



**NATIONAL BANK
OF GREECE**

FINANCIAL REPORT

PURSUANT TO ARTICLE 15 OF LAW 3461/2006

**“IMPLEMENTATION OF DIRECTIVE 2004/25/EC ON TENDER OFFERS INTO
NATIONAL LAW”**

TO THE BOARD OF DIRECTORS OF



TITAN CEMENT COMPANY S.A.

REGARDING THE VOLUNTARY TENDER OFFER MADE BY

TITAN CEMENT INTERNATIONAL SA

TO

THE SHAREHOLDERS OF TITAN CEMENT COMPANY S.A. TO ACQUIRE ALL THEIR

ORDINARY AND PREFERENCE SHARES OF TITAN CEMENT COMPANY S.A.

18 June 2019

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1 Information on the Financial Report, pursuant to Article 15 of Law 3461/2006¹

In the context of the voluntary tender offer (hereinafter the “Tender Offer”) made by TITAN CEMENT INTERNATIONAL S.A. (hereinafter the “Offeror”) for the acquisition of all ordinary and preference shares of “Titan Cement Company S.A.” (hereinafter the “Company” or “TITAN”), which the Offeror and/or the Concerted Persons did not hold, directly or indirectly, as of 16.04.2019 (hereinafter the “Date of the Tender Offer”), including the Treasury Shares, a service contract was signed on 21.05.2019 between National Bank of Greece S.A. (hereinafter the “Financial Advisor”) and TITAN for the provision of the Financial Report (hereinafter the “Report”) pursuant to article 15 paragraph 2 of Law 3461/2006, as in force (hereinafter the “Law”).

In accordance with the first sentence of paragraph 1 of article 9 of the Law and the terms and conditions set out in this Information Circular approved by HCMC on 18.06.2019 (hereinafter the “Information Circular”), the Offeror offers:

- (i) One newly issued Offeror Share (hereinafter the “Consideration Shares” or “Consideration”) for each ordinary registered share issued by TITAN of 3.45 Euro par value (hereinafter the “Ordinary Shares”) which in each case is lawfully and validly tendered within the Acceptance Period, and
- (ii) One Consideration Share for each non-voting preference registered share issued by TITAN of 3.45 Euro par value (hereinafter the “Preference Shares”) which in each case is lawfully and validly tendered within the Acceptance Period.

In particular, Shareholders who lawfully and validly accept the Tender Offer, in accordance with the process described in the Information Circular (hereinafter the “Accepting Shareholder”), will have the option to elect to receive, for each Tendered Share, (i) one Consideration Share held in book-entry form through Euroclear Belgium, or (ii) one Consideration Share held in book-entry form at the DSS through the HCSD.

The Consideration Shares will be new, dematerialised, ordinary shares in the Offeror, which will be created pursuant to the increase of the share capital of the Offeror by contribution in kind of up to 84,632,528 TITAN Shares and the issuance of an equal number of Consideration Shares, subject to the number of TITAN Shares that will be finally tendered in the context of, as applicable, the Tender Offer, the Right of Squeeze-out and the Right to Sell-out.

According to the Information Circular, the purpose of the Tender Offer is to facilitate the indirect admission of TITAN (and through it of the TITAN Group, i.e. the group which is comprised by TITAN and its subsidiaries) (hereinafter the “Group”) to listing on Euronext Brussels, by means of the primary listing and admission to trading of the Offeror Shares on the securities market of Euronext Brussels.

On 13.05.2019 the Offeror obtained the approval of the Euronext Listing by the Euronext Listing Board (hereinafter the “Euronext Listing Approval”), subject to conditions. As at the Date of the Information Circular, the only outstanding

¹ Source: Information Circular as has been approved by HCMC on 18.06.2019. The terms with capital, unless otherwise stated, shall have the meaning given to them in the Information Circular.

condition was related to the issuance of the Consideration Shares and confirmation thereof pursuant to a notarial deed. If this condition is satisfied, Euronext Brussels will be the primary market for trading of the Offeror Shares, and transactions in Offeror Shares executed on Euronext Brussels or Euronext Paris will be cleared and settled through Euroclear Belgium. In addition, the Offeror has applied to HELEX to obtain approval for the ATHEX Listing. Subject to obtaining such approval, transactions in Offeror Shares executed on the Athens Exchange will be cleared and settled through the ATHEXClear and the HCSD.

It is noted that if the percentage of the TITAN Shares which will be eventually tendered ranges between 75% and below 90% of each class of such shares, the Offeror has not decided nor does it intend to seek its cross-border merger with TITAN, while the TITAN Shares of the relevant class will continue to trade on the Athens Exchange in parallel with the Offeror Shares, which will trade primarily on Euronext Brussels and secondarily on the Athens Exchange and Euronext Paris, subject to the Condition and obtaining approval for the ATHEX Listing.

With respect to the preparation of the Report, the Financial Advisor points out the following:

1. To formulate the views which are expressed in the Report, we reviewed: i) The Information Circular, ii) The Offeror's Prospectus for the issue of new shares to be offered to the Company's shareholders who accept the Tender Offer, and for the listing of all shares on Euronext Brussels, the Athens Exchange and Euronext Paris which was approved on 14.05.2019 by the competent Belgian supervisory authority, the Financial Services and Markets Authority (the "FSMA"), iii) the Information Circular Supplement which was prepared by the Offeror and approved by the FSMA on 12.06.2019, iv) The valuation report of 12.04.2019 prepared by GRANT THORNTON S.A. CHARTERED ACCOUNTANTS & MANAGEMENT CONSULTANTS in accordance with Article 27(3) in combination with Article 9(6) and (7) of the Law (see section 2.3 "Right of squeeze out – Right to Sell out") and v) certain publicly available financial information relating to the Company and the Offeror. In addition, we held meetings with the Company's senior executives to get their opinion about the current status and prospects in respect of TITAN's indirect primary listing on Euronext Brussels. In addition, to the extent possible, using publicly available information and information in databases the Financial Advisor has access to, although we did not independently confirm that information, we carried out the analyses outlined in section 5 "Assessment of the Consideration".

2. For the purposes of our Report, we assumed that all information which was either provided or made available to us in some other way by the Company or on its behalf, or was publicly available (including, without limitation, the information described above) was complete and accurate in all material respects and we have not carried out any independent verifications of that information. As for historical, business and financial information, we assumed that the information accurately reflects the actual business and financial position of the Company on the date that information refers to. We did not undertake, and do not undertake, any legal or other responsibility for the said information and have relied on assurances from Company management that they are unaware of any facts or circumstances which could render the said information inaccurate or misleading. It is noted that other than publicly available information, we have not received information relating to the Company's, the Offeror's or TITAN Group's future performance.

3. This Report does not include, and we have not carried out, any valuation or independent assessment of the Company, the Offeror or any of the companies affiliated to them, or their individual assets, nor have we been provided with such valuations or assessments by the Management. We have not carried out any legal or financial due diligence on the said companies or their individual assets and we have not assessed the impacts of any pending litigation, administrative or other cases on their actual and asset status. Moreover, we have not assessed the solvency and fair value of the Offeror or the Company based on any legislation pertaining to bankruptcy, insolvency or similar matters. Although we have used different assumptions, judgements and estimates as appropriate, which we consider to be

reasonable and appropriate under the circumstances, it is not possible to confirm the accuracy and completeness of the assumptions, judgements and estimates used. The assumptions, estimates and judgements have been discussed with the Company's Management before this Report was prepared.

