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## Titan Cement International SA

Rue de la Loi 23, 7th Floor, Box 4, 1040 Brussels, Belgium

**Proposed issue of up to 84,632,528 new ordinary shares in connection with a voluntary share exchange tender offer for shares of Titan Cement Company S.A.**

**Admission to trading of all shares of Titan Cement International SA on Euronext Brussels, ATHEX and Euronext Paris**

This prospectus (the “**Prospectus**”) relates to the (i) offering and issuance by Titan Cement International SA, a public limited liability company (*société anonyme*) incorporated under the laws of Belgium (the “**Company**”), of up to 84,632,528 new ordinary shares of the Company (the “**New Shares**”) to the holders of existing ordinary shares and preference shares in Titan Cement Company S.A. (“**Titan**” and, together with its subsidiaries, the “**Group**”) and (ii) the admission to trading of all shares of the Company, including the New Shares (together the “**Shares**”) on the regulated markets of Euronext Brussels, the Athens Exchange (“**ATHEX**”) and Euronext Paris. The New Shares are being offered in: (i) a voluntary share exchange tender offer in Greece in accordance with Greek Law 3461/2006; (ii) a private placement in the United States to persons who represent that they are “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”)) or pursuant to another exemption from or transaction not subject to the registration requirements under the U.S. Securities Act; and (iii) private placements to institutional or qualified investors in the rest of the world (collectively, the “**Offering**”). The Offering outside the United States will be made in compliance with Regulation S (“**Regulation S**”) under the U.S. Securities Act.

An application has been made to list the Shares on Euronext Brussels under the symbol “TITC.” Trading of the Shares on Euronext Brussels is expected to commence on or about June 27, 2019 (the “**Listing Date**”). In addition, an application has been submitted for the secondary listing and admission to trading of the Shares on the ATHEX and Euronext Paris.

Subject to completion of the Offering, delivery of the New Shares is expected to take place in book-entry form on or about June 26, 2019 (the “**Closing Date**”) to (i) investors’ securities accounts via Euroclear Belgium, the Belgian central securities depository or (ii) investors’ securities accounts at the DSS via the HCSD, the Greek, central securities depository. See “*Part VII: Information on the Share Exchange Offer, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out.*”

**An investment in the Shares involves substantial risks and uncertainties. Prospective investors should read the entire document, and, in particular, should see “Part I: Risk Factors” beginning on page 16 for a discussion of certain factors that should be considered in connection with an investment in the Shares. See “Summary—Section D — Risks” and “Part I: Risk Factors.”**

This document constitutes an offer and listing prospectus for purposes of Article 3 of Directive 2003/71/EC of the European Parliament and of the Council of the European Union (as amended, including by Directive 2010/73/EU, the “**Prospectus Directive**”) and has been prepared in accordance with Article 20 of the Belgian Law of June 16, 2006 on the public offering of securities and the admission of securities to trading on a regulated market, as amended (the “**Prospectus Law**”). The English version of this Prospectus was approved by the Belgian Financial Services and Markets Authority (the “**FSMA**”) on May 14, 2019.

Articles 17 and 18 of the Greek law 3401/2005 (the “**Greek Prospectus Law**”) provide that the Hellenic Capital Market Commission (the “**HCMC**”) shall not undertake any approval or administrative procedures in respect of this Prospectus, provided that the Prospectus has already been approved by the competent authority of the home EU Member State of the Company and such competent authority has timely notified this Prospectus to the HCMC and the European Securities and Markets Authority (“**ESMA**”) and delivered a certificate attesting that the Prospectus has been prepared in accordance with the Prospectus Directive (this mechanism, the “**European passport mechanism**”). Following its approval, this Prospectus, together with a Greek translation thereof, will be notified by the FSMA to the HCMC in accordance with the European passport mechanism.

For the purpose of the listing of the Shares on Euronext Paris, this Prospectus together with a French translation of the Summary will be notified by the FSMA to the *Autorité des marchés financiers* in France (the “**AMF**”) in accordance with the European passport mechanism.

This passport does not imply any judgment by the HCMC, the AMF or the ESMA on the merits or the quality of the Company, the Offering or the Shares.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any of the Shares in any jurisdiction or to any person to whom it would be unlawful to do so.

The Shares have not been and will not be registered under the U.S. Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Prospective purchasers are hereby notified that sellers of the Shares may be relying on an applicable exemption from the provisions of Section 5 of the U.S. Securities Act. For a description of certain restrictions on transfer of the Shares, see “*Part XVII: Transfer Restrictions.*”

Prospectus dated May 14, 2019

## TABLE OF CONTENTS

	Page
IMPORTANT INFORMATION .....	ii
PRESENTATION OF FINANCIAL AND OTHER INFORMATION .....	vii
INDUSTRY AND MARKET DATA.....	xi
ENFORCEMENT OF CIVIL LIABILITIES .....	xii
FORWARD-LOOKING STATEMENTS .....	xiii
SUMMARY .....	1
PART I: RISK FACTORS .....	16
PART II: INDUSTRY .....	41
PART III: BUSINESS .....	47
DESCRIPTION OF THE ISSUER.....	47
DESCRIPTION OF THE GROUP.....	47
PART IV: SELECTED HISTORICAL FINANCIAL INFORMATION AND OTHER DATA .....	79
NON-IFRS FINANCIAL DATA .....	80
PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS .....	81
PART VI: EXPECTED TIMETABLE .....	110
PART VII: INFORMATION ON THE SHARE EXCHANGE OFFER, THE GREEK STATUTORY SQUEEZE-OUT AND THE GREEK STATUTORY SELL-OUT.....	111
PART VIII: USE OF PROCEEDS .....	119
PART IX: DIVIDENDS AND DIVIDEND POLICY .....	120
PART X: CAPITALIZATION AND INDEBTEDNESS.....	122
WORKING CAPITAL STATEMENT.....	124
PART XI: MANAGEMENT AND CORPORATE GOVERNANCE.....	125
PART XII: PRINCIPAL SHAREHOLDER AND GROUP STRUCTURE .....	145
PART XIII: RELATED PARTY TRANSACTIONS.....	147
PART XIV: DESCRIPTION OF SHARE CAPITAL AND ARTICLES OF ASSOCIATION .....	148
PART XV: TAXATION .....	167
BELGIAN TAXATION.....	167
GREEK TAXATION .....	174
CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS .....	177
FRENCH TAXATION .....	184
PART XVI: PLAN OF DISTRIBUTION.....	190
PART XVII: TRANSFER RESTRICTIONS.....	194
PART XVIII: INDEPENDENT AUDITORS .....	196
PART XIX: DOCUMENTS INCORPORATED BY REFERENCE .....	197
PART XX: CERTAIN DEFINITIONS.....	198

## **IMPORTANT INFORMATION**

### **Responsibility Statement**

In accordance with Article 61, §1 and §2 of the Prospectus Law, the Company, represented by its Board of Directors, assumes responsibility for the completeness and accuracy of all of the contents of this Prospectus.

Having taken all reasonable care to ensure that such is the case, the Company attests that the information contained or incorporated by reference in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Neither HSBC, nor any of its directors, officers or employees, makes any representation or warranty, express or implied, as to, or assumes any responsibility for, the accuracy or completeness or verification of the information in this Prospectus, and nothing in this Prospectus is, or shall be relied upon as, a promise or representation by HSBC or any of its directors, officers or employees, whether as to the past or the future. Accordingly, HSBC disclaims to the fullest extent permitted by applicable law, any and all liability, whether arising in tort, contract or otherwise, in respect of this Prospectus or any such statement.

### **Prospectus Approval**

The FSMA approved the English version of this Prospectus on May 14, 2019 in accordance with Article 23 of the Prospectus Law. The HCMC, the AMF and the ESMA will be notified about the approval of this Prospectus by the FSMA, in accordance with the requirements set by the European passport mechanism.

This passport does not imply any judgment by the HCMC, the AMF or the ESMA on the merits or the quality of the Company, the Offering or the shares.

The FSMA's approval does not imply any opinion by the FSMA on the suitability and quality of the Offering or on the status of the Company. This Prospectus has been prepared in English and translated into Greek at the request of the HCMC. The Summary of the Prospectus has been translated into French. The Company is responsible for the consistency between the French, the Greek and the English versions of the Summary of the Prospectus and for the consistency between the English and Greek versions of the Prospectus. In the case of discrepancies between the different versions of this Prospectus, the English version will prevail. However, the translations may be referred to by investors in transactions with the Company.

### **Supplement to the Prospectus**

The information in this Prospectus is as of the date printed on the front cover, unless expressly stated otherwise. The delivery of this Prospectus at any time does not imply that there has been no change in the Company's or the Group's business or affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof. In accordance with Article 34 of the Prospectus Law, in the event of a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Shares during the period from the date of approval of the Prospectus to the Listing Date, a supplement to this Prospectus shall be published. Any supplement is subject to approval by the FSMA in the same manner as this Prospectus and must be made public in the same manner as this Prospectus.

If a supplement to the Prospectus is published, investors will have the right to withdraw their orders made prior to the publication of the supplement. Such withdrawal must be done within the time period set forth in the supplement (which shall not be shorter than two business days after publication of the supplement).

## Availability of the Prospectus

The Prospectus will be made available to investors, at no cost, at the Company's registered office, located at Rue de la Loi 23, 7<sup>th</sup> Floor, Box 4, 1040 Brussels, Belgium. Subject to selling and transfer restrictions, the Prospectus, and the Greek translation thereof, will also be available to investors in Belgium, Greece and France on the following website: [www.titan-cement.com](http://www.titan-cement.com). The Summary in French will also be available to investors in France on the following website: [www.titan-cement.com](http://www.titan-cement.com). The Greek translation of the Prospectus will also be available in Greece on the following websites: [www.hcmc.gr](http://www.hcmc.gr) and [www.helex.gr](http://www.helex.gr).

The posting of the Prospectus and the Summary on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the Shares to or from any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. The electronic version may not be copied, made available or printed for distribution. Information on the Company's website ([www.titan-cement.com](http://www.titan-cement.com)) or any other website does not form part of the Prospectus.

## Other Company Information and Documentation

The Company's deed of incorporation dated July 11, 2018 is filed and the Company must file its amended and coordinated Articles of Association and all other deeds that are to be published in the annexes to the Belgian State Gazette with the clerk's office of the commercial court of Brussels, French-speaking section, where they are available to the public. The Company is registered with the register of legal entities (Brussels, French-speaking section) under enterprise number 0699.936.657. A copy of the Company's most recent Articles of Association will also be available on its website ([www.titan-cement.com](http://www.titan-cement.com)).

In accordance with Belgian law, the Company will also prepare audited annual statutory and consolidated financial statements. The annual statutory financial statements, together with the report of the Board of Directors and the audit report of the statutory auditor, as well as the consolidated financial statements, together with the report of the Board of Directors and the audit report of the statutory auditor thereon, will be filed with the National Bank of Belgium, where they will be available to the public. Furthermore, as a listed company, the Company will have to publish an annual financial report (consisting of the financial information to be filed with the National Bank of Belgium and a responsibility statement) and a semi-annual financial report (consisting of condensed financial statements, the report of the statutory auditor, if audited or reviewed, and a responsibility statement). These reports will be made publicly available on the Company's website.

All regulated information on the Company will be made available on STORI, the Belgian central storage mechanism, which is operated by the FSMA and can be accessed via [stori.fsma.be](http://stori.fsma.be) or [www.fsma.be](http://www.fsma.be), as well as at the central storage system operated by the ATHEX and can be accessed via [helex.gr](http://helex.gr). As a listed company, the Company must also disclose inside information, information about its shareholding structure and certain other information to the public. In accordance with the Belgian Royal Decree of November 14, 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market (*Koninklijk besluit betreffende de verplichtingen van emittenten van financiële instrumenten die zijn toegelaten tot de verhandeling op een gereguleerde markt/Arrêté royal relatif aux obligations des émetteurs d'instruments financiers admis aux négociations sur un marché réglementé*), Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on Market Abuse and the Commission Implementing Regulation (EU) 2016/1055 of June 29, 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information and Article 21 of Greek Law 3556/2007, as amended (mirroring up to a certain extent article 21 of the Transparency Directive), article 11 of decision 1/434/2007, as amended, of the HCMC and paragraph 4.7 of the Rule Book of the ATHEX, such information and documentation will be made available through the Company's website, press releases, the communication channels of Euronext Brussels, Euronext Paris, on STORI or a combination of these means, as well as on the communication channels of the ATHEX. All press releases published by the Company will be made available on its website.

The Company has agreed that, for so long as any of the Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, the Company will, during any period in which the Company is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the “**U.S. Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, on the request of such holder, beneficial owner or prospective purchaser, the information required to be provided to such persons pursuant to Rule 144A(d)(4) under the U.S. Securities Act. The Company is not currently subject to the periodic reporting requirements of the U.S. Exchange Act.

### **NOTICE TO INVESTORS**

In making an investment decision, investors must rely on their own assessment, examination, analysis and inquiry of the Company, the terms of the Offering and the contents of this Prospectus, including the merits and risks involved. Any exchange for New Shares should be based on the assessments that an investor may deem necessary, including the legal basis and consequences of the Share Exchange Offer, and including possible tax consequences that may apply, before deciding whether or not to invest in Shares. In addition to their own assessment of the Company and the terms of the Share Exchange Offer, investors should rely only on the information contained or incorporated by reference in this Prospectus, including the risk factors described herein.

