.

For the Board of Directors,
9/4/2020

Chairman of the Board of Directors	Managing Director- Group CFO
Efstratios- Georgios (Takis) Arapoglou	Michael Colakides

FREE TRANSLATION

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF TITAN CEMENT INTERNATIONAL SA ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Titan Cement International SA (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting *d.d.* 13 May 2019, following the proposal formulated by the board of directors. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2021. We have performed the statutory audit of the Company's consolidated accounts for the first year.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of EUR 2,863,419 thousand and a profit for the year attributable to equity holders of the parent of EUR 50,905 thousand.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated accounts" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

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BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - subsequent event

As far as the outbreak of COVID 19 is concerned, we draw your attention to section “Post balance sheet events” of the directors' report on the consolidated accounts and Note 39 ("Events after the reporting period") of the consolidated accounts in which the board of directors expresses their view that, although the consequences thereof may have a significant impact on the Group's operations in 2020, such consequences do not have a material impact on the Group's financial position for the year ended 31 December 2019. Our opinion is not qualified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. This matter was addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Impairment of goodwill and indefinite useful life intangible assets

Description of the key audit matter

Titan Cement carries a significant value of goodwill on the balance sheet amounting to EUR 344,5 million as detailed in disclosure 13 Under The International Financial Reporting Standards as endorsed by the EU (“IFRS’s”), the Company is required to test the amount of goodwill and indefinite useful life intangible assets for impairment at least annually. We consider this matter to be of most significance because of the complexity of the assessment process and significant judgments in respect of assumptions about the future results of the business and the discount rates applied to future cash flow forecasts. The most important assumptions relate to the discount rate, sales volume and selling price evolutions, perpetual growth rates and operating margin. We focused on the goodwill and intangible assets of the Cash Generating Unit (further CGU) Egypt and Turkey because it is most sensitive to changes in key assumptions.

How our audit addressed the key audit matter

We evaluated management’s overall impairment testing process including assessing the process by which the value in use models are reviewed and approved. We assessed the reliability of management’s estimates by comparing actual performance against previous forecasts. We tested the Group’s key assumptions for growth rates, sales volumes, selling prices and gross margins in the future cash flow forecasts by comparing them to locally industry trends and assumptions made in the prior years and agreed them to approved financial budgets. We critically assessed and checked the assumptions related to the long-term growth rates, by comparing them to industry forecasts and historical growth rates. We compared operating margin, working capital- and CAPEX percentage with past actuals. We compared the weighted average cost of capital (“WACC”) to the cost of capital and debt of the Group and comparable organisations, as well as considering territory specific factors.

We tested the calculation method used and the accuracy thereof. We evaluated the appropriateness of the use of a 10-year forecast period for the value in use calculation of the CGUs Turkey and Egypt.
We challenged the adequacy of management's sensitivity analysis of the headroom. We calculated the degree to which these assumptions would need to move before an impairment conclusion was triggered. We discussed the likelihood of such a movement with management.
We included valuation specialists in our team to assist us with these procedures. We also assessed the adequacy of the disclosures (Note 13) in the financial statements.

Whilst recognizing that impairment assessments are all inherently judgmental, we found that the assumptions used by management in evaluating whether a permanent reduction in value exists, are reasonable and the related disclosures in the consolidated financial statements are adequate.

Responsibilities of the board of directors for the preparation of the consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determine is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

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

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;

- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors and the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors’ report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts.

Statutory auditor’s responsibilities

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors’ report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts and to report on these matters.