4. We assume no responsibility for the accounting, commercial or other data on which the Report is based. Our Report does not address legal, accounting or tax issues or results of the Tender Offer for the Company and/or its shareholders and we assume the correctness of all relevant advice provided to the Company and its Board of Directors, including without limitation advice about legal, regulatory, accounting and tax implications (both from the viewpoint of Greek and Belgian law, inter alia) of the terms and the transactions specified in the transaction documents relevant to the Tender Offer, for the Company and the holders of shares in the Company. In preparing this Report, we have not taken into consideration any tax implications of the transaction on any holder of shares in the Company or the Consideration Shares. In addition, the Report does not examine the consequences of the Tender Offer or of the transactions related to it or the fairness and reasonableness of the Consideration for creditors or other persons who have interests in the Company or as regards the contracts which the Company has signed with those persons.

5. Our Report is based on the financial and economic conditions and market conditions applicable on the date it was prepared, and on information which we have at our disposal and can be evaluated on the date of this Report. We express no opinion about whether those conditions will continue to exist or about any impact a change in those conditions would have on the views expressed herein. It goes without saying that subsequent developments and other information which become available after this date could affect the Report. We do not undertake to provide advice to anyone about changes in circumstances or issues affecting our Report which are made known after the date of the report and we assume no responsibility whatsoever to update, revise or verify the Report. The views expressed herein are also subject to uncertainties associated, inter alia, with key factors such as future developments in the macroeconomic environment and geopolitical developments both in the Eurozone and at global level, developments in the regulatory and legislative framework, and the intensification of competition in the sectors and markets in which the Group operates.

6. We have prepared our Report on the assumption that the Tender Offer will be completed on the terms set out in the Tender Offer transaction documents, without any amendment or any breach of terms, conditions or requirements therein. It should also be noted that we have not provided, and do not provide, advice about the structure, specific Consideration offered or other aspects of the Tender Offer, nor have we been involved in any negotiations about the terms of the Tender Offer and related transactions. Consequently, we have taken the view that those terms are the most beneficial terms for the Company and have not expressed an opinion on whether any alternative transaction could lead to consideration which is more favourable for the holders of Company shares from the one specified in the terms of the Tender Offer, nor did we examine the relevant benefits of the Tender Offer and its related transactions, compared to any alternative or opportunity potentially available to the Company.

7. It is noted that this Report is submitted to the Company's Board of Directors, has been prepared in accordance with the provisions of Article 15 of the Law, and is not a proposal or recommendation to enter into any transaction involving the financial instruments to which it relates, nor investment advice to buy or sell shares either within or outside the context of the Tender Offer. Our views set forth in this Report are provided solely to the Company's Board of Directors to assist it in financially assessing the Tender Offer. We assume no responsibility to any person, including Company shareholders, other than that arising from the capacity of Financial Advisor under Article 15(2) of the Law. We do not provide Shareholders with any opinion about the fairness or reasonableness of the Consideration offered nor about the Reasoned Opinion which the Company's Board of Directors will issue. In addition, our Report expresses no opinion about the trading price for Company Shares or Consideration Shares at any point in time. The Company's Board

of Directors is obliged to prepare a written reasoned opinion on the Tender Offer and the Financial Advisor is not liable for the content of that opinion, even if the Board of Directors bases its reasoned opinion on the content of this Report.

8. The Financial Advisor and undertakings affiliated to it may in the past have provided or currently be providing the Company or companies affiliated to it with financial advisory, investment banking and/or other services and may have received or may in the future receive a fee for those services.

2 Summary Description of the Offeror and the Tender Offer Terms²

2.1 The Offeror and the Concerted Persons

The Offeror was incorporated and registered on 12.7.2018 as a société anonyme under the laws of Belgium, with corporate registration number 0699.936.657 and registered address at Rue de la Loi 23, 7th floor, box 4, 1040, Belgium. The duration of the Offeror is unlimited. Since its incorporation, the Offeror's activities in Belgium were mainly focused on the preparation for the Euronext Listing and the Tender Offer.

Since 15.10.2018, the Offeror's management function has been exercised from Cyprus, while its corporate seat remains in Brussels. The principal legislation under which the Offeror operates, and under which the Offeror Shares are issued, is the Belgian Companies Code of 23.03.2019, which was published in the Belgian Government Gazette on 4.4.2019. As at the date of the Information Circular, the Offeror has not issued annual financial statements and has no subsidiaries.

As at the date of the Information Circular, the Offeror's paid-up share capital amounts to 100,000 Euro divided into 5,555 fully paid ordinary shares which have no nominal value, while the Offeror has not issued any other classes of shares. All existing Offeror Shares are owned by Andreas Canellopoulos, Leonidas Kanellopoulos, Nellos - Panagiotis Canellopoulos, Takis - Panagiotis Canellopoulos, Pavlos Kanellopoulos, Dimitris Papalexopoulos, Alexandra Papalexopoulou and Eleni Papalexopoulou (hereinafter the "Founders"), as follows:

Offeror's Shareholders	Offeror Shares	
	Number	Participation Percentage (%)
Kanellopoulos Pavlos	278	5.00
Canellopoulos Nellos Panagiotis	278	5.00
Canellopoulos Takis Panagiotis	278	5.00
Papalexopoulos Dimitrios	833	15.00
Papalexopoulou Eleni	833	15.00
Papalexopoulou Alexandra	833	15.00
Canellopoulos Andreas	1,111	20.00
Kanellopoulos Leonidas	1,111	20.00
Total	5,555	100.00

Source: Information Circular

On 16.04.2019 the Founders enter into the shareholders' agreement (hereinafter the "Shareholders' Agreement"), by virtue of which they have agreed to adopt, by concerted exercise of the voting rights they hold from time to time in the Offeror, including the voting rights that they will hold after Closing, a lasting common policy towards the management and operation of the Offeror. As a result of this agreement, the Founders are acting in concert in relation to the Tender Offer and their participation in the Offeror, and after Closing, they will continue to act in concert among themselves in relation to the Offeror.

² Source: Information Circular. Further and detailed information regarding the Tender Offer are included on the Information Circular. Copies of the Information Circular are available for free in printable form at any branch of ALPHA BANK SA in Greece and in electronic form on the webpage of the Offeror's Advisor (www.business.hsbc.g), HCMC (www.hcmc.gr/el_GR/web/portal/deltia12minou), ATHEX (www.helex.gr/el/web/guest/company-prospectus) and ALPHA BANK SA (www.alpha.gr/el/idiotes/ependuseis/xrimatistiriakes-upiresies/enimerotika-deltia) during the Acceptance Period.

According to the Information Circular, the Offeror has been informed that the Board of Directors of the Cypriot company "E.D.Y.V.E.M. HELLENIC CONSTRUCTION MATERIALS INDUSTRIAL COMMERCIAL TRANSPORTATION PUBLIC COMPANY LTD." (hereinafter the "E.D.Y.V.E.M."), which holds approximately 14.91% of the TITAN Shares and approximately 10.79% of the voting rights in TITAN, has made the following decisions:

- (a) that E.D.Y.V.E.M. accepts the Tender Offer, provided that the Board of Directors of TITAN publicly expresses its positive view on the offer;
- (b) provided the view of the Board of Directors of TITAN its positive, that E.D.Y.V.E.M. tenders its TITAN Shares to the Offeror in consideration for Consideration Shares, in accordance with the terms and conditions of the Tender Offer; and
- (c) if the Tender Offer successfully completes, that E.D.Y.V.E.M. accedes to the Shareholders' Agreement with the consent of the Founders on or shortly after the date on which the prerequisite relating to the Minimum Number of Shares has been satisfied and before the admission to trading of the Offeror Shares.