Neither the Company nor any of its respective representatives, is making any representation to any offeree of the New Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of an investment in the Shares.

No person has been authorized to give any information or to make any representation in connection with the Share Exchange Offer other than those contained or incorporated by reference in this Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorized. Without prejudice to the Company’s obligation to publish supplements to the Prospectus when legally required (as described above), neither the delivery of this Prospectus nor any sale made at any time after the date hereof shall, under any circumstances, create any implication that there has been no change in the Company’s or the Group’s affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

The distribution of this Prospectus and the Share Exchange Offer may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer to sell, or an invitation of an offer to purchase, any Shares in any jurisdiction in which such offer or invitation would be unlawful. The Company requires persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. The Company accepts no legal responsibility for any violation by any person, whether or not a prospective purchaser of Shares, of any such restrictions.

### **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES**

The Shares have not been and will not be registered under the U.S. Securities Act and are being offered and sold: (i) in the United States only to persons who represent that they are “QIBs” as defined in Rule 144A under the U.S. Securities Act or pursuant to another exemption from or transaction not subject to the registration requirements under the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. Prospective investors are hereby notified that sellers of the Shares may be relying on an applicable exemption from the registration requirements of Section 5 of the U.S. Securities Act. For certain restrictions on the transfer of the Shares, see “*Part XVII: Transfer Restrictions.*”

The Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained or incorporated by reference in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Company or its representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without the Company's prior written consent, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Shares.

### **NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA**

An offer to the public of any Shares may not be made in any Member State of the European Economic Area (the "EEA") other than an offer to the public in Greece unless the Prospectus has been: (i) approved by the competent authority in such Member State or passported; and (ii) published in accordance with the Prospectus Directive as implemented in such Member State. This Prospectus has been prepared on the basis that all offers of Shares, other than the offer contemplated in Greece, will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA, from the requirement to produce a prospectus for offers of securities. Accordingly, any person making or intending to make any offer within the EEA of Shares which are the subject of the placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for the Company to produce a prospectus for such offer.

The Shares have not been, and will not be, offered to the public in any Member State of the EEA that has implemented the Prospectus Directive, except for Greece (the "**Relevant Member State**"). Notwithstanding the foregoing, an offering of the Shares may be made in the Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, if applicable,

provided that no such offer of Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression "**offer to the public**" in relation to any Shares in the Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Shares so as to enable an investor to decide to purchase Shares, as that definition may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State (the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State).

### **NOTICE TO INVESTORS IN FRANCE**

For the purpose of the listing of the Shares on Euronext Paris, this Prospectus together with a French translation of the Summary will be notified by the FSMA to the AMF in accordance with the European passport

mechanism. This passport does not imply any judgment by the AMF on the merits or the quality of the Company, the Offering or the Shares.

#### **NOTICE TO INVESTORS IN THE UNITED KINGDOM**

Offers of the Shares pursuant to the Share Exchange Offer are only being made to persons in the United Kingdom who are qualified investors or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to section 85(1) of the UK Financial Services and Markets Act 2000, as amended.

Any investment or investment activity to which the Prospectus relates is available only to, and will be engaged in only with, persons who (i) are investment professionals falling within Article 19(5) or (ii) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (together, “**relevant persons**”). Persons who are not relevant persons should not take any action on the basis of the Prospectus and should not act or rely on it.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Company was incorporated on July 11, 2018. Subject to completion of the Share Exchange Offer and, if applicable, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out, the Company will own 100.0 per cent of the ordinary and preference shares of Titan, the current, direct or indirect, parent company of a group of companies incorporated and operating in several jurisdictions.

The consolidated financial information presented in this Prospectus, unless otherwise stated, has been derived or extracted from:

- the audited consolidated financial statements of Titan as at and for the year ended December 31, 2018;
- the audited consolidated financial statements of Titan as at and for the year ended December 31, 2017; and
- the audited consolidated financial statements of Titan as at and for the year ended December 31, 2016.

The annual consolidated financial statements of Titan as at and for the years ended December 31, 2018, 2017, and 2016, (together, the “**Annual Consolidated Financial Statements**”) have all been prepared in accordance with IFRS, and have been audited by PricewaterhouseCoopers S.A. Certified Auditors — Accountants (“**PwC**”) (with registered offices at 268 Kifissias Avenue 152 32 Halandri), as indicated in their reports included herein, who delivered unqualified opinions.

The Annual Consolidated Financial Statements incorporated by reference in this Prospectus should be read in conjunction with the relevant notes thereto.

The financial information included in this Prospectus is not intended to comply with the applicable accounting requirements of the U.S. Securities Act and the related rules and regulations of the United States Securities and Exchange Commission (the “**SEC**”) which would apply if the Shares were being registered with the SEC.

The Annual Consolidated Financial Statements incorporated by reference in this Prospectus are not a true copy of the statutory financial statements of Titan but have been translated from the original text in Greek. The Annual Consolidated Financial Statements have been extracted from the statutory financial statements of Titan, solely for inclusion in this Prospectus in connection with the Share Exchange Offer, and cannot be used for any other purpose. The auditors’ reports are the English translation from the original auditors’ reports in Greek that have been issued with respect to the statutory financial statements for the respective periods.

Rounding adjustments have been made in calculating some of the financial information included in this Prospectus. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

No facts have been omitted from the aforementioned information which would render the reproduced information inaccurate or misleading.

As at the date of this Prospectus, the Company has no operations and no material assets or liabilities, and will only have such operations, assets and liabilities upon completion of the Share Exchange Offer. Financial information published by the Company after Closing in furtherance of its on-going disclosure obligations will include consolidated financial statements of the Company in accordance with IFRS.

### **Segment Operating and Financial Data**

The Group is structured in four operating segments: United States, Greece and Western Europe, Southeastern Europe and Eastern Mediterranean. The Group’s management monitors the operating results of each



geographical segment separately in order to make resource allocation decisions and assess performance. The performance of each segment is evaluated based on turnover and EBITDA, and is measured in a manner that is consistent with the method used in the Group's consolidated financial statements. For additional information on our operating segments, see Note 3 to the Group's Annual Consolidated Financial Statements incorporated by reference in this Prospectus. Segmental operating and financial data presented in this Prospectus refer to results from external customers and do not include intra-Group sales, unless indicated otherwise.

### **Factors Affecting Comparability**

As of January 1, 2018, the Group and Titan adopted IFRS 9 and IFRS 15. Both standards have been applied with the cumulative impact recognized in retained earnings without restating the historical financial results in connection with the years ended December 31, 2017 and 2016. Therefore, the Group's historical financial condition and results of operations for the periods presented may not be comparable, either between periods or going forward.

IFRS 9 "*Financial Instruments*" replaces IAS 39 "*Financial Instruments: Recognition and Measurement*" for annual periods beginning on or after January 1, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. The Group and Titan applied the standard on January 1, 2018, retrospectively without any restatement of the comparative information for prior years, except in connection with hedge accounting. The Group and Titan continue to apply their current accounting policy for hedge accounting, even though they will examine the commencement of hedge accounting requirements under IFRS 9, whenever a new hedge relationship arises. IFRS 9 was adopted without restating comparative information and therefore the adjustments arising from the new classification and impairment rules are not reflected in the statement of financial position as at December 31, 2017 and 2016, but are recognized in the opening statement of financial position on January 1, 2018.

On January 1, 2018, the Group and Titan adopted IFRS 15 by using the modified retrospective approach, meaning that the cumulative impact of the adoption was recognized in retained earnings and comparatives were not restated. However, the adoption of IFRS 15 had no impact on the Group's or Titan's profitability, liquidity or financial position. Therefore, opening retained earnings for the year ended December 31, 2018 were not adjusted.

### **Non-IFRS Financial Measures**

This Prospectus contains non-IFRS measures and ratios, not recognized under IFRS, which the Company considers to be alternative performance measures ("**APMs**"), and which Titan prepares in addition to the figures that are prepared in accordance with IFRS. Titan uses APMs to provide additional information to investors and to enhance their understanding of its results. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS, including:

- *EBITDA*, which corresponds to profit before interest, taxes, depreciation, amortization and impairment, excluding the impact of the share of profit/(losses) of associates and joint ventures;
- *Operating Free Cash Flow*, which corresponds to EBITDA minus non-cash items, capital expenditures and changes in working capital;
- *Gross Debt*, which corresponds to short-term borrowings plus long-term borrowings at the end of the respective period (excluding the Group's joint venture in Brazil);
- *Net Debt*, which corresponds to short-term borrowings plus long-term borrowings minus cash and cash equivalents (excluding the Group's joint venture in Brazil); and

- *Leverage ratio*, which corresponds to Net Debt, minus the impact of certain cash held at banks, divided by EBITDA for the last twelve months ended at each period end, after excluding certain exceptional items, which include restructuring costs, results from discontinued operations and other one-off items,

which are not required by, or presented in accordance with IFRS.

The Company presents the above APMs because it believes that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The APMs may not be comparable to similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of Titan's operating results as reported under IFRS. APMs such as EBITDA, Operating Free Cash Flow, Gross Debt, Net Debt and Leverage ratio are not measurements of performance, shareholders' equity or liquidity under IFRS or any other generally accepted accounting principles. In particular, you should not consider these APMs as an alternative to any other measures of performance under generally accepted accounting principles.

For a reconciliation of Operating Free Cash Flow, Gross Debt, Net Debt and Leverage Ratio to the most comparable IFRS item, see "*Part IV: Selected Historical Financial Information and Other Data—Non-IFRS Financial Data.*"

### **Material Contracts**

Certain material contracts of the Group are described in "*Part V: Operating and Financial Review and Prospects*" and "*Part XIII: Related Party Transactions.*" Other than the contracts described in these sections, there are no material contracts, other than contracts entered into in the ordinary course of business, to which the Group is a party, for the periods under review.

### **Other Information**

In this Prospectus, references to the "**Company**" are to Titan Cement International SA, references to "**Titan**" are to Titan Cement Company S.A., and references to "**Titan Group**," "**Group**," "**we**," "**us**" or "**our**" are, prior to the completion of the Share Exchange Offer, to Titan and its subsidiaries.

On October 11, 2018, Titan acquired an additional 25.0 per cent of Adocim Cimento Beton Sanayi ve Ticaret A.S. ("**Adocim Cimento**"), its joint venture in Turkey, from its joint venture partner, increasing the Group's overall holding to 75.0 per cent of Adocim Cimento's share capital. Adocim Cimento's results are fully consolidated with the Group's as from October 1, 2018. See Notes 15.2 and 29 of the 2018 Consolidated Financial Statements.

In this Prospectus, references to "vertical integration," "vertically integrated activities" or similar, are to the Group's strategy to extend its product offering into other product areas in the cement value chain, such as ready-mix concrete, aggregates, concrete blocks, dry mortars and fly-ash.

References to "**Euros**," "**Euro**," "**EUR**" or "**€**" are to the common currency of the member states of the EU that are part of the Eurozone. References to the "**United Kingdom**" or the "**U.K.**" are to the United Kingdom of Great Britain and Northern Ireland, and references to "**British Pound**," "**Pound sterling**," "**GBP**" or "**£**" are to the lawful currency of the United Kingdom. References to the "**United States**" or the "**U.S.**" are to the United States of America and references to "**U.S. dollars**," "**\$**" or "**USD**" are to the lawful currency of the United States. References to "**Turkey**" are to the Republic of Turkey, and references to "**Turkish Lira**" or "**TRY**" are to the lawful currency of Turkey. References to "**Brazil**" are references to the Federative Republic of Brazil, and references to "**BRL**" or "**Brazilian Real**" are to the lawful currency of Brazil. References to "**Egypt**" are references to the Arab Republic of Egypt and references to "**EGP**" or "**Egyptian Pound**" are to the lawful currency of Egypt. References to "**Albania**" are references to the Republic of Albania, and references to "**ALL**" or "**Albanian Lek**" are to the lawful currency of Albania. References to "**Kosovo**" are references to the Republic of Kosovo, and references to "**RSD**" or "**Serbian Dinar**" are to the lawful currency of Kosovo.

References to “**MKD**” or “**Macedonian Denar**” are to the lawful currency of North Macedonia. References to “**Bulgaria**” are references to the Republic of Bulgaria, and references to “**BGN**” or “**Bulgarian Lev**” are to the lawful currency of Bulgaria. References to “**Serbia**” are references to the Republic of Serbia, and references to “**RSD**” or “**Serbian Dinar**” are to the lawful currency of Serbia.

## INDUSTRY AND MARKET DATA

The Prospectus includes market share, economic and industry data, which were obtained by the Company from industry publications and surveys, industry reports prepared by consultants, internal surveys and customer feedback. The market and industry data have primarily been derived and extrapolated from reports provided by the Portland Cement Association (“PCA”) 2018 Forecasts, PCA Spring 2019 Forecasts, PCA State Forecasts Winter 2018-2019, U.S. Portland Cement Industry: Plant Information Summary 2016 provided by PCA, by the U.S. Geological Survey, the U.S. Census Bureau, the International Monetary Fund, the Global Cement Report 2016, the Ministry of Investment of Egypt, the National Industry Syndicate for Cement in Brazil (*Sindicato Nacional da Indústria do Cimento*) and the Central Bank of Brazil.