Aspects related to the directors’ report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

In our opinion, after having performed specific procedures in relation to the directors’ report on the consolidated accounts, this directors’ report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors’ report on the consolidated accounts and the other information included in the annual report on the consolidated accounts, containing: “Understanding Titan” and “Management Report” is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information required by virtue of article 3:32, §2 of the Companies' and Associations' Code is included in the directors’ report on the consolidated accounts. The Company has prepared the non-financial information, based on the UN Global Compact Communication on Progress Guidelines, the Charter and the Global Cement and Concrete Association Guidelines and the UN SDGs 2030 as presented in the Non-financial review. However, in accordance with article 3:80, §1, 5° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with the UN Global Compact Communication on Progress Guidelines, the Charter and the Global Cement and Concrete Association Guidelines and the UN SDGs 2030.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

Other statements

- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Sint-Stevens-Woluwe, 10 April 2020

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

Marc Daelman
Réviseur d’Entreprises / Bedrijfsrevisor

Independent Assurance Statement to the Board of Directors of Titan Cement International S.A.

ERM Certification and Verification Services Ltd. (ERM CVS) was engaged by Titan Cement International S.A. (TITAN Group) to provide assurance in relation to the information set out below and presented in TITAN Group's Integrated Annual Report 2019 (the Report).

Engagement Summary

Assurance Scope

1. Whether the following non-financial disclosures in the Report are fairly presented, in all material respects, with the reporting criteria:
   - "Materiality and stakeholder engagement" in section "Understanding TITAN" on pages 16 -17
   - "Performance towards our 2020 sustainability targets" in section "Understanding TITAN" on page 27
   - The information and 2019 performance data disclosed in section "Management Report; Non-financial performance overview' on pages 74 to 79
   - The Group data for the non-financial metrics relating to the period January 1 to December 31 2019 indicated with an Ⓐ in section "Management Report; Non - Financial Statements" in the tables: 2.2. *"Social Performance Index"* and 2.3. *'Environmental Performance Index'* on pages 87 to 104.
2. Whether the relevant 2019 data and non-financial disclosures in the Report are aligned with the following GCCA guidelines:
   - Sustainability Charter (October 2019)
   - Sustainability Framework Guidelines (October 2019)
   - Sustainability Guidelines for co-processing fuels and raw materials in cement manufacturing (October 2019)
   - GCCA Sustainability Guidelines (October 2019) for the monitoring and reporting of:
     - CO_2 emissions from cement manufacturing
     - safety in cement manufacturing *(extended application to concrete and other related activities)*
     - water in cement manufacturing
     - emissions from cement manufacturing
3. Whether the Report meets the UN Global Compact criteria relating to a Communication on Progress (COP) Advanced Level

Reporting Criteria

GCCA Guidelines for the scope referenced above
UN Global Compact COP Advanced Level
TITAN Sustainability Performance Standards and Guidelines for Non-Financial Reporting in the section "Management Report; Non-financial statements" (as notes) and online at www.titan-cement.com/integratedannualreport2019

Assurance Standard and Level of Assurance

International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board (IAASAB) of the International Federation of Accountants (IFAC). This standard requires that we comply with ethical, competence and quality requirements, and plan and perform the assurance engagement to obtain a reasonable level of assurance.

Respective Responsibilities

The Board of TITAN is responsible for preparing the Report and for the collection and presentation of the disclosures covered by the scope of our engagement. Also for designing, implementing and maintaining effective internal controls over the information and data.

ERM CVS' responsibility is to provide an opinion, based on the assurance activities undertaken and exercising our professional judgement, on whether the information covered by the scope of our engagement has been prepared in accordance with the stated criteria. ERM CVS disclaims any liability for any decision a person or entity may make based on this Assurance Statement.

Our opinion

We have audited selected sustainability information in TITAN's Integrated Annual Report 2019 as detailed under 'Assurance Scope' above. In our opinion:

1. The non-financial performance disclosures and data in the Report as described under 'Assurance Scope (1)' above are fairly presented, in all material respects, in accordance with the reporting criteria;
2. The relevant non-financial disclosures in the Report are aligned with the following GCCA Guidelines:
   - Sustainability Charter (October 2019)
   - Sustainability Framework Guidelines (October 2019)
   - Sustainability Guidelines for co-processing fuels and raw materials in cement manufacturing (October 2019)
   - GCCA Sustainability Guidelines (October 2019) for the monitoring and reporting of:
     - CO_2 emissions from cement manufacturing
     - safety in cement manufacturing *(extended application to concrete and other related activities)*
     - water in cement manufacturing
     - emissions from cement manufacturing
3. The Report meets the UN Global Compact criteria relating to a Communication on Progress (COP) Advanced Level.