If it accedes to the Shareholders' Agreement, E.D.Y.V.E.M. will be acting in concert, within the meaning of Belgian law, with the Founders in relation to their participation in the Offeror. Therefore, subject to the satisfaction of the Condition and the prerequisite relating to the Minimum Number of Shares and depending on the level of acceptance of the Tender Offer, as of the Closing date, the Founders and E.D.Y.V.E.M. will hold between 35.43% of the Offeror Shares, if all (100%) TITAN Shares are tendered, and 47.23% of the Offeror Shares, if the Minimum Number of Shares is tendered, and be able to exercise a significant influence over the Offeror as of the Closing date.

It is finally noted that, according to the Information Circular, E.D.Y.V.E.M. is neither a party to the Shareholders' Agreement nor a person acting in concert (within the meaning of article 2, case (e) of the Law) with the Offeror in connection with the Tender Offer, while, according to the announcement of TITAN dated 27.04.2012 and made following the notification it received from E.D.Y.V.E.M. in the framework of Law 3556/2007, it is not controlled, in the meaning of article 3 of such law, by any natural or legal person.

As at the Date of the Tender Offer:

- (a) The Offeror did not hold directly any TITAN Shares or voting rights in TITAN, while it indirectly held the Founders' Voting Rights, corresponding to approximately 22.49% of the total voting rights in TITAN, by reason of the Founders being the founders and sole shareholders of the Offeror, and, pursuant to the Shareholders' Agreement, persons acting in concert with the Offeror (as defined in article 2, item (e) of the Law) in relation to the Tender Offer, as well as their participation in the Offeror.
- (b) The Founders held 17,333,195 Ordinary Shares, corresponding to approximately 22.49% of TITAN's ordinary share capital and voting rights, and 27,616 Preference Shares, corresponding to approximately 0.36% of TITAN's preference share capital, that is 17,360,811 TITAN Shares in aggregate, corresponding to approximately 23.16% of TITAN's total paid-up share capital, while, with the exception of the Founders' Shares and the Founders' Voting Rights, neither the Offeror nor the Concerted Persons held any other TITAN Shares or voting rights in TITAN.

As a result, the number of the Tender Offer Shares was (i) 59,730,373 Ordinary Shares, corresponding to approximately 77.51% of the ordinary share capital and voting rights of TITAN, and (ii) 7,541,344 Preference Shares, corresponding to approximately 99.64% of the preference share capital of TITAN as at that date, which means that the Tender Offer Shares amounted to an aggregate of 67,271,717 TITAN Shares representing approximately 79.49% of the total paid up share capital of TITAN.

It is noted that the Founders have stated that they will tender their respective the TITAN Shares to the Offeror for Consideration Shares, in accordance with the terms and conditions of the Tender Offer, like all other Shareholders, such that, at Closing, all Tendered Shares are held directly by the Offeror.

2.2 The Tender Offer

Under the Shareholders' Agreement, the Offeror is addressing, pursuant to article 6 of the Law, this Tender Offer to all Ordinary and Preference Shareholder Shareholders (hereinafter the "Shareholders ") in accordance with the terms of the Information Circular and the Law.

On the Date of the Tender Offer, the Offeror initiated the Tender Offer procedure by informing (i) the HCMC, and (ii) the Board of Directors of TITAN in writing of the Tender Offer, and submitting at the same time a draft of the Information Circular, as set forth in article 10, paragraph 1 of the Law.

The Offeror offers to acquire all Tender Offer Shares together with all present, future and contingent rights or claims attaching to the Tender Offer Shares, free and clear of all defects (legal or real) and all (present, future or contingent) rights, claims and/or encumbrances of, or in favour of, third parties.

The Tender Offer is for any and all TITAN Shares, including the Treasury Shares, which the Offeror and/or the Concerted Persons did not hold, directly or indirectly, as at the Date of the Tender Offer.

The effectiveness of the Tender Offer is subject to the pre-requisite that, as at the end of the Acceptance Period, at least the Minimum Number of Shares will have been lawfully and validly tendered to the Offeror, namely at least (i) 57,797,676 Ordinary Shares, corresponding to 75% of TITAN's ordinary share capital and (ii) 5,676,720 Preference Shares, corresponding to 75% of TITAN's preference share capital, that is in aggregate 63,474,396 TITAN Shares corresponding to 75% of TITAN's total paid-up share capital (hereinafter the "Minimum Number of Shares").

In addition, the Tender Offer is subject to the satisfaction of the Condition, that is the issuance of the Consideration Shares and confirmation thereof pursuant to a notarial deed, which constitutes the condition to which the Euronext Listing Approval is subject.

If (i) the pre-requisite of Minimum Number of Shares is not fulfilled as at the end of the Acceptance Period and/or (ii) the Condition is not satisfied, the Tender Offer will *ipso jure* lapse and have no legal effect, and the TITAN Shares tendered to the Offeror will be returned to their holders.

In accordance with article 20, paragraphs 1 and 2 of the Law, the Tender Offer may also be revoked by the Offeror:

- (a) following the approval of the HCMC, if there is an unforeseen change in the circumstances beyond the control of the Offeror which would render the effectiveness of the Tender Offer particularly onerous on the Offeror; and/or
- (b) if a Competing Offer has been made, in any case in accordance with article 20, paragraphs 1 and 2 of the Law.

2.3 Right of Squeeze-out – Right to Sell-out

If, at the end of the Acceptance Period, the Relevant Threshold is reached with respect to a class and/or both classes of the TITAN Shares, and, consequently, at Closing the Offeror will hold at least (i) 69,357,212 Ordinary Shares representing 90% of the ordinary share capital and total voting rights in TITAN and/or (ii) 6,812,064 Preference Shares representing 90% of TITAN's preference share capital:

- (a) the Offeror will exercise the Right of Squeeze out; and
- (b) the Shareholders who have not accepted the Tender Offer, will have the right to exercise the Right to Sell-out, for each class of the TITAN Shares in respect of which the Relevant Threshold is reached, always subject to the fulfilment of the Condition.

It is noted that the Cash Consideration, which the Shareholders may elect to receive solely within the context of the Right of Squeeze-out or the Right to Sell-out, as the case may be, is equal to 19.64 Euro for each Ordinary Share and 18.98 Euro for each Preference Share. According to the Information Circular, the Ordinary Share Cash Consideration and the Preference Share Cash Consideration Euro meet the criteria of the fair and reasonable consideration for each class of TITAN Shares, according to article 9 of the Law, since:

- (i) the ASMP of the Ordinary Share and the ASMP of the Preference Share amounts to 19.64 Euro and 18.98 Euro, respectively, according to the data of the Athens Exchange;
- (ii) neither the Offeror nor the Concerted Persons acquired Ordinary Shares or Preference Shares during the twelve months preceding the Date of the Tender Offer; and
- (iii) according to the 12.04.2019 valuation report issued by GRANT THORNTON S.A. CHARTERED ACCOUNTANTS & MANAGEMENT CONSULTANTS (hereinafter the "Valuation Report"), the Ordinary Share and the Preference Share were valued at 19.43 Euro and 17.52 Euro, respectively.

It is noted that, according to the Information Circular, the Offeror will finance the consideration payable in cash by it as a result of exercising the Right of Squeeze-out or the Right to Sell-out, together with certain costs and expenses of the Tender Offer and of the Right of Squeeze-out or the Right to Sell-out pursuant to a facility agreement entered into on 13.05.2019 with HSBC France. Funds under such facility will be made available to the Offeror subject to customary terms and conditions, which also include satisfaction of the Condition and the pre-requisite regarding the Minimum Number of Shares. The lender's claims under such facility will be secured pursuant to a pledge over Ordinary Shares representing 51% of the total ordinary share capital of TITAN granted by the Offeror in favour of HSBC France, and such pledge is not extended to the voting rights corresponding to such shares, as long as no event of default has occurred and is continuing.