The third-party sources the Company has used generally state that the information they contain has been obtained from sources believed to be reliable. These third-party sources also state, however, that the accuracy and completeness of such information are not guaranteed and that the projections they contain are based on significant assumptions. As the Company does not have access to the facts and assumptions underlying such market data, or statistical information and economic indicators contained in these third-party sources, the Company is unable to verify such information. Thus while the information has been accurately reproduced with no omissions that would render it misleading, and the Company believes it to be reliable, the Company cannot guarantee its overall accuracy or completeness.

In addition, certain information in this Prospectus is not based on published data obtained from independent third parties or extrapolations therefrom, but rather is based upon the Company’s best estimates, which are in turn based upon information obtained from trade and business organizations and associations, consultants and other contacts within the industries in which the Group competes, information published by competitors, and the Company’s own experience and knowledge of conditions and trends in the markets in which the Group operates. Any such statements are qualified by a belief statement such as “the Company believes” or “the Company estimates.” When Group market share statements are included in this Prospectus, these are based on the Group’s management estimates, unless explicitly mentioned otherwise. The Company calculates the Group’s market share based on its turnover into the market in which it operates, as the numerator, and the overall market consumption, as the denominator, as reported by the relevant third-party source. Although the Company believes that such method is reliable, the Company cannot guarantee its overall accuracy or completeness.

The Company cannot assure you that any of the assumptions that it has made while compiling this data from third-party sources are accurate or correctly reflect the Group’s position in the industry and none of our internal estimates have been verified by any independent sources. The Company makes no representation or warrants as to the accuracy or completeness of this information. The Company has not independently verified this information and, while the Company believes it to be reliable, the Company cannot guarantee its accuracy. The Company confirms that all third-party data contained or incorporated by reference in this Prospectus has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by that third-party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

## **ENFORCEMENT OF CIVIL LIABILITIES**

The Company is a public limited liability company (*société anonyme*) incorporated under the laws of Belgium. Most of its directors and members of its Management Committee live outside the United States and a majority of the Company's assets and the assets of these individuals are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon these individuals or the Company or to enforce against them judgments obtained in the United States based on the civil liability provisions of U.S. securities laws. There is uncertainty as to the enforceability in Belgium, Greece or Cyprus of original actions or actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains “forward-looking statements” within the meaning of the securities laws of certain jurisdictions, including statements under the captions “*Summary*,” “*Part I: Risk Factors*” “*Part V: Operating and Financial Review and Prospects*,” “*Part II: Industry*,” “*Part III: Business*” and in other sections. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “believes,” “estimates,” “anticipates,” “expects,” “intends,” “may,” “will,” “plans,” “continue,” “on-going,” “potential,” “predict,” “project,” “target,” “seek” or “should” or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements appear in a number of places throughout this Prospectus. Forward-looking statements include statements regarding intentions, beliefs or current expectations concerning, among other things, results of operations, prospects, growth, strategies and dividend policy and the industry in which the Group operates. In particular, certain statements are made in this Prospectus regarding management’s estimates of future growth.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. Any forward-looking statements are made only as of the date of this Prospectus, and nor the Company or the Group do not intend, and do not assume any obligation, to update forward-looking statements set forth in this Prospectus.

Many factors may cause the Company’s and, after the Offering and the Admission to trading on the regulated markets of Euronext Brussels, ATHEX and Euronext Paris, Titan Group’s results of operations, financial condition, liquidity and the development of the industries in which they compete to differ materially from those expressed or implied by the forward-looking statements contained or incorporated by reference in this Prospectus.

These factors include:

- macroeconomic developments, in particular, periods of economic slowdown or recession and declines in demand for building materials in the markets in which the Group operates;
- fluctuations in energy, fuel prices and transportation costs;
- decreases in the availability, or increases in the cost, of raw materials;
- reliance on the United States for a large proportion of the Group’s business, operations and assets;
- risks inherent to operating in emerging markets;
- the Group’s ability to comply with environmental and other regulations;
- relations with interest groups and various stakeholders;
- the Group’s reliance on its brand and reputation;
- risks related to minority interests, minority participations and joint ventures;
- fluctuations and risks of business interruptions, including as a result of natural disasters;
- fluctuations in distribution costs;

- operational risks, including risks related to safety at work;
- risks from potential and on-going litigation;
- impairment losses related to non-financial assets;
- tax matters;
- potential delays, funding challenges or cost overruns in the Group’s capital expenditure projects;
- inadequacy of the Group’s insurance coverage;
- exposure to risks from acquisitions;
- failure to retain and attract qualified and experienced employees, or maintain satisfactory relations with its labor unions;
- risks associated with failures in information systems and cyber-security;
- legal and compliance risks resulting from unethical, criminal or fraudulent behavior;
- risks associated with failure to obtain or renew requisite governmental approvals, licenses and permits;
- the cyclical nature of the construction industry;
- the seasonal nature of the construction business;
- significant competition in the markets in which the Group operates;
- increased market demand for cement substitutes;
- fluctuations in currency exchange rates;
- the Group’s reliance on future cash flows from operations and market conditions to repay or refinance its indebtedness on time and distribute dividends and share capital to its shareholders;
- increases in interest rates;
- the Group’s exposure to counterparty risks; and
- other risks associated with the Share Exchange Offer or to an investment in the New Shares discussed under “*Part I: Risk Factors*”.

These risks and others described under “*Part I: Risk Factors*” are not exhaustive. New risks can emerge from time to time, and it is not possible to predict all such risks, nor can the Company assess the impact of all such risks on its business or the extent to which any risks, or combination of risks and other variables, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

## SUMMARY

Summaries are made up of disclosure requirements known as “Elements.” These Elements are numbered in Sections A—E (A.1—E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and company, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “Not applicable.”

### Section A — Introduction and warnings

Element	Disclosure requirement
<b>A.1</b>	<b>Introduction and warnings</b>  This summary must be read as an introduction to this Prospectus and is provided to aid investors when considering whether to invest in the Shares, but is not a substitute for this Prospectus. Any decision to invest in the Shares should be based on consideration of this Prospectus as a whole. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the EEA, no civil liability will attach to the persons responsible for this summary in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares. Where a claim relating to this Prospectus is brought before a court in a Member State of the EEA, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.
<b>A.2</b>	<b>Consent for use of the prospectus for subsequent resale</b>  Not applicable. The Company does not consent to the use of the Prospectus for the subsequent resale or final placement of securities by financial intermediaries.

### Section B — Company

Element	Disclosure requirement
<b>B.1</b>	<b>The legal and commercial name of the Company</b>  The legal name of the Company is Titan Cement International SA. It carries out its business under the name of Titan Cement.
<b>B.2</b>	<b>Domicile and legal form of the Company</b>  The Company is a public limited liability company incorporated in the form of a <i>société anonyme / naamloze vennootschap</i> under Belgian law. It is registered with the legal entities register of Brussels, French-speaking division under enterprise number 0699.936.657. The Company’s registered office is located at Rue de la Loi 23, 7th Floor, Box 4, 1040 Brussels, Belgium.
<b>B.3</b>	<b>Current operations and principal activities of the Group and the principal markets in which</b>



Element	Disclosure requirement
	<p><b>it competes</b></p> <p>Titan was founded in 1902 with the establishment of the first cement plant in Greece in the town of Elefsina. On February 16, 1911, Titan became a public limited liability company (<i>société anonyme</i>) under the name Titan Cement Company S.A. and has been listed on the ATHEX since 1912.</p> <p>Titan is the parent company of a vertically integrated group that manufactures, distributes and trades cement, aggregates, ready-mix concrete, fly-ash, and related building products in four regions: (i) the United States (including Canada), (ii) Greece and Western Europe (including import terminals in France, Italy and the United Kingdom), (iii) Southeastern Europe (including Albania, Bulgaria, North Macedonia, Kosovo, Serbia and Montenegro) and (iv) the Eastern Mediterranean (including Egypt and Turkey), and also participates in a joint venture in Brazil.</p> <p>The Group (including its joint venture in Brazil) operates a multi-regional business where of the Group's 14 cement plants, two are in the United States, three in Greece, two in Egypt and one is in each of Albania, Bulgaria, North Macedonia, Kosovo, Serbia, Turkey and Brazil. Its total cement capacity (including cement, grinding plants and cementitious materials) is approximately 27.0 million tons per year.</p> <p>As at December 31, 2018 and 2017, the Group had total assets of €2.9 billion and €2.6 billion, respectively. For the years ended December 31, 2018 and 2017, the Group generated turnover of €1,490.1 million and 1,505.8 million and EBITDA of €259.7 million and €273.4 million, respectively. For the years ended December 31, 2018 and 2017, 84.1 per cent and 83.5 per cent of the Group's turnover and 95.8 per cent and 93.3 per cent of the Group's EBITDA was generated outside Greece and Western Europe, respectively.</p> <p>The Group has grown its production even during recent economic downturns, as its cement production capacity increased by 29.0 per cent between 2008 and 2018. The Group's management believes that this growth has been driven as part of the Group's geographic diversification, which has allowed areas of growth to mitigate the effects of regions in which the construction sector has remained stagnant.</p>
<b>B.4a</b>	<p><b>Significant recent trends affecting the Group and the industries in which it operates</b></p> <p>The Group's results of operations, financial condition and liquidity have been influenced in the periods discussed in this Prospectus by the following events, facts, developments and market characteristics. The Group believes that the following factors are likely to continue to influence its operations in the future:</p> <ul style="list-style-type: none"> <li>• The Group's results of operations are affected by macroeconomic conditions in the jurisdiction of operations. The construction industry is cyclical and demand for building materials and services is affected by a number of macroeconomic factors such as GDP growth (which tends to precede demand growth in the cement industry by approximately six to 12 months in most markets), as well as interest rates, employment, demographics and government policy. In the markets in which the Group operates, the main drivers of the construction cycle are increasing urbanization, residential construction patterns and public infrastructure spending. These cyclical factors affect demand for, and therefore volumes and pricing of, building materials and services, including the products sold by the Group.</li> <li>• The Group actively employs its geographical diversification strategy to mitigate the adverse effects of the construction sector's cyclical nature, the macroeconomic trends affecting the markets in which the Group operates and other regional variations which</li> </ul>

Element	Disclosure requirement
	<p>impact specific geographical markets. This strategy is also reinforced by and expanded through the Group's acquisitions in markets in which the Group had not been present before. Similarly, the Group's customers vary by geography and the Group's ability to achieve consistent results therefore depends to a great extent on its broad geographic diversification.</p> <ul style="list-style-type: none"> <li data-bbox="336 432 1407 667">• The Group's cost of sales and profitability depends on energy costs, raw materials prices and transportation costs. Cement production is highly energy-intensive, resulting in significant fuel and electricity expenses for the Group. In addition, the products manufactured by the Group are heavily dependent on the availability of raw materials, including, among others, limestone, clay and gypsum. Changes in energy prices typically also result in corresponding increases or decreases of the Group's transportation costs, which are substantial due to the heavy weight of its products.</li> <li data-bbox="336 701 1407 936">• The Group has a well-invested, low-cost, modern asset base, and is now pursuing a capital spending strategy of reducing its capital investments going forward while retaining its ability to grow through increased capacity utilization, asset light models, and other measures designed to drive capital efficiency. The Group's cement production capacity was 27.0 million tons as at December 31, 2018, and the Group's net capital expenditures to maintain production capacity and to secure competitiveness amounted to €118.5 million and €122.5 million in the years ended December 31, 2018 and 2017.</li> <li data-bbox="336 969 1407 1238">• Historically the Group has experienced substantial growth as a result of acquisitions, investing over €1.7 billion in acquisitions since 2000. Since January 1, 2015, it has acquired a 20.0 per cent of the share capital of Antea, a 50.0 per cent equity stake in Cimento Apodi and the remaining 50.0 per cent of Adocim Marmara in Turkey in August 2016 (increasing the Group's overall holding to 100.0 per cent of Adocim Marmara's share capital). In October 2018, Titan acquired an additional 25.0 per cent in Adocim Cimento from its joint venture partner, increasing the Group's overall holding to 75.0 per cent of Adocim Cimento's share capital.</li> <li data-bbox="336 1272 1407 1507">• Demand for cement, aggregates and other construction materials and related services is subject to seasonal fluctuations because climate and weather conditions affect the level of activity in the construction sector. During the colder and wetter seasons there is typically lower activity in the construction sector, especially where meteorological conditions make large-scale construction projects difficult, resulting in lower demand for building materials. Conversely, an extended period of mild weather could see construction activity accelerating, which would result in additional volumes sold.</li> <li data-bbox="336 1541 1407 1709">• The Group's results of operations are affected by its product mix and the prices and margins for its products. Since 1992, the Group has selectively employed a vertical integration strategy, diversifying its product offering to include an increasing proportion of non-cement products (ready-mix, aggregates, dry mortars and building blocks) in addition to cement products (including cementitious materials).</li> <li data-bbox="336 1742 1407 2045">• The Group operates in 14 countries, eight of which present their financial statements in currencies other than the Euro, the Group's reporting currency. Consequently, the Group's results of operations have been, and will continue to be, affected by the rate of depreciation or appreciation of the Euro against foreign currencies. The Group is exposed to foreign exchange effects from the translation of income statements of its subsidiaries that are denominated in foreign currencies into Euros upon consolidation. Moreover, the Group exports a substantial part of its production in Greece to the U.S. through U.S. dollar denominated contracts, resulting in the turnover of the Group being affected by fluctuations in the U.S. dollar-Euro exchange rate.</li> </ul>

