TITAN CEMENT GROUP

Integrated Annual Report 2019

SUMMARY

About the Report

This is the Summary of the 2019 TITAN Cement Group Integrated Annual Report (IAR 2019), which 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. You may find the IAR 2019 at www.titan-cement.com/integratedannualreport2019.

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

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.

Contents

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

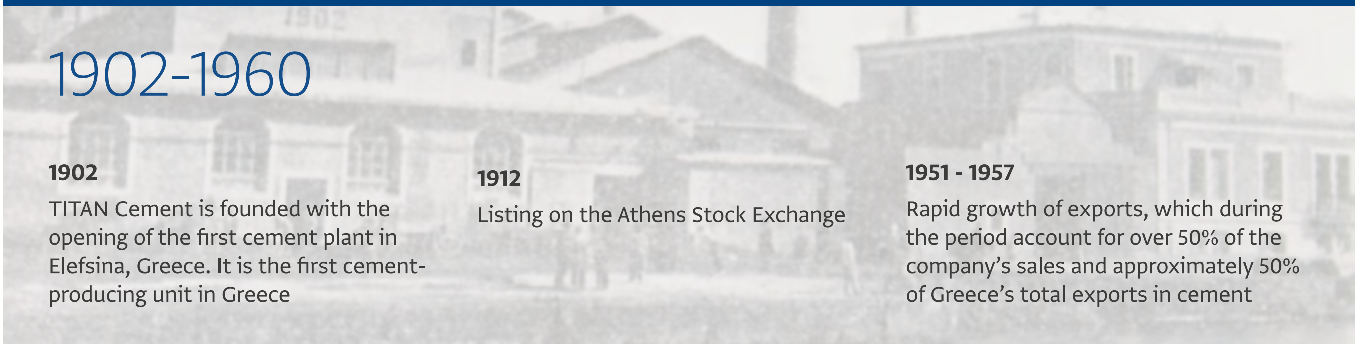
SDGs complementary to our main priorities

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

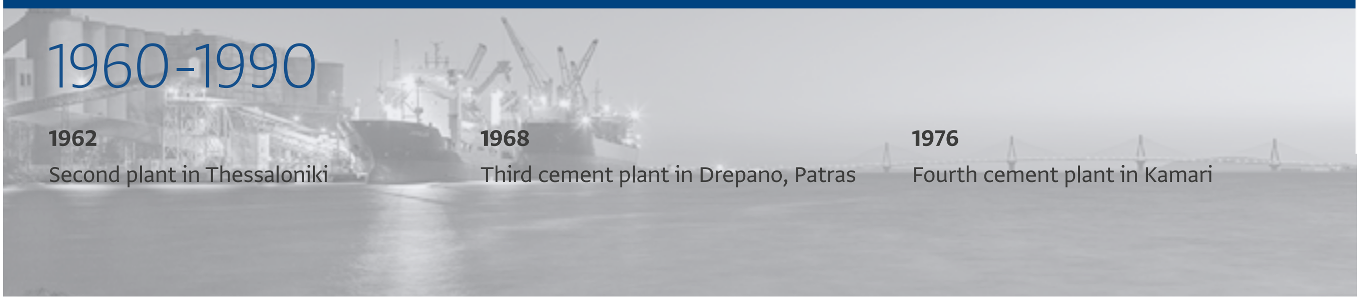
1912

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.

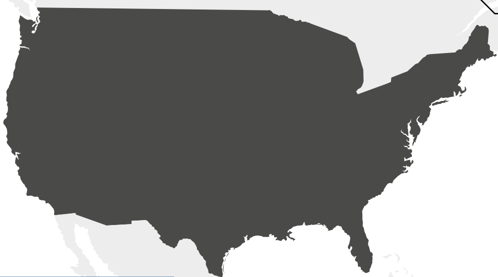
Greece & Western Europe

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

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.

USA

Cement plants

1. Roanoke – Virginia
2. Pennsuco – Florida

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.