If, following completion of the Tender Offer or after the exercise of the Right of Squeeze-out or the Right to Sell-out, as the case may be, the Offeror holds 100% of the ordinary and the preference share capital of TITAN, the Offeror intends to request the convocation of a General Meeting of the relevant class of Shareholders to resolve upon the submission of an application to the HCMC requesting the delisting of the relevant class of the TITAN Shares from the Athens Exchange, in accordance with article 17, paragraph 5 of Law 3371/2005, at which (General Meetings) the Offeror will exercise its voting rights in favour of such resolution.

Moreover, if, following completion of the Tender Offer or the exercise of the Right of Squeeze-out or the Right to Sell-out, as the case may be, the Offeror holds 100% of only the Preference Shares and not of the Ordinary Shares, the Offeror will seek the delisting of the Preference Shares from the Athens Exchange in accordance with the above

paragraph. It is noted that, as, under the existing legal framework, the potential delisting of the Ordinary Shares from the Athens Exchange may trigger the delisting of also the Preference Shares, if, following completion of the Tender Offer or the exercise of the Right of Squeeze-out or the Right to Sell-out, as the case may be, the Offeror holds 100% of only the Ordinary Shares and not of the Preference Shares, the Offeror will not seek the delisting of either the Ordinary Shares or the Preference Shares. The Offeror will seek such delisting if it acquires in the future at least 95% of the Preference Shares. In these cases though, the structure of the Tender Offer might effectively have a certain result, where the possibility of not ensuring the orderly operation of the market would be increased.

As of Closing and until the TITAN Shares are delisted from the Athens Exchange, the Offeror Shares will trade in parallel with the TITAN Shares, unless the latter's trading is suspended or the Offeror holds all TITAN Shares. If the percentage of the TITAN Shares which will be eventually tendered ranges between 75% and below 90% of each class of such shares, the TITAN Shares of the relevant class will continue to trade on the Athens Exchange in parallel with the Offeror Shares which will trade primarily on Euronext Brussels and secondarily on the Athens Exchange and Euronext Paris, subject to the Condition and obtaining approval for the ATHEX Listing.

2.4 The Consideration Shares

In accordance with the first sentence of paragraph 1 of article 9 of the Law and the terms and conditions set out in the Information Circular, the Offeror offers:

- (i) One Consideration Shares for each Ordinary Shares which in each case is lawfully and validly tendered within the Acceptance Period, and
- (ii) One Consideration Share for each Preference Shares which in each case is lawfully and validly tendered within the Acceptance Period.

In particular, Shareholders who lawfully and validly accept the Tender Offer, in accordance with the process described in the Information, will have the option to elect to receive, for each Tendered Share, (i) one Consideration Share held in book-entry form through Euroclear Belgium, or (ii) one Consideration Share held in book-entry form at the DSS through the HCSD.

The Consideration Shares will be new, dematerialised, ordinary shares in the Offeror, which will be created pursuant to the increase of the share capital of the Offeror by contribution in kind of up to 84,632,528 TITAN Shares and the issuance of an equal number of Consideration Shares, subject to the number of TITAN Shares that will be finally tendered in the context of, as applicable, the Tender Offer, the Right of Squeeze-out and the Right to Sell-out. Such share capital increased was approved pursuant to the resolution of the extraordinary General Meeting of the Offeror's shareholders dated 13.05.2019.

At the same session, the extraordinary General Meeting of the Offeror's shareholders approved the following corporate actions, subject to completion of the Offeror's share capital increase by means of a contribution in kind of TITAN Shares:

- (a) To reduce the Offeror's share capital by an amount of €150 million, with effect immediately upon Closing, which will result in a repayment of capital contributions to the shareholders of the Offeror in several tranches, at a time to be decided by the Board of Directors. Such capital reduction will occur without cancellation of Offeror Shares.
- (b) To further reduce the Offeror's share capital by an amount of €50 million to create a distributable reserve.

(c) To further reduce the Offeror's share capital to create distributable reserves in the amount of (i) the issuance price of the Consideration Shares issued in exchange for the Treasury Shares tendered, being the weighted average stock price of the TITAN Shares on the Athens Exchange during the three months preceding the date of the actual contribution, multiplied by (ii) the number of Consideration Shares issued as a result of the Treasury Shares tendered. In addition, it was resolved to convert such distributable reserves to non-distributable reserves for as long as these Consideration Shares will be held by TITAN.

The Consideration Shares carry the right to dividends that may be distributed in respect of the Offeror's first financial year ending 31.12.2019 and future years, as well as the right to any capital returns, distributions from distributable reserves or other distributions made by the Offeror after the date of Closing. Detailed information in relation to, among other matters, the Consideration Shares and the rights of the holders of Consideration Shares is included in the Prospectus.

2.5 Summary Description of Tender Offer' Purpose - Plans and Business Strategy for TITAN Group and the Offeror following the Tender Offer

The purpose of the Tender Offer is to facilitate the indirect admission of TITAN (and through it of the TITAN Group) to listing on Euronext Brussels, by means of the primary listing and admission to trading of the Offeror Shares on the securities market of Euronext Brussels. Pursuant to the Tender Offer, the Offeror seeks to become the direct parent company of TITAN and the ultimate parent company of TITAN Group with a shareholding structure where all TITAN shareholders will become shareholders of the Offeror.

According to the Information Circular, the principal objectives of the Tender Offer are to:

- enhance the international nature of TITAN Group's business activities;
- link TITAN Group with a large international stock exchange, which will offer a broader and deeper investor base, thus enhancing liquidity of its traded shares; and
- broaden TITAN Group's funding sources, improving its access to both the international debt capital markets and international banking institutions, to achieve more competitive financing costs.

Furthermore, according to the Information Circular:

- The Tender Offer does not signify any change in the strategic direction of TITAN Group
- The successful completion of the Tender Offer will not cause any change to the range of operations, business activities, strategy and priorities of TITAN Group, as well as to the employment terms of its employees and managerial staff
- The current executive members of the Board of Directors and the senior management will continue to lead its business operations and its long-term strategy
- TITAN's presence in Greece will remain unchanged

2.6 Offeror's Advisor and Tender Agent

HSBC France is the Offeror's Advisor and ALPHA BANK S.A. has been authorised by the Offeror to receive the Declarations of Acceptance and manage the Tender Offer, in accordance with article 18, paragraph 1 of the Law.

2.7 Acceptance Period

The Acceptance Period will last four weeks commencing on 19 June 2019 at 8.00 am (Greek time) and ending on 17 July 2019 at 2.00 pm (Greek time).

3 Brief Company Description

3.1 General Information³

TITAN was initially founded through the establishment of the first cement plant in the town of Elefsina and transformed into a société anonyme in 1911. TITAN is registered with the General Commercial Registry with registration number 224301000 and registered seat at 22A Halkidos Street, 111 43 Athens.

TITAN is the parent company of a vertically integrated group that manufactures, distributes and trades cement, aggregates, ready-mix concrete, fly ash, dry mortar and other building materials.

TITAN's ordinary shares and preference shares were initially listed on the Athens Exchange in 1912 and 1990, respectively, while they are currently traded on the main market of the Athens Exchange under the reference symbols TITK and TITP, respectively.