Element	Disclosure requirement																																															
<b>B.5</b>	<p><b>Description of the Group and the Company's position within the Group</b></p> <p>The Company, Titan Cement International SA, was incorporated on July 11, 2018 by the Founders. On April 16, 2019, the Company initiated a Share Exchange Offer for the shares of Titan. As a result of the Share Exchange Offer, it is intended that the Company will become the direct parent of Titan and the new ultimate parent company of the Group. On October 15, 2018, the Company decided to transfer its seat of effective management to Cyprus. As at the date of this Prospectus, the Company has no operations and no material assets or liabilities other than in connection with the Share Exchange Offer.</p> <p>Titan is the current ultimate parent company for the members of Titan Group, which carry out their operations in various jurisdictions. The Company will, subject to completion of, as applicable, the Offering, the Greek Statutory Squeeze-out or the Greek Statutory Sell-out, hold 100.0 per cent of the shares of Titan and will thus be the new ultimate parent company of the Group.</p>																																															
<b>B.6</b>	<p><b>Relationship with major shareholders</b></p> <p>At the date of this Prospectus, the 5,555 shares of the Company are held by the following persons (the <b>Founders</b>) as set out below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;"><b>Shares Owned by the Founders At the Date of this Prospectus</b></th> </tr> <tr> <th style="text-align: center;"><b>Number</b></th> <th style="text-align: center;"><b>%</b></th> </tr> </thead> <tbody> <tr> <td>Kanellopoulos Pavlos .....</td> <td style="text-align: center;">278</td> <td style="text-align: center;">5.00</td> </tr> <tr> <td>Canellopoulos Nellos Panagiotis .....</td> <td style="text-align: center;">278</td> <td style="text-align: center;">5.00</td> </tr> <tr> <td>Canellopoulos Takis Panagiotis .....</td> <td style="text-align: center;">278</td> <td style="text-align: center;">5.00</td> </tr> <tr> <td>Papalexopoulos Dimitri .....</td> <td style="text-align: center;">833</td> <td style="text-align: center;">15.00</td> </tr> <tr> <td>Papalexopoulou Eleni .....</td> <td style="text-align: center;">833</td> <td style="text-align: center;">15.00</td> </tr> <tr> <td>Papalexopoulou Alexandra .....</td> <td style="text-align: center;">833</td> <td style="text-align: center;">15.00</td> </tr> <tr> <td>Canellopoulos Andreas .....</td> <td style="text-align: center;">1,111</td> <td style="text-align: center;">20.00</td> </tr> <tr> <td>Kanellopoulos Leonidas .....</td> <td style="text-align: center;">1,111</td> <td style="text-align: center;">20.00</td> </tr> <tr> <td><b>Total</b> .....</td> <td style="text-align: center;"><b>5,555</b></td> <td style="text-align: center;"><b>100.00</b></td> </tr> </tbody> </table>		<b>Shares Owned by the Founders At the Date of this Prospectus</b>		<b>Number</b>	<b>%</b>	Kanellopoulos Pavlos .....	278	5.00	Canellopoulos Nellos Panagiotis .....	278	5.00	Canellopoulos Takis Panagiotis .....	278	5.00	Papalexopoulos Dimitri .....	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	<b>Total</b> .....	<b>5,555</b>	<b>100.00</b>															
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<b>B.7</b>	<p><b>Selected financial information</b></p> <p>The tables below set out selected historical financial information for the Group as at and for the years ended December 31, 2018, 2017 and 2016:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3" style="text-align: center;"><b>Year Ended December 31</b></th> </tr> <tr> <th style="text-align: center;"><b>2018</b></th> <th style="text-align: center;"><b>2017</b></th> <th style="text-align: center;"><b>2016</b></th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td style="text-align: center;"><i>(€ million)</i></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;"><i>(audited)</i></td> <td></td> </tr> <tr> <td><b>Income Statement Data:</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Turnover .....</td> <td style="text-align: right;">1,490.1</td> <td style="text-align: right;">1,505.8</td> <td style="text-align: right;">1,509.2</td> </tr> <tr> <td>Cost of sales .....</td> <td style="text-align: right;">(1,089.5)</td> <td style="text-align: right;">(1,070.3)</td> <td style="text-align: right;">(1,072.1)</td> </tr> <tr> <td>Gross profit before depreciation, amortization and impairment.....</td> <td style="text-align: right;"><b>400.6</b></td> <td style="text-align: right;"><b>435.5</b></td> <td style="text-align: right;"><b>437.0</b></td> </tr> <tr> <td>Administrative expenses .....</td> <td style="text-align: right;">(125.0)</td> <td style="text-align: right;">(125.5)</td> <td style="text-align: right;">(122.1)</td> </tr> <tr> <td><b>Profit before interest, taxes, depreciation, amortization and impairment (EBITDA).....</b></td> <td style="text-align: right;"><b>259.7</b></td> <td style="text-align: right;"><b>273.4</b></td> <td style="text-align: right;"><b>278.6</b></td> </tr> <tr> <td>Depreciation and amortization related to cost of sales .....</td> <td style="text-align: right;">(109.5)</td> <td style="text-align: right;">(106.2)</td> <td style="text-align: right;">(109.4)</td> </tr> <tr> <td>Profit/(loss) before interest and taxes</td> <td style="text-align: right;">143.9</td> <td style="text-align: right;">157.0</td> <td style="text-align: right;">151.5</td> </tr> </tbody> </table>		<b>Year Ended December 31</b>			<b>2018</b>	<b>2017</b>	<b>2016</b>			<i>(€ million)</i>				<i>(audited)</i>		<b>Income Statement Data:</b>				Turnover .....	1,490.1	1,505.8	1,509.2	Cost of sales .....	(1,089.5)	(1,070.3)	(1,072.1)	Gross profit before depreciation, amortization and impairment.....	<b>400.6</b>	<b>435.5</b>	<b>437.0</b>	Administrative expenses .....	(125.0)	(125.5)	(122.1)	<b>Profit before interest, taxes, depreciation, amortization and impairment (EBITDA).....</b>	<b>259.7</b>	<b>273.4</b>	<b>278.6</b>	Depreciation and amortization related to cost of sales .....	(109.5)	(106.2)	(109.4)	Profit/(loss) before interest and taxes	143.9	157.0	151.5
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Element	Disclosure requirement		
Finance expense, net .....	(63.8)	(64.1)	(64.4)
<b>Profit before taxes .....</b>	<b>82.6</b>	<b>63.2</b>	<b>63.5</b>
Profit attributable to equity holders of the parent after taxes .....	53.8	42.7	127.4
<b>Cash Flows Data:</b>			
Net cash generated from operating activities .....	261.3	226.1	269.2
Net cash flows (used in)/from investing activities .....	(139.2)	(165.3)	(240.0)
Net cash flows (used in)/from financing activities .....	(108.4)	(82.6)	42.7
<b>Cash and cash equivalents at end of the period/year .....</b>	<b>171.0</b>	<b>154.2</b>	<b>179.7</b>
<b>Financial Position Data:</b>	<b>As at December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
	(€ million)		
	(audited)		
Non-current assets.....	2,204.8	2,001.4	2,165.0
Current assets .....	665.1	594.1	624.7
<b>Total assets.....</b>	<b>2,869.9</b>	<b>2,595.5</b>	<b>2,789.8</b>
Equity attributable to equity holders of the parent .....	1,394.1	1,307.2	1,476.4
<b>Total equity.....</b>	<b>1,471.3</b>	<b>1,369.7</b>	<b>1,552.8</b>
Non-current liabilities .....	906.4	929.4	830.0
Current liabilities .....	492.2	296.4	407.0
<b>Total liabilities.....</b>	<b>1,398.6</b>	<b>1,225.8</b>	<b>1,237.0</b>
<b>Non-IFRS Financial Data</b>	<b>As at December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
	(€ million, except if indicated otherwise)		
EBITDA <sup>(1)</sup> .....	259.7	273.4	278.6
Operating Free Cash Flow <sup>(2)</sup> .....	148.2	118.4	124.5
Gross Debt <sup>(3)</sup> .....	942.9	877.2	840.5
Net Debt <sup>(4)</sup> .....	771.9	723.0	660.8
Leverage Ratio <sup>(5)</sup> .....	3.0x	2.5x	2.3x
(1)	Corresponds to the Group's profit before interest, taxes, depreciation, amortization and impairment, excluding the impact of the share of profit/(losses) of associates and joint ventures.		
(2)	Corresponds to the Group's EBITDA minus non-cash items, capital expenditures and changes in working capital.		
(3)	Corresponds to the Group's short-term borrowings plus long-term borrowings (excluding the Group's joint venture in Brazil).		
(4)	Corresponds to the Group's short-term borrowings plus long-term borrowings less cash and cash equivalents (excluding the Group's joint venture in Brazil).		
(5)	Corresponds to the Group's Net Debt, minus the impact of certain cash held at banks, divided by EBITDA for the last twelve months ended at each period end, after excluding certain exceptional items, which include restructuring costs, results from discontinued operations and other one-off items.		
Other than as set out above there has been no significant change in the financial or trading position of the Company since July 11, 2018, the day of its incorporation.			

Element	Disclosure requirement
	<p>Other than as set out above, there has been no significant change in the financial or trading position of the Group since December 31, 2018, the date to which the historical financial information of the Group has been prepared.</p>
<p><b>B.8</b></p>	<p><b>Pro forma financial information</b></p> <p>No pro forma financial information has been included in this Prospectus. However, subject to completion of the Share Exchange Offer and, if applicable, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out the Company will own 100.0 per cent of Titan. The consolidated financial statements of the Company and its subsidiaries will be presented using the values from the consolidated financial statements of the Group and will be prepared in accordance with IFRS. The reporting currency of the Company and its subsidiaries will be the Euro.</p> <p>The Company is a newly incorporated company and does not fall within the definition of a business under IFRS 3, and, therefore, the Share Exchange Offer is out of the scope of IFRS 3. Although IFRS 3 is not applicable, the Share Exchange Offer will in substance be a reverse acquisition of the Company by the Group. Upon completion of the Share Exchange Offer, the consolidated financial statements of the Group will be issued under the Company’s name, as the legal acquirer, but as a continuation of the Group’s financial statements for the prior accounting periods and, as such, will present the Group’s prior year consolidated figures as comparative information.</p> <p>If the Share Exchange Offer, and, if applicable, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out, had taken place at the date of the Group’s latest statement of financial position, being December 31, 2018, the total assets and liabilities of the Group would have been combined with those of the Company.</p> <p>Any cash consideration paid to existing shareholders of Titan (“<b>Existing Shareholders</b>”) funded by the Statutory Squeeze-out Facility would have had the effect of increasing the Company’s indebtedness and reducing net assets by the amount of such consideration. The interest charge in the income statement for the period would have increased as a result of the increased indebtedness. Furthermore, the net assets of the Company and its subsidiaries would have been reduced by a cash amount equal to the costs and expenses of the Share Exchange Offer, and, if applicable, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out.</p>
<p><b>B.9</b></p>	<p><b>Profit forecast or estimate</b></p> <p>Not applicable. No profit forecast has been included in the Prospectus or otherwise published by the Company.</p>
<p><b>B.10</b></p>	<p><b>A description of the nature of any qualifications in the audit report on the historical financial information</b></p> <p>Not applicable. There are no qualifications to the audit report on the historical financial information.</p>
<p><b>B.11</b></p>	<p><b>Working capital</b></p> <p>In the Company’s opinion, the working capital available prior to the Offering is sufficient for its present requirements (that is, for the next 12 months following the date of this Prospectus).</p>

## Section C — Shares

Element	Disclosure requirement
<b>C.1</b>	<b>Type and class of the securities being offered and admitted to trading</b> <p>The Offering relates to the offering and issuance by the Company, of up to 84,632,528 New Shares of the Company to the holders of Existing Shares and the admission to trading of all Shares, including the New Shares, on the regulated markets of Euronext Brussels, ATHEX and Euronext Paris.</p> <p>The following ISIN code has been assigned to the Shares: “BE0974338700.” After their listing and admission to trading on Euronext Brussels, ATHEX and Euronext Paris, the Shares will be dematerialized and held in book-entry form through either Euroclear Belgium or the HCSD.</p>
<b>C.2</b>	<b>Currency of the Shares</b> <p>The currency of the Shares is Euros.</p>
<b>C.3</b>	<b>Numbers of Shares issued</b> <p>The Company may issue up to 84,632,528 New Shares in exchange for the Existing Shares tendered in the Share Exchange Offer and, if applicable, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out.</p>
<b>C.4</b>	<b>Rights attached to the Shares</b> <p>All of the Shares have the same voting rights except that voting rights are suspended when such Shares are held by the Company as treasury shares.</p> <p>The Shares carry the right to participate in dividends, if any, in respect of the Company’s first financial year ended December 31, 2019 and future years. The Shares also carry the rights to participate in any capital returns, distributions from distributable reserves or other distributions made by the Company after the Closing Date.</p>
<b>C.5</b>	<b>Restrictions on the free transferability of the Shares</b> <p>The Shares are freely transferable, subject to any transactional restrictions.</p>
<b>C.6</b>	<b>Applications for admission to trading on a regulated market and identity of all the regulated markets where the Shares are or are to be traded</b> <p>An application has been made to list the Shares on Euronext Brussels and Euronext Paris under the symbol “TITC.” An application has been made to list the Shares on the ATHEX under the symbol “TITC”. Trading of the Shares on Euronext Brussels and Euronext Paris and the ATHEX is expected to commence on or about June 27, 2019, subject to completion of the Share Exchange Offer and obtaining the required approvals.</p>
<b>C.7</b>	<b>Dividend policy</b> <p>No dividends have been paid by the Company prior to the Share Exchange Offer.</p> <p>The Group’s dividend and distribution policy is driven by the aim of ensuring the soundness of the Group’s statement of financial position and the maintenance of its financial ratios in</p>

