

Message from the Chairman of the Group Executive Committee



Dear Shareholders and Stakeholders,

In 2020, we delivered strong financial performance while taking care of our employees and those around us, ensuring high-quality, uninterrupted customer service and accelerating progress towards our digital and sustainability aspirations. In the face of uncertainty caused by COVID-19, we remained confident in our business model. We adapted to shifting market conditions and continued to pursue operational excellence while laying the groundwork to capture future growth.

Construction activity proved resilient in most of our geographies, with high sales volumes in the second half of the year more than compensating for a relatively weak early spring. Demand for our products on the East Coast of the USA held up on the back of infrastructure spending, record-low mortgage rates, and a shortage of available housing. In Greece, following the easing of lockdown restrictions in May, the market staged a rebound, with support from small public works and a buoyant commercial and industrial segment. Our sales in Southeastern Europe benefited from a mix of residential, commercial, and infrastructure projects, whereas Turkey and Brazil saw a surge in demand, fueled by private investment activity. In Egypt, market conditions remained challenging, with cement consumption suffering from oversupply and a six-month suspension of building permits. Pricing dynamics were favorable in most markets.

Overall revenue for the Group was steady at €1.6 billion and 1.5% higher at constant exchange rates. Energy and commodity cost tailwinds, together with disciplined cost control, bolstered operating profitability (EBITDA), which grew by 7.1% to €286.2 million. Net profit after taxes and minority interests (NPAT) fell by €49.4 million to €1.5 million, impacted by non-cash charges (goodwill impairment charges and the write-down of accumulated deferred tax assets) in Egypt, totaling €63.9 million.

Higher EBITDA, tighter working capital management, and reduced capital expenditure enabled robust cash flow generation and deleveraging, with net debt declining by €155.2 million. In the summer of 2020, the Group's subsidiary, Titan Global Finance PLC, issued a €250 million bond due in 2027, with a 2.75% annual coupon, the proceeds of which were used to pay down debt and strengthen our balance sheet.

Delivery of such results was only made possible by the collective effort of our people and we are deeply grateful to them for their commitment and dedication. From the onset of the pandemic, we took action to protect our employees and their families, focusing on prevention, preparedness, and knowledge sharing. We instituted measures to ensure that those working on-site do so under the safest possible conditions. Over a third of our personnel switched to remote working, and everyone was given access to updated and complete information, expert guidance and support.

Living up to our social responsibility, we stood by our neighboring communities, addressing some of their most urgent needs and offering equipment, supplies and financial assistance to hospitals and medical care centers. We worked closely with local authorities, public health institutions, and civil society organizations in an effort to contain the spread of the virus. We helped our partners and contractors


sustain their businesses within the crisis. And through meticulous contingency planning, we minimized disruptions to our operations and continued to serve our customers effectively.

Meanwhile, we never took our eyes off our strategic objectives of digitalization and de-carbonization. In the context of the former, big data and artificial intelligence tools were leveraged to drive decisions, capture operational efficiencies, advance our supply chain capabilities and redefine how we interact with our customers and partners. We developed a modern customer interface application and discovered innovative ways of looking at process automation, inventory management, maintenance, and failure prediction. The Group acquired new digital skills and sought new collaborations with technology partners, academic institutions, and the scientific community.

Climate change mitigation remained at the top of our agenda. While expecting to meet our 2020 CO₂ reduction target with a short delay due to regulatory and market conditions that influence product and fuel mix, we decided to raise our longer-term ambition. We revised our 2030 target for direct emissions down to 500kg net CO₂ per ton of cementitious product, with the aspiration

frequency rate, we had three fatalities, two involving contractors and one involving a direct employee. We will redouble our efforts and work with more determination than ever towards the prevention of all fatal accidents. The results of a survey taken by our employees worldwide were used to enhance diversity and inclusion and inform a new action plan to increase employee engagement. During the year, we reassessed the environmental, social, and governance (ESG) issues that are material to our stakeholders and our business units. Based on the output of this exercise, we set new ESG targets for 2025 and beyond. And building on our track record of transparency and accountability, we upgraded our governance systems and launched a new, more agile organizational structure to address the sustainability challenges of the future.

With the pandemic still raging, visibility into 2021 remains limited. The industry is facing inflationary pressures, yet market fundamentals are solid. Healthy backlogs in the USA should support demand for building materials while, in the second half of the year, we expect to see higher stimulus spending funding urgent infrastructure needs. In Greece, we expect the revival of the housing sector to continue while a number of public and

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to deliver society with carbon-neutral concrete by 2050. In line with our commitment to open and transparent communication with our stakeholders, we responded for the first time to the Carbon Disclosure Project (CDP) Climate Change and Water Security questionnaires.

To reduce our carbon footprint, our Bulgarian and US cement plants switched partially to natural gas. We obtained a license to consume fuel derived from municipal waste in northern Greece, and new feeding installations for alternative fuels were inaugurated in Florida and North Macedonia. Moreover, we continued to invest in research and innovation. We patented a green nanomaterial and developed the world's first full-cycle technology to reclaim and convert landfilled ash into a low-carbon substitute for cement in concrete. Finally, for its contribution to the EU-funded project RECODE, which aims to capture CO₂ and convert it into value-added chemicals, the Group was recognized as a Key Innovator in the European Commission's Innovation Radar.

As always, our sustainability initiatives were not limited to de-carbonization and we delivered on the majority of our other 2020 sustainability targets. Our plant in Florida became the first cement production facility in the world to be Total Resource Use and Efficiency (TRUE) Platinum certified for zero waste. To protect biodiversity, we joined forces with key stakeholders at a European and global level. We encouraged our suppliers to operate more sustainably and stepped up our efforts to promote circular economy. Unfortunately, in safety, despite the achievement of a world-class employee lost time injuries

private projects gradually pick up steam. Construction in the country should also benefit from the disbursement of EU recovery funds. With the suspension of building permits no longer in place, demand should bounce back in Egypt. And markets in Southeastern Europe, Turkey, and Brazil should continue to grow, barring any negative macroeconomic surprises.

2021 will require us to find a balance between managing the crisis and building for the future. Maintaining discipline on health and safety and showing support to those around us will remain priorities. At the same time, we will strive towards operational excellence to deliver superior results for our stakeholders and shareholders. We will continue to harness novel tools while enriching our know-how and technological capabilities, investing to take advantage of emerging growth opportunities. And we will seek innovative ways to create value by transforming our business to serve our customers more efficiently as we move towards a carbon-neutral and digital world.



Dimitri Papalexopoulos
Chairman of the Group Executive Committee