3.2 Business Activity and Group Structure

TITAN Group is an international multi-producer of cement and other building materials with two cement plants in the U.S.A., three cement plants in Greece, two cement plants in Egypt and one in each of Albania, Bulgaria, F.Y.R.O.M., Kosovo, Serbia, Turkey and Brazil.

In particular, TITAN Group (including joint ventures) currently operates 14 cement plants, 3 grinding plants, 35 distribution terminals, including 6 import terminals, 73 quarries, 123 ready-mix plants, 10 concrete block plants, 6 fly ash processing plants, 3 processed engineered fuel facilities and 1 dry mortar plant. Its total production capacity (including cement, grinding plants and materials with similar properties) is approximately 27.0 million tons per year.

TITAN is the parent company of a vertically integrated group that manufactures, distributes and trades cement, aggregates, ready-mix concrete, fly ash, dry mortar and other building materials in four geographic sectors: the (i) United States of America (including Canada), (ii) Greece and Western Europe (including importing terminals in France, Italy and the United Kingdom), (iii) Southeastern Europe (including Albania, Bulgaria, FYROM, Kosovo, Serbia and Montenegro) and (iv) the Eastern Mediterranean (including Egypt and Turkey) and in Brazil.

In Brazil, the TITAN Group operates through a joint venture (namely Companhia Industrial De Cimento Apodi) the results of which are consolidated by the TITAN Group on an equity basis.

³ Source: Information Circular.

The table set out below shows TITAN's material subsidiaries as at 31.12.2018⁴:

Name and legal form	Registered Seat	Participation (%)
Titan America LLC	U.S.A.	100
Usje Cementarnica AD	FYROM	83.625
Cementara Kosjeric AD	Serbia	88.151
Zlatna Panega Cement AD	Bulgaria	99.989
Sharrcem SH.P.K.	Kosovo	88.151
Antea Cement SHA	Albania	80.000
Alexandria Portland Cement Co. S.A.E	Egypt	90.186513
Beni Suef Cement Co.S.A.E.	Egypt	90.186513

Source: Information Circular

3.3 Personnel

As at 31.12.2018 the TITAN Group employed 5,365 people, while TITAN employed 819 people.

3.4 Share Capital

As at the Date of the Information Circular, TITAN's paid-up share capital amounts to €291,982,221.60 and is divided into 77,063,568 Ordinary Shares and 7,568,960 Preference Shares.

According to the Information Circular and the announcements that Titan has published in accordance with article 14 of Law 3556/2007 as at 06.06.2019, the following persons hold, directly or indirectly, at least 5% of the voting rights in TITAN:

Name	Voting Rights ⁽¹⁾ (%)
TITAN CEMENT INTERNATIONAL S.A. ⁽²⁾	22.49
E.D.Y.V.E.M. Hellenic Construction Materials, Industrial, Commercial Transportation Public Company Limited	11.16
Paul and Alexandra Canellopoulos Foundation	10.01
TITAN CEMENT COMPANY S.A.	5.01
FMR LLC ⁽³⁾	5.61

Source: Information Circular

Notes:

(1) The percentages have been rounded to the second decimal point.

(2) On 16 April 2019, the Founders entered into the Shareholders' Agreement by virtue of which they have agreed to adopt, by concerted exercise of the voting rights they hold from time to time in the Offeror, a lasting common policy towards the management and operation of the Offeror. Based on the Shareholders' Agreement, the Founders are

⁴ The full list of TITAN's subsidiaries is set out in note 14 of TITAN's consolidated financial statements for the year ended 31 December 2018, which are available at TITAN's website.

cooperating with the Offeror in relation to the making of the Tender Offer and they constitute Concerted Persons. Consequently, on 16 April 2019, the aggregate percentage of the voting rights in Titan which the Offeror indirectly holds and each Founder directly and indirectly holds was increased and amounts to approximately 22.49%.

(3) Through FIAM Holdings LLC, FIAM LLC, Fidelity Institutional Asset Management Trust Company, Fidelity Management & Research Company and FMR Co., Inc.

In addition, according to other regulated information that TITAN has announced until and including 06.06.2019, the following variations have been made to certain of the percentages of the voting rights in TITAN set out in the above table:

- (a) The percentage of the voting rights in TITAN that E.D.Y.V.E.M. holds is 10.79%.
- (b) The percentage of the voting rights in TITAN corresponding to the Ordinary Shares that TITAN holds in treasury is 6.00%.
- (c) The percentage of the voting rights in TITAN that FMR LLC holds through the entitled mentioned above is 6.02%.
- (d) TITAN held an aggregate of 4,830,159 Treasury Shares, of which 4,627,329 were Ordinary Shares and 202,830 were Preference Shares.

3.5 Board of Directors

As at the date of the Information Circular, TITAN is managed by a Board of Directors the composition of which is as follows:

Name	Position
Efstratios - Georgios Arapoglou	Chairman, Non-Executive Director
Nellos Canellopoulos	Vice Chairman, Executive Director
Dimitris Papalexopoulos	Chief Executive Officer, Executive Director
Hiro Athanassiou	Independent Non-Executive Director
Takis-Panagiotis Canellopoulos	Executive Director
Michael Colakides	Executive Director, Executive Director
Doros Constantinou	Senior Independent Director, Independent Non-Executive Director
Alexander Macridis	Independent Non-Executive Director
Domna Mirasyesi-Bernitsa	Independent Non-Executive Director
Ioanna Papadopoulou	Independent Non-Executive Director
Alexandra Papalexopoulou	Executive Director
Petros Sabatacakis	Independent Non-Executive Director
Ploutarchos Sakellaris	Independent Non-Executive Director
Efthymios Vidalis	Non-Executive Director
Vassilios Zarkalis	Executive Director

Source: Information Circular

The members of TITAN's Board of Directors were re-elected on 07.06.2019 and the term of their office is one year, expiring the latest at the Annual General Meeting of TITAN's shareholders that will be held in 2020.

4 Brief Financial Information for the Company and the Group

4.1 Financial Information for 2017-2018

Income Statement

The following table presents the Income Statements of the Group and the Company for the fiscal years 2017-2018:

(all amounts in Euro thousands)	Group		Company	
	01.01.- 31.12.2018	01.01.- 31.12.2017	01.01.- 31.12.2018	01.01.- 31.12.2017
Turnover	1,490,097	1,505,803	229,038	233,805
Cost of sales	(1,089,489)	(1,070,349)	(192,728)	(182,851)
Gross profit before depreciation, amortization and impairment	400,608	435,454	36,310	50,954
Other income	15,405	10,631	37,177	15,847
Administrative expenses	(124,975)	(125,459)	(41,395)	(44,526)
Selling and marketing expenses	(22,287)	(22,570)	(256)	(253)
Net impairment losses on financial assets	(1,160)	-	-	-
Other expenses	(7,850)	(24,615)	(4,603)	(7,218)
Profit before interest, taxes, depreciation, amortization and impairment	259,741	273,441	27,233	14,804
Depreciation and amortization related to cost of sales	(109,497)	(106,209)	(14,086)	(14,445)
Depreciation and amortization related to administrative and selling expenses	(5,012)	(6,085)	(1,966)	(1,272)
Impairment of tangible and intangible assets related to cost of sales	(1,288)	(4,135)	-	(2,150)
Profit/(loss) before interest and taxes	143,944	157,012	11,181	(3,063)
Income from participations and investments	55	162	38,490	34,377
Losses of obtaining control in joint venture	(3,075)	-	-	-
Losses from participations and equity instruments	(123)	-	(1,161)	(178)
Finance income	1,917	899	378	2
Finance expense	(65,734)	(65,033)	(15,054)	(16,161)
Gains/(losses) from foreign exchange differences	9,319	(22,326)	1,227	(3,096)
Share of loss of associates and joint ventures	(3,741)	(7,488)	-	-
Profit before taxes	82,562	63,226	35,061	11,881
(Less)/plus: Income tax	(26,578)	(18,929)	(1,714)	1,510
Profit after taxes	55,984	44,297	33,347	13,391
Attributable to:				
Equity holders of the parent	53,847	42,680		
Non-controlling interests	2,137	1,617		
	55,984	44,297		
Basic earnings per share (in €)	0,6706	0,5292		
Diluted earnings per share (in €)	0,6653	0,5256		

* Any deviation in the total (sum of individual figures) is due to rounding.