Our reasonable assurance activities

We planned and performed our work to obtain sufficient and appropriate evidence to support our opinion, and to reduce the risk of a material error or omission in the assured information to low, but not absolute. Our assurance procedures included, but were not restricted to, the following activities:

- A review of external media reports to identify relevant sustainability issues for TITAN in the reporting period;
- A review of the suitability of the reporting criteria and related internal reporting processes, including conversion factors, estimates and assumptions used;
- An initial visit to TITAN Head Office in Athens, Greece to understand any (planned) changes to TITAN's sustainability strategy, the Report and related reporting systems and processes, internal controls and responsibilities in 2019;
- Visits to TITAN production operations in Bulgaria (Zlatna Plagena), Turkey (Tokat) and Egypt (Alexandria) to verify the source data underlying the 2019 data for the information in our assurance scope and to review local environmental and safety management, procurement procedures, labour and human rights and stakeholder/community engagement. These three sites contributed c.18.4% of the Group's cement production and c.17.5% of net CO_2 emissions for the reporting year;
- An assessment of the reports and conclusions of accredited third-party verification bodies relating to the verification of Scope 1 GHG emissions that fall within the scope of the EU emissions trading scheme (EU ETS). These provided coverage of an additional c.28.1% (excludes Zlatna Panega to avoid double counting with sites visited) of TITAN Group's net CO_2 emissions;
- An analytical review and substantive testing (on a sample basis) of the 2019 data submitted by all sites included in the consolidated corporate data for the selected disclosures, and follow up and close out of our queries;
- Substantive procedures relating to the consolidation of the 2019 data for the selected disclosures;
- A second visit to TITAN Head Office in Athens, Greece to:
  - review activities across the business during 2019 regarding stakeholder engagement and in relation to TITAN's identified material issues;
  - test the effectiveness of internal controls in relation to the accuracy and completeness of the 2019 corporate consolidated data for the indicators in the scope of our engagement;
  - collect additional evidence through an extensive series of interviews with management representatives (including Environment, Safety, Human resources, Finance, Legal and Internal Audit, and reviewed further evidence in underlying management and reporting systems such as the new Global HR Management System and documents including the minutes of meetings of governance bodies;
- A review of the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

The limitations of our engagement

We do not express any opinion on any other information in the Report or on TITAN's website for the current reporting period, or on the baseline values used for presenting performance against the 2020 targets. We do not provide any assurance on prospective information including ambitions, plans, expectations or their achievability. For previous periods (2016-2018) we refer to our Assurance Statements in the Integrated Annual Reports for those years in order to understand the scope, activities and related opinions. The reliability of the assured 2019 data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information so it is important to understand our assurance opinion in this context. Our independent assurance statement provides no assurance on the maintenance and integrity of TITAN's website, including controls used to achieve this or, in particular, whether any changes may have occurred to the information since it was first published.

Ethics, independence, competence and quality control

ERM CVS is a member of the ERM Group and all employees are subject to ERM's Global Code of business conduct and ethics. ERM CVS is accredited by the United Kingdom Accreditation Service (UKAS) and our operating system is designed to comply with ISO 17021:2011 We have policies and procedures in place covering quality, independence and competency. In line with established best practice for non-financial assurance, this engagement was undertaken by a team of assurance, EHS and sustainability professionals. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our established management processes are designed and implemented to ensure the work we undertake with clients is free from organisational and personal conflicts of interest or bias. ERM CVS and the staff that have undertaken this assurance engagement provide no consultancy related services to TITAN Cement Company S.A in any respect.

ERMCVS

JRogers

Jennifer Iansen-Rogers
Partner, Head of Corporate Assurance

8 April 2020

ERM Certification and Verification Services, London

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Glossary

Financial

CAPEX is defined as acquisitions of property, plant and equipment, right of use assets, investment property and intangible assets.