Element	Disclosure requirement
	<p>line with the targets set by the Group.</p> <p>The Board of Directors of Titan has decided to propose to the annual general meeting of Titan's shareholders, scheduled for June 7, 2019, and in connection with the year ended December 31, 2018, to approve the distribution of a dividend of €0.15 per Existing Share. Such amount will be proportionally increased by the dividend corresponding to the Existing Shares held by Titan in treasury.</p> <p>In the year ended December 31, 2018 and in connection to the year ended December 31, 2017, the Group distributed dividends of €4,231,626 (€0.05 per share) and a cash return of capital of a total amount of €42,316,264 (€0.50 per share).</p> <p>In the year ended December 31, 2017 and in connection to the year ended December 31, 2016, the Group distributed dividends of €8,463,253 (€0.10 per share) and a cash return of capital of a total amount of €84,632,528 (€1.00 per share).</p> <p>In the year ended December 31, 2016 and in connection to the year ended December 31, 2015, the Group distributed dividends of €25,390,758 (€0.30 per share, ordinary or preference). This amount was proportionally increased by the dividend corresponding to the treasury stock held by Titan and became €0.30989 per share.</p> <p style="text-align: center;"><b>Section D — Risks</b></p>

Element	Disclosure requirement
<p><b>D.1</b></p>	<p><b><i>Risks Relating to the Group's Industry and Business, and Market Risks</i></b></p> <p>The Group is subject to the following material risks:</p> <ul style="list-style-type: none"> <li>• <b>Macroeconomic developments could adversely affect demand for the Group's products and its profitability.</b> Over the last few years, the Group has experienced, and may continue to experience in the future, the negative impact of periods of economic slowdown or recession and declines in the demand for building materials in the markets in which it operates. The Group's results of operations in all of its segments are primarily affected by demand for residential construction, public spending levels for infrastructure and large-scale projects, inflation, interest and exchange rate fluctuations, domestic growth and political stability. Any deterioration in the international economic environment, especially in the markets where the Group operates, including the United States, Greece and Western Europe, Southeastern Europe, Egypt, Turkey and Brazil, could have a material adverse effect on the construction sector, and consequently, the Group's business, results of operations and financial condition.</li> <li>• <b>Fluctuations in energy, fuel prices and transportation costs could have an adverse effect on the Group's costs of sales.</b> A significant proportion of the Group's cost of sales are incurred in connection with the consumption of thermal and electric energy necessary for the production of the Group's products, and in connection to transportation costs incurred for the distribution of the Group's products. Increases or significant fluctuations in energy and fuel costs, freight rates or other transportation costs could adversely affect the Group's results of operations, business and financial condition, especially if it is unable to pass along higher input costs to its customers.</li> <li>• <b>Decreases in the availability, or increases in the cost, of raw materials could have</b></li> </ul>



Element	Disclosure requirement
	<p><b>an adverse effect on the Group’s business.</b> The Group’s manufacturing processes use large quantities of raw materials and it is dependent upon the continued availability of raw materials as well as an acceptable cost of those raw materials for the production of its products. An adverse change in the permits, licenses, rights and titles relating to the Group’s quarries and production plants or closure of one or more of its quarries could significantly limit the Group’s access to raw materials, and in turn adversely impact production.</p> <ul style="list-style-type: none"> <li>• <b>A large proportion of the Group’s business, operations and assets is concentrated in the United States.</b> A large proportion of the Group’s business, operations and assets is concentrated in the United States, in particular Virginia, Florida, North and South Carolina, and New Jersey, and the Group’s results of operations are heavily dependent on the Group’s performance in the United States. In addition, the Group’s financial performance in the U.S. markets in general, and in particular the New Jersey and New York markets, is heavily affected by fluctuations in the U.S. dollar-Euro exchange rate, with a weakening of the dollar against the Euro having a significant negative effect on the Group’s results of operations in a consolidated level. Any decrease in cement consumption, building activity or decreased public spending on infrastructure in any of the U.S. markets in which the Group operates, or a combination of the above, or any further decrease of the U.S. dollar against the Euro, could have a material adverse effect on the Group’s operating performance, business and profitability.</li> <li>• <b>The Group faces risks related to its operations and interests in emerging markets.</b> The Group’s presence in emerging markets such as Southeastern Europe, Egypt, Turkey and Brazil, increases its exposure to macroeconomic risks, including but not limited to, exchange rate and interest rate fluctuations, declines in gross domestic product and inflation, which may in turn negatively affect the level of construction activity in the market and the Group’s profitability.</li> <li>• <b>The Group is subject to extensive laws and regulations relating to the protection of the environment.</b> The Group’s operations are subject to extensive environmental and safety laws and regulations in the United States, the EU and elsewhere, as interpreted by the relevant authorized agencies and the courts. These may impose increasingly stringent obligations and restrictions regarding, among other things, land use, remediation, air emissions, waste and water and occupational and community health and safety. The costs of complying with these laws and regulations are likely to increase over time.</li> <li>• <b>The Group depends on maintaining good relations with interest groups and various stakeholders in the local communities in which the Group operates.</b> Acquisition or renewal of government permits, licenses and approvals required for the performance of the Group’s business activity, beyond the relevant regulatory requirements, depends on the level of social acceptance of the Group’s operations by local communities and interest groups, including local and national civil, political, labor, and consumer organizations. Should the interests of any of these stakeholders run contrary to the Group’s business interests, and the Group’s attempts to maintain good relationships with them prove unsuccessful, the Group could be affected by litigation, loss of license to operate for parts of the Group’s business, adverse publicity or reputational damage, or increased cost of operations.</li> <li>• <b>The Group relies on its brand and reputation.</b> The Group’s brand and reputation within the construction sector in all areas and markets of operation are important</li> </ul>



Element	Disclosure requirement
	<p>intangible assets. Any damage to the Group’s brand or reputation may have a material adverse effect on the Group’s financial condition and results of operations.</p> <ul style="list-style-type: none"> <li data-bbox="352 331 1393 533">• <b>The Group faces risks related to minority interests, minority participations and joint ventures.</b> In its joint ventures, or other participations or certain of its operations, the Group has a significant, but not always a controlling interest. The Group has entered into joint ventures in the past and may enter joint ventures again in the future, and there can be no assurance that such joint ventures will be successful or fail due to disagreements between the Group and its partners.</li> <li data-bbox="352 573 1393 808">• <b>The Group is subject to fluctuations and various risks of business interruption, including as a result of natural disasters.</b> Due to the high fixed-cost nature of the building materials industry, interruptions in production capabilities at any facility may cause the productivity and profitability of the Group to decline significantly during the affected period. Any extended period of suspended production at any of the Group’s plants could have a material adverse effect on the Group’s business, financial condition, profitability or prospects.</li> <li data-bbox="352 848 1393 1014">• <b>The Group is subject to fluctuations in distribution costs.</b> The Group incurs significant expenses related to the distribution of its products to the markets in which it operates. Any substantial increase in the Group’s distribution expenses or interruption in distribution could put pressure on the Group’s profit margin and adversely affect the Group’s business, prospects, financial condition and results of operations.</li> <li data-bbox="352 1055 1393 1323">• <b>The Group is subject to certain operational risks, including risks regarding safety at work.</b> Cement production and the operation of quarries could be a hazardous industry, and factors outside the Group’s, control such as weather and temperature, can increase the risks related to cement production and operation of quarries. The materialization of risks in the form of dust, noise or liquid pollution from site operations could also have the potential of affecting the Group’s employees, communities and the environment near the Group’s operations, and also negatively affect the Group’s business, results of operations and financial condition.</li> <li data-bbox="352 1364 1393 1666">• <b>The Group’s business is affected by the cyclical nature of the construction industry.</b> The building materials industry is dependent on the level of activity in the construction sector, which tends to be cyclical and dependent on various factors, including, but not limited to, the level of infrastructure spending, the demand for private and commercial real estate, mortgage lending, local economic activity, inflation and interest rates. The Group’s business, results of operations or financial condition could be adversely affected by a continued deterioration of the global economic outlook or cyclical weakness in the construction industry on a global scale or in a significant market in which it operates.</li> <li data-bbox="352 1706 1393 2042">• <b>Fluctuations in foreign exchange rates may have an adverse effect on the Group’s business.</b> The Group operates internationally and therefore faces foreign exchange risks arising from various currency exposures. The Group operates and sells its products in Greece and Western Europe, the United States, Southeastern Europe, the Eastern Mediterranean and Brazil, and the vast majority of its turnover is generated in currencies other than the Euro (its reporting currency), including the U.S. dollar, the Egyptian Pound, the Turkish Lira, the Serbian Dinar, the Albanian Lek and the Brazilian Real. If the Group is unable to manage foreign exchange risk effectively through hedging or otherwise, its business, results of operations and financial condition could be adversely affected in the future.</li> </ul>

Element	Disclosure requirement
D.3	<p data-bbox="352 264 879 297"><i>The Group is also exposed to the following risks:</i></p> <ul style="list-style-type: none"> <li data-bbox="352 331 1394 398">• <b>The Group’s estimates of the volume and grade of its limestone deposits could be overstated, and the Group may not be able to replenish its reserves.</b></li> <li data-bbox="352 432 1150 465">• <b>The Group faces risks from potential and on-going litigation.</b></li> <li data-bbox="352 499 1289 533">• <b>The Group is subject to impairment losses related to non-financial assets.</b></li> <li data-bbox="352 566 1394 633">• <b>Certain tax matters may have an adverse effect on the Group’s cash flow, financial condition and results of operations.</b></li> <li data-bbox="352 667 1394 734">• <b>The Group’s capital expenditure projects may face funding challenges, delays and cost overruns.</b></li> <li data-bbox="352 768 1394 835">• <b>The Group’s insurance coverage may not cover all the risks to which it may be exposed.</b></li> <li data-bbox="352 869 1002 902">• <b>The Group is exposed to risks from acquisitions.</b></li> <li data-bbox="352 936 1394 1003">• <b>The Group may fail to retain and attract qualified and experienced employees, or fail to maintain satisfactory labor relations with its unions.</b></li> <li data-bbox="352 1037 1394 1104">• <b>The Group is subject to risks associated with failures in information systems and cyber-security.</b></li> <li data-bbox="352 1137 1394 1272">• <b>The Group’s existing compliance controls, although considered sufficient by the Group’s management, may fail to prevent or detect inadequate practices, fraud, and violations of law by the Group’s intermediaries, customers, supplies, partners or employees.</b></li> <li data-bbox="352 1305 1394 1417">• <b>The Group may fail to obtain or renew, or may experience material delays in obtaining, requisite approvals, licenses and permits from the relevant national and/or regional governments or authorities for the conduct of its business.</b></li> <li data-bbox="352 1451 1394 1518">• <b>The Group’s results are affected by the seasonal nature of the construction business.</b></li> <li data-bbox="352 1552 1394 1619">• <b>The Group is subject to significant competition in the markets in which it operates.</b></li> <li data-bbox="352 1653 1394 1720">• <b>Increased market demand for substitutes for cement could have an adverse impact on the Group’s business.</b></li> <li data-bbox="352 1753 1394 1854">• <b>The Group’s ability to repay or refinance its indebtedness on time and distribute dividends and share capital to its shareholders depends upon its future cash flows from operations, as well as prevailing market conditions.</b></li> <li data-bbox="352 1888 1347 1921">• <b>Increases in interest rates may have an adverse effect on the Group’s business.</b></li> <li data-bbox="352 1955 868 1989">• <b>The Group faces counterparty risks.</b></li> </ul> <p data-bbox="352 2022 1394 2045"><i>Risks Relating to the Share Exchange Offer, Risks Relating to an Investment in Shares and</i></p>