Source: Published and Audited Annual Financial Statements for 2018.

Statement of Financial Position

The following table presents the Statements of Financial Position of the Group and the Company for 31.12.2017 and 31.12.2018:

(all amounts in Euro thousands)	Group		Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Assets				
Property, plant & equipment	1,647,892	1,466,046	249,294	252,944
Investment property	12,202	12,130	8,743	8,937
Intangible assets and goodwill	405,221	345,971	11,107	8,093
Investments in subsidiaries	-	-	701,037	778,805
Investments in associates and joint ventures	117,567	160,904	4,800	-
Derivative financial instruments	94	1,434	-	-
Available-for-sale financial assets	-	517	-	122
Other non-current assets	13,096	11,442	3,295	3,375
Deferred income tax asset	8,715	2,926	-	-
Non-current assets	2,204,787	2,001,370	978,276	1,052,276
Inventories	286,561	258,204	67,674	65,410
Receivables and prepayments	206,786	179,634	57,389	67,849
Derivative financial instruments	796	2,012	-	-
Cash and cash equivalents	171,000	154,247	13,710	29,323
Current assets	665,143	594,097	138,773	162,582
Total Assets	2,869,930	2,595,467	1,117,049	1,214,858
Equity and Liabilities				
Share Capital 84,632,528 shares of €3.45 (2017: €3.00)	291,982	253,897	291,982	253,897
Share premium	22,826	22,826	22,826	22,826
Share options	3,742	3,003	3,742	3,003
Treasury shares	(112,884)	(105,384)	(112,884)	(105,384)
Other reserves	738,487	723,716	457,357	540,288
Retained earnings	449,980	409,155	56,639	29,502
Equity attributable to equity holders of the parent	1,394,133	1,307,213	719,662	744,132
Non-controlling interests	77,157	62,459	-	-
Total equity (α)	1,471,290	1,369,672	719,662	744,132
Long-term borrowings	745,222	820,382	292,385	379,218
Deferred income tax liability	94,414	39,644	7,362	6,078
Retirement benefit obligations	32,741	32,440	16,946	15,410
Provisions	28,373	30,172	7,781	6,944
Non-current contract liabilities	18	-	-	-
Other non-current liabilities	5,669	6,711	3,898	3,795
Non-current liabilities	906,437	929,349	328,372	411,445
Short-term borrowings	197,637	56,825	3	32
Trade and other payables	265,203	228,433	61,449	50,981
Current contract liabilities	15,944	-	1,697	-
Derivative financial instruments	2	-	-	-
Income tax payable	1,651	2,630	-	-
Provisions	11,766	8,558	5,866	8,268
Current liabilities	492,203	296,446	69,015	59,281

Total liabilities (b)	1,398,640	1,225,795	397,387	470,726
Total Equity and Liabilities (a+b)	2,869,930	2,595,467	1,117,049	1,214,858

** Any deviation in the total (sum of individual figures) is due to rounding.*

Source: Published and Audited Annual Financial Statements for 2018.

It is noted that TITAN has published consolidated interim condensed financial statements for the first quarter of 2019 which ended on 31.03.2019. These financial statements do not form part of the Information Circular and this report, but they are available on the website of TITAN (<http://ir.titan.gr/el/financial-figures>), the website of the Athens Exchange (www.helex.gr/el/web/guest/company-fin.-statements) and on the Information Circular Supplement.

5 Assessment of the Consideration

In the context of this Report and of the evaluation of the Consideration, the Financial Advisor performed the following analyses:

1. It analysed the stock market performance of the regulated market Euronext Brussels, on which the Offeror's shares will be primarily listed for trading, and the regulated market Euronext Paris, where they will be listed secondarily, compared to the Athens Exchange and the Company. In addition, it examined the stock market performance of 7 listed companies in the construction and construction materials sector and/or the building materials and parts sector, which the Financial Advisor deemed comparable to the Company based on similarity of products and/or services offered and activity in markets similar to those of the Company.
2. It reviewed information related to the coverage of TITAN and the companies comprising the Athens Exchange General Index (hereinafter "AEGI"), the Euronext Brussels BEL All-share Index (hereinafter "BELPRC"), BEL Mid Index (hereinafter "BELM") and Euronext Paris CAC All-Share Index (hereinafter "PAX") by equity research analysts.
3. It examined the specific features of the preference shares compared to ordinary shares and evaluated, from a financial viewpoint, any impact on the value of preference shares compared to ordinary ones.

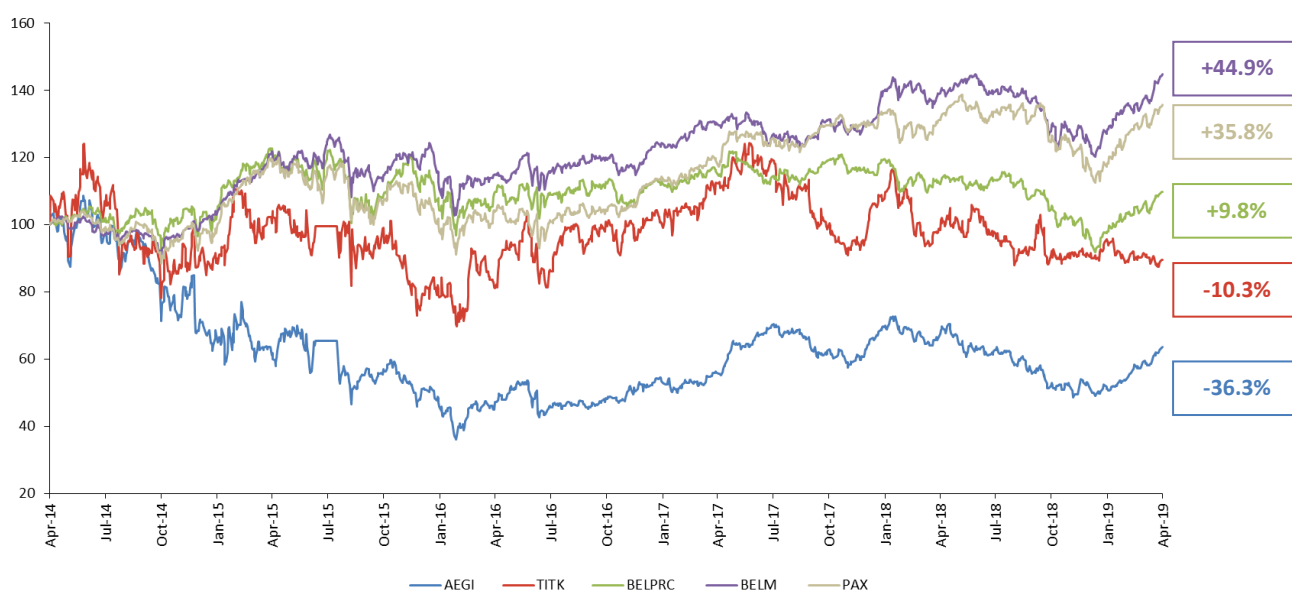
In performing the analyses included in this section, the Financial Advisor relied on publicly available information and on information available by databases to which it has access, but did not independently verify that information. The tables and diagrams set out below are not on their own a comprehensive description of the relevant analyses. To fully understand the analyses and to avoid any misleading or incomplete interpretation thereof, the relevant tables and diagrams must be read together with the accompanying text.