EBITDA corresponds to operating profit plus depreciation, amortization and impairment of tangible and intangible assets and amortization of government grands.

Net debt corresponds to the sum of long-term borrowings and lease liabilities, plus short-term borrowings and lease liabilities (collectively gross debt), minus cash and cash equivalents.

NPAT is defined as profit after tax attributable to equity holders of the parent.

Operating free cash flow is defined as cash generated from operations minus payments for CAPEX.

Operating profit is defined as profit before income tax, share of gain or loss of associates and joint ventures, gains or losses from foreign exchange differences, net finance costs and other income or loss.

Non financial

COP: The Communication on Progress is intended as a mechanism to inform, in a standardized format of an annual report, company stakeholders (e.g., investors, consumers, civil society, and governments) on progress made in implementing the Ten Principles of the United Nations Global Compact.

CSR Europe: The leading European business network for Corporate Sustainability and Responsibility.
The network supports businesses and industry sectors in their transformation and collaboration towards practical solutions and sustainable growth. The ambition is the systemic change; therefore, following the SDGs, the network seeks to co-build with the European leaders and stakeholders an overarching strategy for a Sustainable Europe 2030.

GCCA: The Global Cement and Concrete Association is a CEO-led industry initiative established in 2018, representing the global voice of the sector.
The GCCA took over the role of the former CSI Project of the WBCSD and has carried, since January 1 2019, the work programs and sustainable development activities of the CSI, with key objectives to develop and strengthen the sector's contribution to sustainable construction across the value chain, and to foster innovation in collaboration with industry, associations and key experts-stakeholders.

IBAT: The Integrated Biodiversity Assessment Tool, developed through a partnership of global conservation leaders including BirdLife International, Conservation International and IUCN, provides key decision-makers with access to critical information on biodiversity priority sites, to inform decision-making processes and address potential impacts.

IIRC: The International Integrated Reporting Council is a global coalition of regulators, investors, companies, standard setters, the accounting profession, academia and NGOs. The coalition promotes communication about value creation as the next step in the evolution of corporate reporting.

IUCN: The International Union for Conservation of Nature is a membership Union composed of both government and civil society organisations, with mission to influence, encourage and assist societies to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.

RECODE(1), CARMOF(1), ACO$_2$Cem(1), SOLCEMENT(2), and CARBONGREEN(2): Pilot projects where TITAN engages with the European Union and collaborates with international stakeholders(1) from the industry and academia, or National stakeholders(2) respectively (specific for Greece), the aim being to advance in climate change-related innovation, and explore technical solutions for reducing CO_2 emissions, while developing more sustainable products.

SDGs: The Sustainable Development Goals are a collection of 17 global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs, set in 2015 by the United Nations General Assembly and intended to be achieved by the year 2030, are part of UN Resolution 70/1, the 2030 Agenda.

SASB: The Sustainability Accounting Standards Board is an independent standards board that is accountable for the due process, outcomes, and ratification of its standards, the application of which (being the SASB's mission) is to help businesses around the world identify, manage and report on sustainability topics that matter most to their investors.

TCFD: Established by the Financial Sustainability Board in 2016, the Task Force on Climate-related Financial Disclosures is a market-driven coalition with the mission to develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders (like investors, lenders and insurers).

UNCTAD: The United Nations Conference on Trade and Development is a United Nations body responsible for dealing with economic and sustainable development issues with a focus on trade, finance, investment and technology, in particular for helping developing countries to participate equitably in the global economy.

UNGC: The United Nations Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles ('Ten Principles') and to take steps to support UN goals. 'Ten Principles' are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

WBCSD: The World Business Council for Sustainable Development is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world, helping member companies to become more successful and sustainable by focusing on the maximum positive impact for shareholders, the environment and societies.

WRI: The World Resources Institute is a global, independent, non-partisan and non-profit research organization, with mission to move human society to live in ways that protect Earth's environment and its capacity to provide for the needs and aspirations of current and future generations.

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