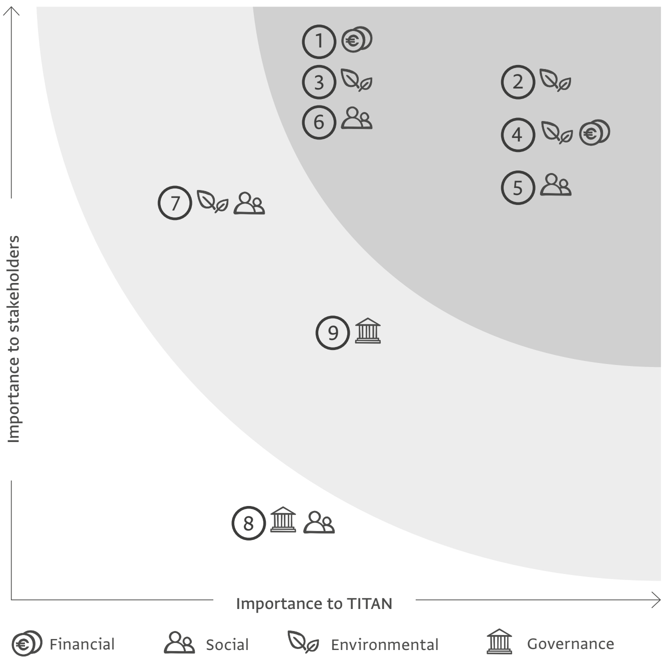
In 2017, when we introduced our 2020 sustainability targets, we went a step further, starting aligning the targets set not only with our material issues but also with core and complementary UN SDGs 2030.

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	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.

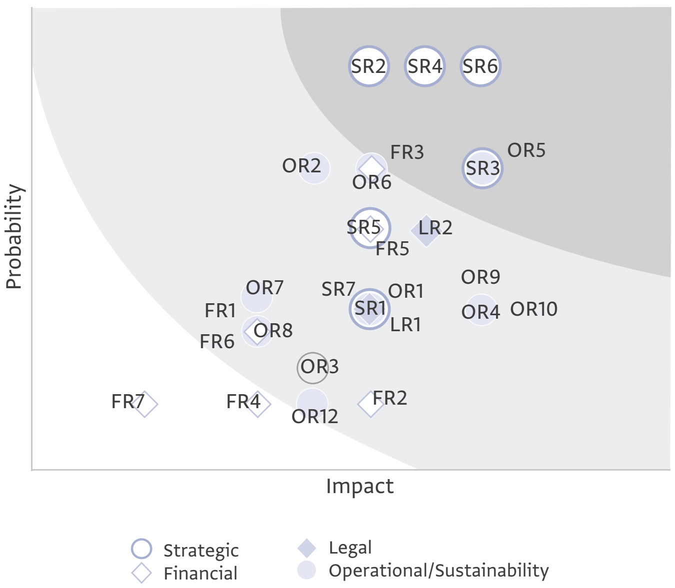
TITAN's risk management framework is presented below. It follows a customized approach that best addresses the particularities of each risk area and ensures the optimum degree of risk ownership and accountability for the appropriate mitigation actions.

	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

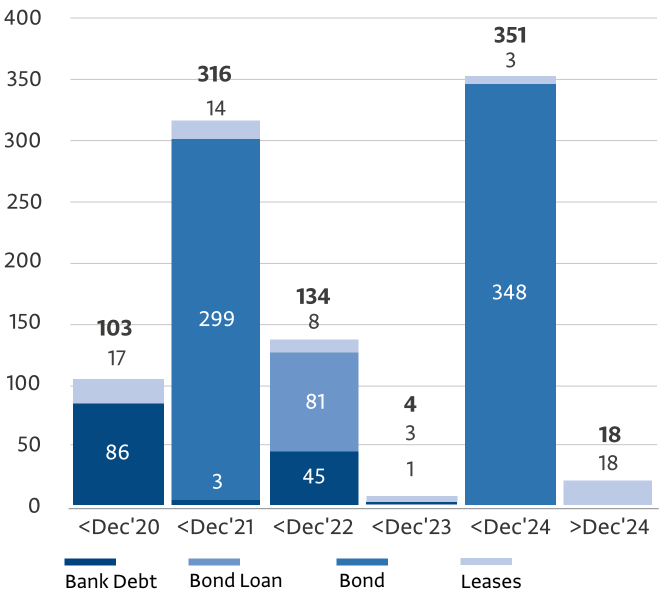
Group capital expenditure in 2019 reached €109 million versus €119 million in 2018, with more than half the investments directed to the Group's USA activities.