None of the companies and financial indices included in the analyses below are identical to the Company. Mathematical analysis, such as calculation of the mean or median value, is not on its own a reliable method for assessing the data of comparable companies. In addition, the analyses performed and the data as well as assumptions considered for performing the said analyses may not be the most suitable or most representative in the context of this Report. Different or additional analyses compared to those performed or additional data or assumptions to those used by the Financial Advisor, could have resulted in different conclusions.

5.1 Comparative analysis of the stock market performance of Euronext Brussels and Paris, the Athens Exchange and TITAN

To comparatively analyse the performance of abovementioned exchanges, we examined the performance of the AEGI in the 5-year period prior to the Date of the Tender Offer compared to the performance of the Euronext Brussels BELPRC index and Euronext Paris PAX index, which, in the view of the Financial Advisor, are the ones most comparable with the AEGI. TITAN share's performance was also compared to the BELM index performance, which, in the view of the Financial Advisor, is the optimal available index for examining stock market performance of similar sized companies listed on Euronext Brussels.

Change in AEGI price compared to BELPRC and PAX and TITAN share price compared to BELM index



Source: Bloomberg, data for the period: 16.4.2014-16.4.2019 rebased to 100.

According to the above graph, during the examined period, AEGI significantly underperformed the BELPRC and PAX indices, as it dropped by 36.3% while BELPRC και PAX indices increased by 9.8% and 35.8%, respectively. TITAN's share outperformed the AEGI but significantly underperformed for the majority of the examined period the BELM index, as it dropped by 10.3% compared with a significant increase for the BELM index amounting to 44.9%.

In addition, the analysis of the moving average of the daily trading prices over a 6-month period for the said indices and the TITAN shares, confirmed the following results for that same period: (a) the AEGI underperformed the BELPRC, PAX and BELM indices and the TITAN shares, and (b) TITAN's shares underperformed the BELM, BELPRC and PAX indices during the entire period under examination.

The table below presents the average daily traded value for the abovementioned indices and the TITAN shares as well as the average market capitalisation for the period of 1 month, 3 months, 6 months, 1 year and 2 years prior to the Date of the Tender Offer.

		1 month	3 months	6 months	12 months	24 months
Avg. daily traded value of transactions (amounts in € million)	AEGI	56	50	48	48	57
	BELPRC	1,262	1,211	1,262	1,293	1,301
	BELM	46	45	45	48	52
	PAX	4,431	4,332	4,517	4,608	4,672
	TITAN	1.1	1.2	1.1	1.0	1.2
Avg. market capitalisation (amounts in € million)	AEGI	46,771	44,541	42,757	45,014	46,241
	BELPRC	622,450	603,129	591,046	622,849	648,359
	BELM	43,614	42,376	40,838	41,866	42,495
	PAX	2,315,832	2,311,076	2,247,046	2,318,120	2,290,121
	TITAN	1,612	1,639	1,645	1,691	1,794
No. of companies (16.04.2019)	AEGI			60		
	BELPRC			135		
	BELM			38		
	PAX			479		

Source: Bloomberg

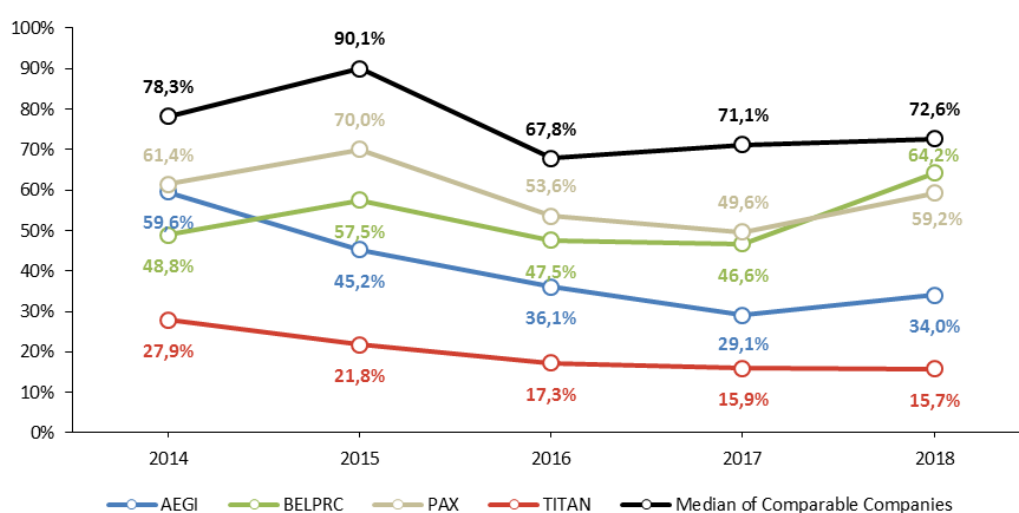
As part of the comparative analysis, the Financial Advisor also examined the following sample of companies comparable to TITAN, which were selected based on their business activity (construction and construction materials sector and/or building materials and parts sector) and the markets they operate in (“Comparable Companies”).

No.	Corporate name	Registered offices	Stock Exchange	Market Capitalisation as of 16.4.2019 (amounts in € million)
1	LafargeHolcim Ltd	Switzerland	SIX Swiss Exchange	27,885
2	Vicat SA	France	Euronext Paris	2,110
3	Ibstock PLC	UK	London Stock Exchange	1,213
4	Buzzi Unicem SpA	Italy	Borsa Italiana	3,729
5	HeidelbergCement AG	Germany	Frankfurt Stock Exchange	14,246
6	CRH PLC	Ireland	Irish Stock Exchange	23,944
7	Cemex SAB de CV	Mexico	Mexico Stock Exchange	6.504

Source: Bloomberg

The AEGI and TITAN shares’ performance compared to the BELPRC and PAX indices as well as the Comparable Companies was assessed for the period under examination, also in relation to the turnover velocity on an annual basis. Turnover velocity is calculated as the ratio of the total traded value in euro amount on an annual basis, to market capitalisation on the last day of each year under examination.

AEGI and TITAN share turnover velocity compared to BELPRC and PAX indices indices and Comparable Companies



Source: Bloomberg

According to the above graph, the AEGI had a lower turnover velocity compared to the BELPRC index (with the exception for the year 2014) and the PAX index, during the entire period under examination, which indicates the significantly higher traded value of BELPRC and PAX indices compared to the AEGI. Moreover, the TITAN shares’

turnover velocity was significantly lower compared to the abovementioned indices as well as to the median turnover velocity for the Comparable Companies in all 5 years under examination.

Lastly, the number of trading days required to perform transactions corresponding to a number of shares equal to the total free float based on the average daily volume of transactions (in shares) for the 6-month period prior to the Date of the Tender Offer was calculated.

	No. of trading days
TITAN	1,116
Adjusted AEGI⁵	402
Adjusted BELPRC index⁶	311
BELM Index	328
Adjusted PAX Index⁷	308
Comparable Companies	443

Source: Bloomberg

The above table indicates that in order for the trading volume to be equal to a number of shares corresponding to the size of the relative free float, 402 days would be required for the adjusted AEGI compared to 311 for the adjusted BELPRC index and 308 days for the adjusted PAX Index. Likewise, for TITAN shares, 1,116 days would be required compared to 328 days for the BELM index and 443 days for the Comparable Companies.