Element	Disclosure requirement
	<p data-bbox="352 232 651 262"><i>Risks Relating to Taxation</i></p> <p data-bbox="352 300 916 329">The Group is subject to the following material risks:</p> <ul data-bbox="352 367 1396 2031" style="list-style-type: none"> <li data-bbox="352 367 1396 875"> <p data-bbox="352 367 1396 465"><b>Existing Shareholders of Titan are under no obligation to participate in the Share Exchange Offer and, as a result, if the Acceptance Condition to which the Share Exchange Offer is subject is not met, the Share Exchange Offer will lapse.</b> Although the Share Exchange Offer is supported by the Founders and E.D.Y.V.E.M. who have stated that they will tender their Existing Shares in the Share Exchange Offer, on the same terms and subject to the same conditions as all other Existing Shareholders, there can be no assurance that such other Existing Shareholders will accept the Share Exchange Offer. In addition, the Share Exchange Offer is subject to the Acceptance Condition. In this respect, the Company refers to the share exchange offer that was initiated on October 18, 2018 and for which the 90 per cent acceptance condition was not met; approximately 87 per cent of the ordinary and approximately 92 per cent of the preference shares of Titan were tendered in the context of that offer. If upon expiration of the Share Exchange Offer the Acceptance Condition is not satisfied, the Share Exchange Offer will lapse and all tendered Existing Shares will be returned to their holders.</p> </li> <li data-bbox="352 920 1396 1323"> <p data-bbox="352 920 1396 1019"><b>Even if the Acceptance Condition is satisfied, unless and until the Greek Statutory Squeeze-out and/or Greek Statutory Sell-out processes are completed, as the case may be, minority shareholders in Titan will be entitled to their pro rata share of any dividends that may be declared and paid by Titan.</b> If the Company receives valid acceptances from Existing Shareholders in satisfaction of the Acceptance Condition, but the Relevant Threshold is not reached, the remaining Existing Shares will be held by persons, other than the Company, who will be entitled to receive dividend payments in respect of such shares. Furthermore, even if the Relevant Threshold is reached, such remaining Existing Shares will be held by persons, other than the Company, who will be entitled to receive dividend payments until such time as the Greek Statutory Squeeze-out and/or Greek Statutory Sell-out processes, if any, are completed.</p> </li> <li data-bbox="352 1368 1396 1671"> <p data-bbox="352 1368 1396 1467"><b>The liquidity and market value of the Shares could also be adversely affected by a continuing trading market in the Existing Shares.</b> The Company requires the approval of shareholders holding at least 95.0 per cent of each class of Existing Shares to delist the Existing Shares from the ATHEX, and, if the Company fails to acquire such percentages in the Share Exchange Offer, it will not control a sufficient number of Existing Shares in the general meetings of its ordinary and preference shareholders to pass a resolution to approve the delisting of the Existing Shares from the ATHEX, unless the Relevant Threshold is reached and until such time as the Greek Statutory Squeeze-out and/or Greek Statutory Sell-out processes are completed.</p> </li> <li data-bbox="352 1715 1396 1839"> <p data-bbox="352 1715 1396 1792"><b>If the Relevant Threshold is reached, any indebtedness incurred by the Company in order to pay the total cash consideration to Existing Shareholders electing to receive cash consideration instead of New Shares in any Greek Statutory Squeeze-out and/or Greek Statutory Sell-out will increase the Company's leverage.</b></p> </li> <li data-bbox="352 1883 1396 2031"> <p data-bbox="352 1883 1396 1982"><b>The Shares may not have an active trading market, which may have an adverse impact on the value of the New Shares.</b> There has been no prior public market for the Shares and an active trading market for the Shares may not develop. The Company has applied for admission to trading of all Shares on Euronext Brussels. Additionally, the Company has applied for a secondary listing on the ATHEX and on Euronext Paris.</p> </li> </ul>

Element	Disclosure requirement
	<p data-bbox="352 264 879 293"><i>The Group is also exposed to the following risks:</i></p> <ul data-bbox="352 331 1394 1644" style="list-style-type: none"> <li data-bbox="352 331 1394 394">• <b>There can be no assurance that the Company will make dividend payments in the future.</b></li> <li data-bbox="352 432 1394 495">• <b>Investors may not be able to recover in civil proceedings for U.S. securities law violations.</b></li> <li data-bbox="352 533 1394 633">• <b>Investors resident in countries other than Belgium and Greece and France may suffer dilution if they are unable to participate in future preferential subscription rights offerings.</b></li> <li data-bbox="352 667 1394 730">• <b>Capital controls in Greece may adversely affect the liquidity of the Group or the Shares.</b></li> <li data-bbox="352 768 1394 831">• <b>Investors with a reference currency other than Euros will become subject to foreign exchange rate risk when investing in the Shares.</b></li> <li data-bbox="352 869 1394 969">• <b>Certain provisions of the Belgian Companies Code and the Articles of Association may affect potential takeover attempts and may affect the market price of the Shares.</b></li> <li data-bbox="352 1003 1394 1066">• <b>The market price of the Shares may fluctuate widely in response to various factors.</b></li> <li data-bbox="352 1104 1394 1227">• <b>The listing of the Shares on Euronext Brussels, ATHEX and Euronext Paris may adversely affect the liquidity and trading price for the Shares on some or all of the exchanges as a result of circumstances that may be outside of the Company’s control.</b></li> <li data-bbox="352 1261 1394 1361">• <b>Applicable law and the Articles may not grant Shareholders certain rights and protections generally afforded to shareholders of Greek companies under the laws of Greece.</b></li> <li data-bbox="352 1395 1394 1529">• <b>The Founders currently exercise and are likely to continue to be able to exercise, either alone or together with other Existing Shareholders, a significant influence over the Company, and their interests may not be the same as the interests of the other shareholders of the Company.</b></li> <li data-bbox="352 1563 1394 1626">• <b>Any sale, purchase or exchange of Shares may become subject to the Financial Transaction Tax.</b></li> </ul> <p data-bbox="603 1682 991 1711" style="text-align: center;"><b>Section E — The Share Exchange</b></p>
Element	Disclosure requirement
E.1	<p data-bbox="352 1818 922 1848"><b>Net proceeds and expenses of the Share Exchange</b></p> <p data-bbox="352 1886 518 1915">Not applicable.</p>
E.3	<p data-bbox="352 1953 866 1982"><b>Terms and conditions of the Share Exchange</b></p>

Element	Disclosure requirement
	<p>The Share Exchange Offer consists of an offer made by the Company to holders of Titan Ordinary Shares and Titan Preference Shares who are located outside of the United States and, in the United States, to QIBs (as defined in Rule 144A under the Securities Act) or to persons subscribing for the New Shares pursuant to another exemption from or transaction not subject to the registration requirements under the U.S. Securities Act, to exchange their Existing Shares for New Shares at a ratio of one Titan Ordinary Share for one New Share and one Titan Preference Share for one New Share, on the terms and conditions set out in this Prospectus and the Information Circular, and subject to local laws and regulations. Holders in the United States who are not Eligible U.S. Holders may not participate in the Share Exchange Offer but will receive, pursuant to the Greek Statutory Squeeze-out, alternative cash consideration, provided that the conditions to exercise the Greek Statutory Squeeze-out are satisfied.</p> <p>The completion of the Share Exchange Offer is dependent upon the following conditions being satisfied on or prior to the end of the Acceptance Period:</p> <ul style="list-style-type: none"> <li>• no later than the end of the Acceptance Period, (i) at least 57,797,676 Titan Ordinary Shares, corresponding to 75.0 per cent of Titan’s ordinary share capital and voting rights, and (ii) at least 5,676,720 Titan Preference Shares, corresponding to 75.0 per cent of Titan’s preference share capital shall have been lawfully and validly tendered and not withdrawn as at the end of the Acceptance Period (the “<b>Acceptance Condition</b>”); and</li> <li>• on or prior to the end of the Acceptance Period, Euronext Brussels shall have approved the application for the Euronext Admission upon terms and conditions acceptable to the Company (the “<b>Admission Condition</b>,” and together with the Acceptance Condition, the “<b>Conditions</b>”).</li> </ul> <p>The Conditions are for the Company’s sole benefit and may only be waived in whole or in part with the approval of the HCMC. The Company does not have any obligation nor does it expect to waive any of the Conditions not satisfied on or prior to the end of the Acceptance Period. If the Company does not waive, or the HCMC does not consent to the waiver of, an unsatisfied Condition, the Share Exchange Offer will lapse and all tendered Existing Shares will be returned to the holders thereof.</p> <p>The Share Exchange Offer may be revoked if there has been a tender offer made by a third party to acquire Titan Ordinary Shares, and, as the case may be, Titan Preference Shares, in accordance with article 26 of Law 3461. The Share Exchange Offer may also be revoked by the Company, as contemplated by Law 3461, following approval of the HCMC if there is an unforeseen change of circumstances which is beyond the Company’s control and which renders continuation of the Share Exchange Offer particularly onerous. The scope of this revocation right is not yet clearly defined under Law 3461. However, the Company does not intend to assert this revocation right with respect to the Share Exchange Offer unless, prior to the end of the Acceptance Period, there is a material adverse change in circumstances that would be reasonably expected to deprive the Company, Titan or the holders of Existing Shares of the material expected benefits of the Share Exchange Offer.</p> <p>Other than as a result of a failure to satisfy any of the Conditions or as otherwise described above with the approval of the HCMC, the Share Exchange Offer may not be revoked or impeded.</p>
<b>E.4</b>	<b>Material interests to the Share Exchange</b>

Element	Disclosure requirement
	<p>HSBC and its respective affiliates have or are currently engaged in, or may, in the future, from time to time, engage in, commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company, the Group or any parties related to it, in respect of which they have and may in the future, receive customary fees and commissions. As a result of these transactions, these parties may have interests that are not being aligned, or could possibly conflict with, the interests of investors.</p> <p>In particular, HSBC, which is the Financial Advisor and Listing Agent, will be the lender under the Statutory Squeeze-out Facility. HSBC Egypt, an affiliate of HSBC, is a lender under three committed facility agreements for up to a total amount of EGP620 million to the Group (consisting of HSBC Egypt Facilities A, B and C). HSBC Bank plc is also a lender to the Group under the Multicurrency Facility, with HSBC Bank plc's commitment amounting up to an amount of €40.0 million. Another affiliate of HSBC, HSBC Bank USA N.A., is a lender to the Group under the HSBC U.S. Facility for an amount up to \$50.0 million.</p>
<b>E.5</b>	<p><b>Lock-ups</b></p> <p>Not applicable.</p>
<b>E.6</b>	<p><b>Dilution resulting from the Share Exchange</b></p> <p>Assuming that all existing Titan shareholders exchange all of their Existing Shares for New Shares pursuant to the Share Exchange Offer, they will each have respectively approximately the same proportionate direct or indirect shareholding in the Company as they had in Titan immediately prior to the completion of the Share Exchange Offer; the 5,555 shares currently issued by the Company and held by the Founders would represent 0.006 per cent of the Company's Shares upon completion of the Share Exchange Offer.</p> <p>As the 7,568,960 non-voting Titan Preference Shares are exchangeable for an equal number of New Shares with voting rights, the proportionate voting rights of the holders of Titan Ordinary Shares in the Company will be lower than the voting rights the holders of Titan Ordinary Shares currently have in Titan. Assuming that all existing Titan shareholders exchange all of their Existing Shares for New Shares pursuant to the Share Exchange Offer, the holders of Titan Ordinary Shares will have 91.06 per cent of voting rights they had in Titan immediately prior to the completion of the Share Exchange Offer.</p>
<b>E.7</b>	<p><b>Estimated expenses charged to the investor by the Company</b></p> <p>Not applicable.</p>

## **PART I: RISK FACTORS**

*Existing Shareholders of Titan and prospective shareholders of the Company should carefully consider the risks described below and the other information contained or incorporated by reference in this Prospectus before making any decision in relation to the Shares. An investment in Shares involves risks, some (but not all) of which are related to the Share Exchange Offer. In considering whether or not to tender your Existing Shares in the Share Exchange Offer, you should carefully consider the information about these risks. Any of the following risks, individually or together, could adversely affect the Company's and the Group's business, financial condition and results of operations and, accordingly, the value of the Shares.*

*The risks and uncertainties described below are those that the Company believes are material, but these risks and uncertainties may not be the only ones that the Company or the Group face. Additional risks and uncertainties, being those that the Company currently does not know about or deems immaterial may also result in decreased revenues, assets and cash inflows, increased expenses, liabilities or cash outflows, or other events that could result in a decline in the value of the Shares or which could have a material adverse effect on the Company's or the Group's business, financial condition, results of operations and future prospects.*

### **1. Risks relating to the Group's business**

#### **1.1 *Macroeconomic developments could adversely affect demand for the Group's products and its profitability.***

Over the last few years, the Group has experienced, and may continue to experience in the future, the negative impact of periods of economic slowdown or recession and declines in the demand for building materials in the markets in which it operates. During the global economic recession of 2007 to 2009, the economic situation in the markets in which the Group operates was adversely affected by the general weakening in economic conditions and the continuing turmoil in the global financial markets, and the speed and quantum of any recovery has varied across markets. Specifically, although the construction sector in the United States has significantly improved, Greece and Southeastern Europe were particularly negatively impacted by the global recession, with housing construction in particular slowing down dramatically, thereby reducing demand for the Group's products. Negative economic developments have affected and may continue to affect the Group's business in a number of ways, including, among others, the ability of the Group's customers to maintain their current levels of consumption. The Group's results of operations in all of its segments are primarily affected by demand for residential construction, public spending levels for infrastructure and large-scale projects, inflation, interest and exchange rates fluctuations, domestic growth and political stability. Moreover, a challenging macroeconomic environment in certain of the markets in which the Group operates could have knock-on effects on other, typically neighboring markets, where the Group also operates. For example, a deep and prolonged recession in Turkey, resulting in a decline in cement demand in Turkey which would affect the Group's local operations, could prompt Turkish or regional producers to export their cement in other markets such as Southeastern Europe, resulting in increased competitive pressure on the Group's operations in Southeastern Europe. Similarly, should the United Kingdom exit the European Union, there could be significant volatility in global stock markets and currency exchange rate fluctuations, which could also negatively affect the Group's results of operations. Any deterioration in the international economic environment, especially in the markets where the Group operates, including the United States, Greece and Western Europe, Southeastern Europe, Egypt, Turkey and Brazil, could have a material adverse effect on the construction sector, and consequently, the Group's business, results of operations and financial condition.