	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

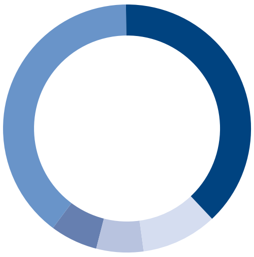
Listings

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



E.D.Y.V.E.M. Public Company LTD and TCI founders acting in concert **36.18%**

Paul and Alexandra Canellopoulos Foundation **9.42%**

TITAN Cement Company S.A. **5.83%**

FMR LLC **6.19%**

Other **42.38%**

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

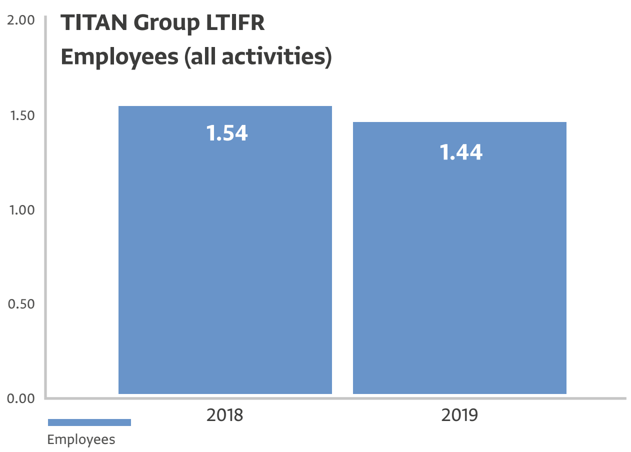
Our sustainable growth relies on the caliber, behavior and collaboration of our people and our vision is to ensure an emotionally and mentally engaged workforce, as stated in TITAN's People Management framework.

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

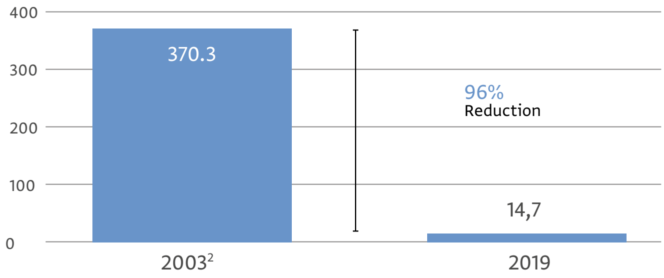
29.1 million m^3
Avoided water consumption[2]
Avoided consumption 2003 – 2019

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

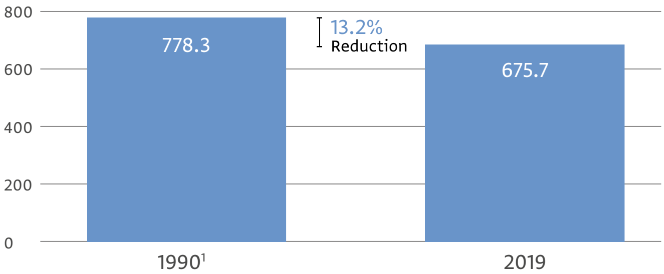
€26.6m
Green investments

€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$_2$Cem 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.

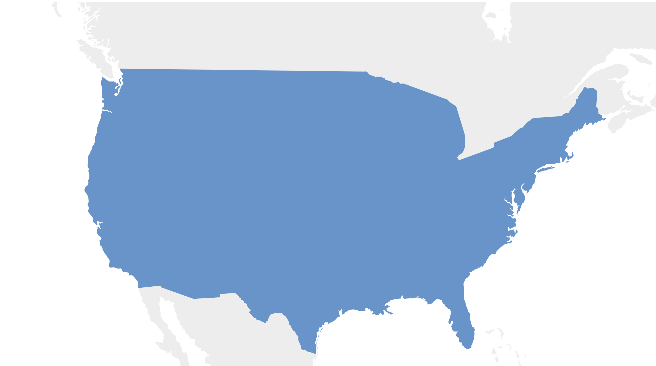
Investing in environmental management and assessment

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



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

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$_{\text{Coal, eq.}}$
(2018: 138,430t$_{\text{Coal, eq.}}$)

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

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.