5.2 Coverage by Analysts

The Financial Advisor reviewed information related to the equity research analyst coverage of TITAN as well as that of the companies comprising the BELPRC, BELM, PAX and AEGI indices.

The review suggested that TITAN is covered by 12 active analysts⁷, 6 of which are international⁸. Of all companies comprising the AEGI, only 48% are covered by an active analyst compared to 79% for BELPRC, 72% for PAX and 100% for BELM⁹.

The mean and median number of active analysts covering companies on the AEGI is significantly lower than the corresponding figures for the BELPRC, PAX and BELM indices. Note that in order to calculate the mean and median number of active analysts, all companies comprising the abovementioned indices are taken into consideration, including those not covered by any active analyst.

⁵ To calculate the average daily traded volume as a percentage of the free float, the AEGI has been adjusted to exclude the impact of banks' shares. This adjustment was made because the high trading volume of the banks' shares in the period under examination adversely impacts the results/conclusions, hence rendering them non-comparable.

⁶ To ensure comparability with the adjusted Athens Exchange General Index, the impact of banks' shares was also excluded here.

⁷ An "active analyst" is defined as one who has published a report during the 12-month period prior to the Date of the Tender Offer.

⁸ An "international analyst" is defined as one whose registered offices are outside of Greece.

⁹ Source of data: Bloomberg, Company

5.3 Assessment of the share Exchange Ratio for holders of preference shares compared to holders of ordinary shares

To assess the Exchange Ratio for holders of preference shares compared to holders of ordinary shares, we have taken into consideration the specific features of preference shares compared to ordinary shares and we have also assessed any potential impact of these features on the value of preference shares compared to ordinary shares.

Right to dividends

According to the Company's Articles of Association holders of preference shares are entitled to receive payment on a preferential basis of a first dividend as follows: *"right to receive, prior to the ordinary shares, the first dividend from the profits of the financial year 1990 and thereafter and in the case where no dividend is distributed or a dividend lower than the first dividend is distributed in one or more financial years, to receive payment of that first dividend on a preferential and cumulative basis for those years from the profits of subsequent years. Holders of non-voting preference shares are also entitled, on the same terms as holders of ordinary shares, to receive any additional dividend which may be distributed in any form".*

However, as stated in the BoD's Explanatory Report which is incorporated in the Company's Integrated Annual Report of 2018 *"The right to receive, before common Shareholders, a "first dividend" (i.e. 6%) from the yearly net profits, and in case no dividend is distributed in one or more years, or in case the distributed dividend is less than the "first dividend", the right to receive preferentially such payment of "first dividend", from the profits generated in subsequent years. Preference Shareholders are also entitled, on the same terms with holders of common shares, to receive any additional dividend paid in any form. Nowadays, due to the regulatory requirement of distribution of at least 35% of the Company's net profits, the above privilege of distribution of a "first dividend" from the net profits to the preference Shareholders is practically redundant."*

In light of that and the fact that from 2007 to 2018 the cash distributions to all shareholders were exactly the same, without any preferential payment of a dividend to the holders of preference shares (see the table below) we can conclude that both classes of shares de facto enjoy the same financial benefits when it comes to dividend distribution.

Year	Cash distributions (€ per share)	
	Ordinary shares	Preference Shares
2007	0.75	0.75
2008	0.42	0.42
2009	0.18	0.18
2010	0.18	0.18
2011	0	0
2012	0	0
2013	0.1	0.1
2014	0.3	0.3
2015	0.3	0.3
2016	1.1	1.1
2017	0.55	0.55
2018	0.55	0.55

Source: Company website (Investor Relations)

Repayment of capital from the proceeds of liquidation

According to the Company's Articles of Association, in case of dissolution and liquidation of the Company, the holders of preference shares are entitled to preferential return of the capital paid up by them from the liquidation proceeds. Holders of preference shares are entitled, on equal terms with the holders of ordinary shares, to a proportionally greater share in the liquidation proceeds, if such proceeds are greater than the total paid-up share capital.

However, any premium on the value of the preference share compared to the value of the ordinary share as a result of this privilege could reasonably be viewed as negligible considering the Company's high degree of solvency on the basis of currently available data and the Company's financial information, especially if one takes into account that in the remote eventuality of the Company being wound up and put into liquidation, the proceeds of liquidation might not be sufficient to meet any claims the holders of preference shares have for payment of their contribution or their proportion in the remaining company assets, since they rank below the company's creditors in terms of priority.

Voting rights

Preference shares, unlike ordinary ones, do not carry voting rights.

However, the Greek law on societies anonymes does contain provisions protecting the holders of preference shares who have to grant their consent in the form of a decision of a special General Meeting of such shareholders (by a qualified majority of 2/3 of the preference share capital represented at it) for corporate actions that lead to the abolition or limitation of the preference conferred by the shares (such as cases, indicatively mentioned herein, of share capital reduction share capital increase, merger, redemption of share capital). Consequently, the holders of preference shares can play an important role in decisions on certain important company issues, which could reasonably be considered to materially counterbalance the fact that they do not carry voting rights that ordinary shares do.

Moreover, from a financial viewpoint, for the average investor who does not have a sufficient number of shares to allow him, or make it possible for him, to exercise control over the Company, voting rights do not add a premium to the value of the shares incorporating them or, put differently, any premium is of minimal importance.

Stock Exchange Data

In addition, the Financial Advisor examined the stock market values of the ordinary and preference shares, but did not take them into account for the assessment of the Exchange Ratio, due to the low trading liquidity of preference shares compared to ordinary ones, which results in the stock price of the former being lower than that of the latter. More specifically, over the 12 months prior to the Date of the Tender Offer, the average daily volume of transactions in ordinary shares was €959.2 k compared to €58.9 k for preference shares, and adjusting that figure for the number of shares in each class, the average daily volume of transactions was 1.60 times higher for ordinary shares compared to preference shares. The ordinary share's price amounted to €19.28 on the date prior to the Date of the Tender Offer compared to €17.30 for preference shares, and the volume weighted average price (VWAP) for the previous 6 and 12-month period prior to the Tender Offer was €19.64¹⁰ and €20.15 for the ordinary share and €18.99¹⁰ and €18.47 for the preference share respectively.

¹⁰ The average weighted stock market price for the last six months prior to the Tender Offer as defined on article 2, case (j) of the Law.

Conclusion

On the basis of all the assumptions, limitations and reservations mentioned in this Report and the conducted analyses and assessments presented above in Section 5 “Assessment of the Consideration” the Financial Advisor considers that from a financial viewpoint:

- i. The listing of TITAN Group on the Euronext of Brussels in parallel with the secondary listing on the Euronext of Paris and the Athens Stock Exchange is expected to increase the trading liquidity of its shares, granting access to a wider investor base.
- ii. The specific characteristics of the preference shares, compared to those of the ordinary ones, do not merit differential treatment of one class of shares over the other in the context of the Tender Offer and setting the Share Exchange Ratio.

Note that this report is submitted to the Board of Directors of TITAN, was prepared in accordance with Article 15(2) of Law 3461/2006 and does not constitute investment advice on the purchase or sale of transferable securities within or outside the context of the Tender Offer.

Athens, 18 June 2019

For National Bank of Greece S.A.

Dimitrios Kapotopoulos

Executive Board Member, General Manager
Corporate and Investment Banking

Vassilios Karamouzis

Assistant General Manager
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