##### **1.1.1 *United States***

In the year ended December 31, 2018, the Group derived €860.1 million of its turnover and €177.9 million of its EBITDA from its operations in the United States, which corresponded to 57.7 per cent and 68.5 per cent, respectively, of its consolidated turnover and EBITDA. Following a period of recession from 2007 to 2009, the U.S. economy has entered a period of growth. In addition, cement demand increased by 2.9 per cent in 2018

(Source: U.S. Geological Survey), mostly driven by the growth in infrastructure spending and non-residential construction markets compared to 2017. However, cement consumption throughout the United States, including the regional U.S. markets in which the Group operates, remains below its peak of 2005 and there can be no assurance that the growth trend of the recent years will not be reverted. In addition, although forecasts predict a positive performance of the construction sector in the short- and medium-term, forecasts are subject to uncertainties and the actual growth in cement sales volumes could be affected by factors such as increased competition from other markets or price levels, both of which are outside the Group's control. Moreover, the Group's results of operations are affected by fluctuations in the U.S. dollar-Euro exchange rate, given that the Group's results in the United States are translated into Euro for consolidation purposes. In the year ended December 31, 2017, the Group's results of operations were negatively affected by a weakening of the U.S. dollar against the Euro and may again be affected should the U.S. dollar's value decrease even further compared to the Euro.

### **1.1.2** *Greece and Western Europe*

In the year ended December 31, 2018, the Group derived €237.1 million of its turnover and €10.9 million of its EBITDA from its operations in Greece and Western Europe, which corresponded to 15.9 per cent and 4.2 per cent, respectively, of its consolidated turnover and EBITDA. Following more than eight years of recession in the period from 2008 to 2016, the economic and business environment in Greece remains challenging. The Group estimates that from 2016 to 2018 the construction sector and cement demand in Greece remained stagnant at close to fifty-year lows, with demand stemming mainly from public works. In 2018, building activities in Greece remained at very low levels due to the delay in the commencement of major public works, which are now expected to start in 2019, and weak private building activities. Data from Eurostat confirm the contraction of the Greek construction industry, showing a curtailment of housing investment from 10.8 per cent of GDP in 2007 to 0.7 per cent in 2018. In August 2018, Greece officially exited from the adjustment programs it had entered into since 2010, which provided a series of structural reforms and fiscal policy measures. However, there can be no assurance that these measures and reforms will achieve the desired stabilization and growth of the Greek economy, and the necessary increase in disposable income, improvement of employment and availability of bank funding, which are required to absorb the large unsold housing stock and restart delayed infrastructure projects. If the above fail to materialize, and demand for cement in Greece remains at historic lows, it could have a material adverse effect on the macroeconomic environment in the country and, in turn, on construction activity and the Group's business, financial condition and results of operations. Consumer confidence levels remained low throughout 2017 and 2018 (Source: Eurostat Database, Confidence Indicators by Sector, August 2018), and many major public works that were scheduled for 2018 were delayed for 2019, decreasing the likelihood that the Group's business in Greece will recover in the short- or medium- term, despite GDP growth at a rate of 2.4 per cent for 2018 (Source: International Monetary Fund ("IMF")).

In addition, the Group's business, results of operations and financial condition are directly and significantly affected by political developments in Greece. Any political turmoil in the post-program period would decrease the likelihood of Greece's successful return to international sovereign debt markets, which could in turn have a material adverse impact on the economic and financial stability and continued economic growth in Greece. Moreover, there can be no assurance that the upcoming national elections, scheduled for September 2019, will not enhance the level of political polarization and negatively affect the Greek political environment. Moreover, the Group's business, results of operations and financial condition could be affected by broader events, although such events are not directly related to the Group's operations. Lastly, the Group's export sales typically have lower margins compared to sales in Greece, and if the Group's exports of Greek production increase compared to its sales in Greece that could lead to lower profit margins for the Group, which would negatively affect its business, results of operations and financial condition.

### **1.1.3** *Southeastern Europe*

The Southeastern Europe segment consists of the Group's operations in Albania, Bulgaria, North Macedonia, Kosovo, Serbia and Montenegro. In the year ended December 31, 2018, the Group derived €238.6 million of its turnover and €59.6 million of its EBITDA from its operations in Southeastern Europe, which corresponded to



16.0 per cent and 22.9 per cent, respectively, of its consolidated turnover and EBITDA. In Southeastern Europe, most markets in which the Group operates were characterized by strong public and private construction activity in 2018, in line with positive GDP growth, political stability in the region and supported by a number of infrastructure projects that were in progress during the year. Despite consistent GDP growth and relative political stability in the markets in which the Group operates, there can be no assurance that such conditions will not deteriorate or that public and private demand will not decrease in the future. Similarly, there can be no assurance that GDP growth will translate into increased private demand for construction materials and increased profits for the construction sector, and, therefore, for the Group. For example, in 2017 energy costs increased due to higher international fuel prices which partially offset improved private sector demand and in turn negatively affected the Group's cost of sales. Furthermore, energy prices could further increase and the Group may be unable to pass such costs to its customers, an outcome that could negatively affect its results of operations, financial condition or business. Moreover, the Group's business is also affected by the funding that international organizations, such as the European Union, the IMF, the European Bank for Reconstruction and Development ("EBRD") or the International Finance Corporation ("IFC") are providing to the relevant countries in the Southeastern Europe segment. This funding affects the Group indirectly, given that a certain proportion of such funding is channeled towards infrastructure projects which affect demand for the Group's products. The Group is also directly affected by funding from international organizations. There can be no assurance that funding from such international organizations will be maintained in the long-term in the Southeastern Europe segment and, should such funding terminate, it could negatively affect the Group's results of operations in the region. In addition, the Group's plants in Southeastern Europe are operating below their optimal capacity, and there can be no assurance that the Group would be able to operate its plants at full capacity, even if customer demand were to increase, due to other macroeconomic factors, including political instability, higher energy prices increasing the Group's cost of sales, or due to other factors such as the introduction of additional supply in the market, either produced locally or through imports, that might negatively impact the Group's sales volumes.

#### **1.1.4** *Eastern Mediterranean*

In the year ended December 31, 2018, the Group derived €154.3 million of its turnover and €11.3 million of its EBITDA from its operations in Eastern Mediterranean, which corresponded to 10.4 per cent and 4.4 per cent, respectively, of its consolidated turnover and EBITDA. The macroeconomic environment in Egypt is primarily affected by fluctuations in the Egyptian Pound's valuation, inflation, GDP growth and energy costs. The Egyptian Pound further weakened against the Euro in 2018 and there can be no assurance that it will not deteriorate again in the future. Similarly, despite the indications of GDP growth in the Egyptian economy in the short-term, driven by the rise of natural gas production, the recovery of the tourism sector, as well as the continued improvement of the confidence of the global business community in Egypt's economy as a result of the implemented economic reforms, such growth may fail to translate into increased demand for building materials. In addition, the Egyptian government recently removed subsidies on energy costs and imposed additional levies on clay sales, increasing the Group's cost of sales. Lastly, the completion of a government-owned cement plant with a capacity of 12 million tons per year in Beni Suef in 2018 has put and is expected to further put the Group's margins in Egypt under pressure as a result of increased supply in this market. In terms of security challenges, terrorist attacks in Egypt have had and may continue to have a significant adverse effect on investment and tourism. Prolonged periods of high interest rates have resulted in an increase in credit risk, which is expected to adversely affect credit expansion and growth, whereas further devaluation of the Egyptian Pound has had and may continue to have in the future a material negative effect on the Group's production costs. Moreover, the insufficient price increases due to overcapacity and higher energy costs impose further challenges to the Group's operations. In the short-term, the Group expects its operating results to face challenges due to limited pricing power, despite of the Group's initiatives on containing costs in connection with its raw materials and energy costs. Any of the above could have a material adverse effect on the Group's results of operations, business or financial condition in Egypt.

In Turkey, the domestic and regional geopolitical environment continues to present risks, in particular relating to tensions on the Syrian border and diplomatic relations with the United States and Russia, as well as internal

tensions in the southeastern region of the country. In August 2018, the United States imposed sanctions on Turkey and significant tariffs on certain Turkish products, following a breakdown of diplomatic relations between the two countries, which triggered economic turmoil in Turkey. International confidence has weakened and may weaken even further, affecting capital inflow and decreasing tourism revenues, an outcome that increased exchange rate volatility and pushed inflation to 19.7 per cent in February 2019. Similarly, the Turkish Lira experienced a significant devaluation in the summer of 2018, with cumulative losses reaching 50.0 per cent against the U.S. dollar year-on-year. Moreover, macroeconomic indicators in Turkey are unfavorable to the Group's results. High inflation, interest rates and the significant Turkish Lira depreciation, coupled with pressures on the banking system, have led to a negative effect on the construction sector, reversing the positive environment in 2017 when domestic cement consumption had increased by 8.0 per cent year-on-year due to GDP growth, additional public works and public-private partnership projects. There is a significant slowdown in the number of new projects, impacted by the current political and economic uncertainties. The economy is projected to contract in 2019 as a sharp fall in domestic demand in the second half of 2018 will be offset only partially by an increase in exports. Such unfavorable macroeconomic conditions will result in a significant decrease in demand for building materials in the short-term, which could negatively affect the Group's results of operations, business or financial condition.

### **1.1.5**      *Brazil*

In Brazil, GDP rose by 1.1 per cent in 2017 and 1.2 per cent in 2018 and inflation declined to 3.4 per cent in 2017 and rose to 3.8 per cent in 2018, while interest rates declined from 14.3 per cent in August 2016 to 6.5 per cent in March 2019. However, there can be no certainty as to whether these macroeconomic factors will remain stable or improve in the short- to medium-term, in particular in light of the recent elections in October 2018, the results of which could affect consumer confidence and spending levels. Also, cement consumption in Brazil has decreased over the last four years, reaching 52.9 million tons in 2018 from 71.7 million tons in 2014. Despite a positive start, in which the first projections pointed to growth close to 1.0 per cent in 2018, total consumption closed the year with a decrease of 1.2 per cent. There can be no assurance that such consumption will not continue to decrease in the future, negatively affecting the Cimedo Apodi's, the Group's joint venture in Brazil, results of operations, business and financial condition.

### **1.2**            *Fluctuations in energy, fuel prices and transportation costs could have an adverse effect on the Group's costs of sales.*

A significant proportion of the Group's cost of sales are incurred in connection with the consumption of thermal and electric energy necessary for the production of the Group's products, and in connection to transportation costs incurred for the distribution of the Group's products. Cement production consumes a large quantity of energy, especially for the kilning and grinding processes. Energy is also required for the transportation, both within the Group's facilities and externally, of the Group's products through its trucks in addition to the operation of the Group's equipment. The principal elements of these energy costs are fuel expenses and electricity expenses (which include, inter alia, costs for coal, petroleum coke ("**pet coke**"), natural gas and alternative fuels such as biomass). The results of operations of the Group are therefore expected to be significantly affected by movements in energy prices.

Increases or significant fluctuations in energy and fuel costs, freight rates or other transportation costs could adversely affect the Group's results of operations, business and financial condition, especially if it is unable to pass along higher input costs to its customers. Energy prices may vary significantly in the future, largely due to market forces and other factors beyond the Group's control, including, changes in the relevant regulatory regime or governmental policy applicable to energy prices. For example, in July 2018, the government of Egypt decreased subsidies on electrical energy, which led to a 43.0 per cent increase in electricity costs for the industrial sector and contributed to higher cost of sales for the Group's operations in Egypt. Moreover, in certain emerging markets, there is a risk that the Group may see increases in electricity prices due to a lack of generation capacity and the effects of privatization. The Group may also, particularly in the case of coal, experience time lags between movements in energy prices and movements in production costs since the supply of a substantial proportion of energy resources is secured pursuant to long-term purchase agreements. Risks

related to fluctuations in energy and fuel costs are increased due to the fact the Group does not use any long-term hedging instruments to mitigate the effects of such fluctuations. In certain of the markets in which the Group operates, electricity prices are also influenced by governmental policy.

Legal requirements, as well as a heightened awareness of environmental sustainability, have placed increased pressure on energy-intensive industries such as the cement industry to increase their energy efficiency and to transition to more environmentally friendly sources of energy, such as renewables, which could further increase the Group's cost of sales. Additionally, the Group's investment in the use of alternative raw materials in order to gradually lessen its dependence on natural raw materials may be more costly than expected or not successfully implemented. Changes in the availability of energy sources to meet these demands could adversely impact the Group's ability to operate, and changes in energy prices as a result could significantly increase the Group's operating costs.

**1.3        *Decreases in the availability, or increases in the cost, of raw materials could have an adverse effect on the Group's business.***

Availability of natural resources at a reasonable cost, in particular limestone and clay, which are used in the manufacture of the Group's products, is one of the factors that significantly affect the operations and profitability of the Group. The Group actively manages the quarries and production plants that it operates, and the related permits, licenses, rights and titles, in order to secure its operations in the long term. It also usually owns, or gains access to lease agreements, the long-term land and mining rights on the quarries of limestone, gypsum, clay and other raw materials essential to its operations, but there can be no assurance that it will, in all instances, be able to maintain or renew these land and mining rights.

The Group's access to natural resources could be adversely affected by the closure of one or more of its quarries (due to unforeseen circumstances), interruptions and disruptions to the transportation and delivery of natural resources to the Group's plants or the cancellation or non-renewal of permits to extract natural resources upon the termination of any lease or license. Moreover, the Group also depends on the supply of raw materials, particularly limestone, gypsum and clay, from third parties. If any of the Group's suppliers ceases to operate, or if the Group reduces or eliminates the raw materials that the Group uses in its production, the Group would need to incur additional costs to obtain such materials from other sources or would be required to obtain substitute raw materials, which might not be of the same quality compared to the Group's existing raw materials. While the Group has a policy of seeking to ensure the adequate supply of raw materials for each of its products, any limitations on the Group's ability to obtain the various natural resources used could have a material adverse effect on the results of operations of the Group.