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$_{\text{Coal, eq.}}$
(2018: 563,495t$_{\text{Coal, eq.}}$)

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

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.

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

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.

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14 LIFE BELOW WATER
17 PARTNERSHIPS FOR THE GOALS

Regional performance:
Southeastern Europe

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 Cement plants

19 Quarries

6 Ready-mix plants

1 Processed engineered fuel facility

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

Usje cement plant, North Macedonia

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

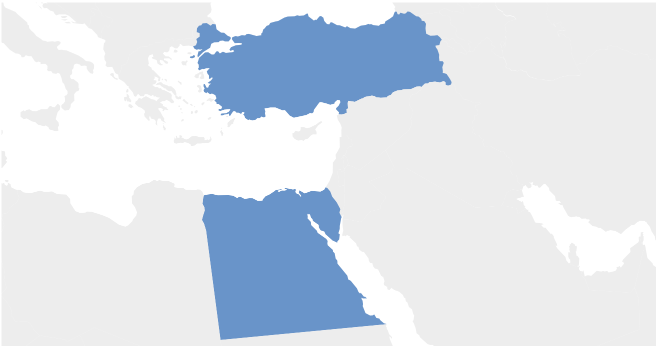
In all TITAN operations in the region, high standards are applied to meet the Group's sustainability targets and ambitions. Annual reports are voluntarily published in each country to inform local stakeholders and initiate dialogue and consultation on issues identified as material. All relevant reports 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.

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


Alexandria cement plant, Egypt

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

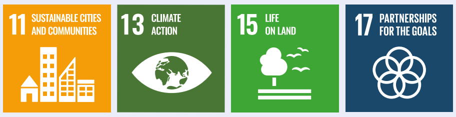
In 2019, Adocim undertook its first sustainability performance review and audit performed according to TITAN Group sustainability standards. The independent auditor's study visit resulted in positive feedback both from local stakeholders interviewed and from ERM CVS (see Auditors' Assurance Letter). 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 of the Integrated Annual Report 2019, on page 122.

Summary of financial statements

Consolidated Income Statement

(all amounts in Euro thousands)	Year ended 31 December	
	2019	2018
Revenue	1,609,778	1,490,097
Cost of sales	-1,315,866	-1,201,884
Gross profit	**293,912**	**288,213**
Other operating income	9,682	15,405
Administrative expenses	-145,188	-130,241
Selling and marketing expenses	-25,289	-22,321
Net impairment losses on financial assets	-1,667	-1,160
Other operating expenses	-4,282	-5,952
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 gain/(loss) of associates and joint ventures	1,366	-3,741
Profit before taxes	**64,366**	**82,562**
Income tax expense	-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 €)	**0.6452**	**0.6706**
Diluted earnings per share (in €)	**0.6385**	**0.6653**

Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)

(all amounts in Euro thousands)	Year ended 31 December	
	2019	**2018**
Operating profit	**127,168**	**143,944**
Depreciation and amortization	137,718	114,509
Impairment of tangible and intangible assets	2,247	1,288
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	**267,133**	**259,741**

Consolidated Statement of Financial Position

(all amounts in Euro thousands)

	31/12/2019	31/12/2018
Assets		
Property, plant & equipment and investment property	1,710,706	1,660,094
Intangible assets and goodwill	425,340	405,221
Investments in associates and joint ventures	113,858	117,567
Other non-current assets	28,373	13,190
Deferred tax assets	13,939	8,715
Total non-current assets	**2,292,216**	**2,204,787**
Inventories	283,519	286,561
Receivables, prepayments and other current assets	197,296	207,582
Cash and cash equivalents	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	1,375,165	1,394,133
Non-controlling interests	34,626	77,157
Total equity (a)	**1,409,791**	**1,471,290**
Long-term borrowings and lease liabilities	822,820	745,222
Deferred tax liability	96,319	94,414
Retirement benefit obligations	35,268	32,741
Provisions	31,587	28,373
Other non-current liabilities	66,146	5,687
Total non-current liabilities	**1,052,140**	**906,437**
Short-term borrowings and lease liabilities	103,307	197,637
Interest payable	3,863	8,930
Trade, income tax and other payables	286,134	273,870
Provisions	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**

Consolidated Cash Flow Statement

(all amounts in Euro thousands)	Year ended 31 December	
	2019	**2018**
Cash flows from operating activities		
Profit after taxes	**53,155**	**55,984**
Adjustments before changes in working capital	232,067	215,594
Changes in working capital	-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 intangible assets, property, plant & equipment	-109,313	-118,512
Proceeds from sale of PPE, intangible assets and investment property	6,824	1,850
Proceeds from dividends	3,335	2,649
Net proceeds/(payments) from changes in investments to affiliates and other investing activities	1,401	-25,218
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		
Acquisition of non-controlling interests	-20,376	-63
Net payment due to change of parent company to TCI	-52,219	-
Payments due to share capital decreases	-1,266	-42,138
Dividends paid	-13,690	-8,152
Payments for shares bought back	-6,855	-8,614
Other proceeds from financing activities	3,276	2,838
Interest and other related charges paid	-63,914	-61,620
Net (payments of)/proceeds from financial and lease liabilities	-105,030	9,362
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	171,000	154,247
Effects of exchange rate changes	2,855	3,091
Cash and cash equivalents at end of the year	**90,388**	**171,000**

Summary of non-financial statements

		Year ended 31 December	
		2019	2018
Climate change			
GHG Emissions – cement activities			
Specific net direct CO_2 emissions	$kg/t_{Cementitious\ Product}$	675.7	686.1
Alternative fuels and materials – cement activities			
Alternative fuel substitution rate	$\%_{Heat\ Basis}$	13.6	12.0
Energy efficiency related to clinker production	$kcal/kg_{Clinker}$	831.4	835.6
Local impacts			
Other air emissions – cement activities			
Specific dust emissions	$g/t_{Clinker}$	14.7	12.1
Specific NOx emissions	$g/t_{Clinker}$	1,268.6	1,307.0
Specific SOx emissions	$g/t_{Clinker}$	193.4	203.8
Water – cement activities			
Specific water consumption	lt/t_{Cement}	255.9	259.2
Biodiversity and land stewardship – all activities			
Active quarry sites with biodiversity management plans	%	90.0	90.0
Sites with quarry rehabilitation plans	%	90.0	78.0
Avoided impact to the environment – cement activities			
Avoided net direct CO_2 emissions	million t	27.8	26.3
Avoided dust emissions	t	56,600	52,310
Avoided NOx emissions	t	241,555	221,025
Avoided SOx emissions	t	35,350	32,630
Avoided water consumption	million m^3	29.1	25.5
Avoided consumption of natural resources and landfilling of alternative materials and fuels	million t	24.1	22.4
Green investment – all activities			
Environmental expenditures	million €	26.6	29.1

		Year ended 31 December	
		2019	2018
Health and Safety – all activities			
Employee fatalities		0	0
Contractors fatalities		0	2
Employee Lost Time Injuries (LTIs)		16	17
Employee Lost Time Injuries Frequency Rate (LTIFR)	per million hours worked	1.44	1.54
Employment – all activities			
Number of employees in total, as of 31st December 2019		5,400	5,365
Employee turnover	%	12.33	11.03
Share of women in employment	%	12.17	11.82
Share of women in management	%	15.50	16.53
People development – all activities			
Training investment in total	million €	0.9	1.0
Average training hours per employee (over the total number of direct employees)		25.42	25.46
Community engagement – all activities			
Donations in total	million €	2.5	2.3
Local spend (as percentage of total spend to all suppliers)	%	65.3	n/a

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