A failure of the Group to obtain the various raw materials it needs at an acceptable cost, due to any of the risks set out above, could materially impair production in the affected markets and have an adverse effect on the Group's business, results of operations or financial condition.

**1.4        *A large proportion of the Group's business, operations and assets is concentrated in the United States.***

A large proportion of the Group's business, operations and assets is concentrated in the United States, in particular Virginia, Florida, North and South Carolina, and New Jersey, and the Group's results of operations are heavily dependent on the Group's performance in the United States. The Group's five largest customers, collectively representing less than 10.0 per cent of the Group's turnover in the year ended December 31, 2018, are also situated in the United States. The proportion of the Group's EBITDA and turnover derived from its operations in the United States in the year ended December 31, 2018, was 68.5 per cent and 57.7 per cent, respectively. Moreover, the proportion of the Group's EBITDA and turnover derived from its operations in the United States has increased from 52.1 per cent and 52.6 per cent of its total EBITDA and turnover in the year ended December 31, 2016 to 68.5 per cent and 57.7 per cent in the year ended December 31, 2018, respectively, an increase that clearly indicates the United States segment's importance to the Group's operations and profitability.

Currently, approximately half of the Group's operations in the United State are concentrated in Florida. Despite positive trends and forecasts for the construction segment's growth in Florida, there can be no assurance that it will not experience a downturn that will significantly affect the Group's results of operations. For example, the state could experience a decrease in GDP growth, an increase of unemployment or a decrease in consumer confidence, increased property taxes or successive periods of adverse weather conditions, any of which could have a negative effect on the Group's results of operations in Florida. For example, the Group's operations in Florida were heavily impacted by the effects of Hurricane Irma in 2017, which led to a period of electricity and power cuts, resulting in a loss of production and turnover. The Group has also recently faced operational difficulties in Florida in connection with planned maintenance programs which lasted longer than expected and affected the Group's production in the first half of 2018. Similarly, should positive market trends continue, foreign or national competitors could enter the Florida market to benefit from the increased prices, which could result in a lower market share for the Group, which currently ranks second in the Florida market. The Group is also active in Virginia, where it currently ranks first in terms of market share. However, according to the U.S. Geological Survey, in 2018 cement consumption decreased by 2.9 per cent in Virginia to 1.9 million tons as compared to 2017. The Virginia market generally lags behind the national average both in residential and non-residential construction market performance, and the continuation of such market underperformance could negatively affect the Group's results of operations. The Group also derives a portion of its turnover from its exports from the Greek market to the New Jersey and New York markets, and there can be no assurance that the Group will be able to continue to access these export markets in the future. For example, a Canadian competitor operating an import terminal entered the market in 2017, which led to additional pressure on the sales volumes and cement prices in the region. Despite an increase in cement consumption in 2018 of 0.8 per cent to 1.9 million tons in the New York Metropolitan area, there can be no assurance that cement consumption will continue to recover in the short- or long-term. Lastly, there can be no certainty that the positive trends in the U.S. market will continue in the medium to long-term, in particular given that the U.S. market has been steadily growing since 2011, increasing the risk of a market downturn. Should the U.S. market experience a downturn, demand for the Group's products would decrease and imports from the Group's operations in Greece to the U.S. would be substantially reduced. In addition, the Group's kilns could be required to operate at lower utilization rates and the rest of its assets could remain idle because of lower demand.

In addition, the Group's financial performance in the U.S. markets in general, and in particular the New Jersey and New York markets, is heavily affected by fluctuations in the U.S. dollar-Euro exchange rate, with a decrease of the dollar against the Euro having a significant negative effect on the Group's results of operations in a consolidated level, see "*Market risks—Fluctuations in foreign exchange rates may have an adverse effect on the Group's business*" below. Any decrease in cement consumption, building activity or decreased public spending on infrastructure in any of the U.S. markets in which the Group operates, or a combination of the above, or any further decrease of the U.S. dollar against the Euro could have a material adverse effect on the Group's operating performance, business and profitability.

### **1.5 *The Group faces risks related to its operations and interests in emerging markets.***

The Group's presence in emerging markets such as Southeastern Europe, Egypt, Turkey and Brazil, increases its exposure to macroeconomic risks, including but not limited to, exchange rate and interest rate fluctuations, declines in gross domestic product and inflation, which may in turn negatively affect the level of construction activity in the market and the Group's profitability. Instability in an emerging market can lead to lower levels of construction activity, as well as restrictions on currency movements in the form of capital controls, which may adversely affect the Group's operating subsidiaries' in such emerging markets ability to pay dividends to the Company.

Other potential risks presented by emerging markets include:

- disruption of the Group's operations, or the activities of its customers, due to civil disturbances and other actual and threatened conflicts and acts of terrorism;

- differences between and unexpected changes in regulatory environments, including environmental, health and safety, local planning, zoning and labor laws, rules and regulations;
- significant fluctuations in electricity prices, including as a result of market factors or due to prices being set by the national government or companies under governmental control, or to electricity subsidies being reduced or terminated;
- unfavorable tax regimes, including with respect to the imposition of withholding taxes on remittances and other payments by subsidiaries and joint ventures; and
- fluctuations in currency exchange rates and restrictions on the repatriation of capital.

Emerging markets often face political challenges which could affect the rule of law and how it is imposed. For example, the Group's subsidiaries in Egypt, Beni Suef and Alexandria Portland, are involved in certain legal proceedings, which, as at the date of this Prospectus, have not been finally resolved. The respective plaintiffs challenge, among others, the legality of the privatizations of Beni Suef and Alexandria Portland that took place in 1999, before the Group acquired either entity. Although the Group believes that such actions lack any legal or factual basis, there can be no assurance that the Egyptian courts will finally reject the actions against the privatizations of Beni Suef and Alexandria Portland, which could result in the cancellation of these privatizations. For further information on the Group's legal proceedings, see "*Description of the Group—Legal Proceedings.*" Other potential risks include civil unrest, social uncertainties and turmoil, nationalization and expropriation of private assets, the imposition of additional taxes or other payments by foreign governments and agencies and other adverse actions or restrictions, including restrictions on prices imposed by foreign governments, any of which could damage or disrupt the Group's operations in a given market. Any such events may adversely affect the Group's operating performance and profitability.

#### **1.6 *The Group is subject to extensive laws and regulations relating to the protection of the environment.***

The Group's operations are subject to extensive environmental and safety laws and regulations in the United States, the EU and elsewhere, as interpreted by the relevant authorized agencies and the courts. Such regulations may impose increasingly stringent obligations and restrictions regarding, among other things, land use, remediation, air emissions, waste and water and occupational and community health and safety. The costs of complying with these laws and regulations are likely to increase over time and a failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties, natural resource damages, the imposition of investigatory or remedial obligations, and the issuance of orders limiting or prohibiting some or all of the Group's operations.

The nature of certain of the Group's business activities exposes the Group to risks of environmental costs and liabilities arising from the manufacture, use, storage, disposal and maritime and inland transport and sale of products, raw materials and fuels that may be considered to be contaminants when released into the environment. New environmental initiatives could result in significant additional expenditures (including investment in new plant facilities or improvements to existing plants) or reduction or termination of certain operations, which may, in turn, have a material adverse effect on the Group's financial condition and results of operations. Liability may also arise through the acquisition or ownership or operation of properties and businesses. Noncompliance with environmental and safety laws and regulations could subject the Group's operations to regulatory enforcement, including the imposition of civil and/or criminal penalties, and even the partial or total shutdown of operations. For a description of the principal environmental and health and safety laws and regulations applicable to the Group, see "*Part III: Business—Description of the Group—Regulatory Overview.*"

Compliance with changes in laws, regulations and obligations relating to climate change and emissions trading could result in additional capital expenditure and reduced profitability resulting from increases in operating costs, or even to a closure of certain of the Group's production facilities. For example, the Group's operations in

Greece and Western Europe, and in Bulgaria, are required to comply with an EU-wide cap and trade emissions scheme, namely the European Trading Scheme (“ETS”), under which industrial installations must control and report their CO<sub>2</sub> emissions on an annual basis. The ETS requires regulated installations to surrender to regulatory agencies a number of allowances corresponding to their verified CO<sub>2</sub> emissions for the previous year. CO<sub>2</sub> emissions which exceed an installation’s allowances will have to be paid for by the Group, or covered by the purchase of allowances on the market. Pursuant to the revised ETS Directive (Directive (EU) 2018/410) introducing ETS Phase IV, which will apply for the period 2021-2030, and which entered into force on April 8, 2018, auctioned allowances for cement producers will be reduced, and therefore, the price for each allowance will increase, which will negatively impact the Group’s production costs. Similarly, should the utilization capacity of the Group’s plants in Greece or Bulgaria increase, the Group may be required to purchase additional CO<sub>2</sub> emission rights, further increasing its production costs. Further, because of the increased operations costs that the ETS imposes and may impose in the future to the Group, the Group may face increased competition from cement producers operating outside the EU, which do not have to incur ETS compliance costs and may be able to offer better prices to their customers. Furthermore, increased prices for cement because of increased CO<sub>2</sub> compliance costs could prompt customers to substitute other products for cement, which could further negatively affect demand for the Group’s product.

Moreover, there can be no assurance that a similar scheme will not be introduced in other markets in which the Group operates, or that member states of the EU will not impose rules that are even more stringent than what the ETS provides, potentially significantly increasing the Group’s compliance costs in these jurisdictions. Further, in certain jurisdictions there is increasing political support for the implementation of even more stringent environmental rules that would increase the Group’s production costs. Compliance with changes in laws, regulations or emissions trading schemes could result in higher capital expenditures requirements and reduced profitability for the Group due to increased production costs, and may also have an impact on the Group’s ability to grow its business, pursue strategic growth opportunities and remain competitive. If the Group is unable to find solutions that reduce its CO<sub>2</sub> emissions for new and existing projects or products, future international agreements, government regulation or challenges from society could lead to additional costs as well as compliance and operational risks.

Similarly, the Group may also become subject to potential environmental legislation in the United States regulating quantities of cement kiln dust (“CKD”), an emission of the Group’s cement production operations. The U.S. Environmental Protection Agency (the “EPA”) has been evaluating the regulatory status of CKD under the U.S. Resource Conservation and Recovery Act (“RCRA”) and certain environmental groups have recently asked the EPA to move more quickly to regulate CKD as a hazardous waste. Similarly, the greenhouse gas (“GHG”) regulations for electric utilities under the Clean Air Act (“CAA”) were finalized in 2014 but have not been implemented as they have been stayed by court orders pending the resolution of on-going legal actions challenging the legality of those regulations. The ultimate disposition of the GHG regulations for the electric utilities will set precedent for what may come for other industries (including cement) in subsequent regulatory action. Although legislation related to CKD or GHG for electrical utilities has not yet been implemented, any obligation to manage CKD as a hazardous waste under the RCRA or the imposition of GHG regulations for electrical utilities on the cement industry would negatively affect the Group’s operations in the United States and could result in higher capital expenditures requirements to comply with such regulations, any of which would adversely affect the Group’s operating performance and profitability. Similarly, although the EPA recently concluded a technological review of Portland cement under the National Emission Standards for Hazardous Air Pollutants (“NESHAP”), and concluded that no new requirements or changes to emission limits were warranted at this time, there can be no assurance that such regulations will not be applied to the Group’s business in the future, which could increase the Group’s compliance costs and adversely affect its operating performance and profitability.

**1.7            *The Group depends on maintaining good relations with interest groups and various stakeholders in the local communities in which the Group operates.***

Acquisition or renewal of government permits, licenses and approvals required for the performance of the Group's business activity, beyond the relevant regulatory requirements, depends on the level of social acceptance of the Group's operations by local communities and interest groups, including local and national civil, political, labor, and consumer organizations. Such a "social license to operate," which requires the Group to analyze the context of the relevant community and map its stakeholders' needs, could be increasingly difficult to maintain and it could also influence the Group's ability to obtain permits, comply with increasing stricter regulations and access capital. Moreover, these groups' views and perception of cement production could change and become more hostile towards the use of cement and related products, making it increasingly more difficult for the Group to maintain good relationships with them. Should the interests of any of these stakeholders run contrary to the Group's business interests, and the Group's attempts to maintain good relationships with them prove unsuccessful, the Group could be affected by litigation, loss of license to operate for parts of the Group's business, adverse publicity or reputational damage, or increased cost of operations. Any of these potential effects could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

**1.8            *The Group relies on its brand and reputation.***

The Group's brand and reputation within the construction sector in all areas and markets of operation are important intangible assets, and could be affected by errors and/or omissions concerning product quality, adherence to health and safety standards and environmental performance. Such risk is amplified due to the strict standardization building materials are subject to and a failure to meet the prescribed quality standards or the specific quality requirements of the Group's customers could negatively affect the Group's reputation. Moreover, given the international presence of the Group, damage to the Group's brand in one of the markets in which it operates could negatively affect its reputation in the other markets in which it is present. Also, the Group's brand and reputation are closely associated with its performance in relation to its health, safety and environmental obligations, and any failure to uphold environmental and safety standards could significantly damage the Group's reputation. Further, the Group's reputation may also be affected by damage to the reputation of one of its competitors or the construction sector in general, none of which is within the Group's control or responsibility. Lastly, as a publicly listed company, Titan undertakes regular communications with its stakeholders and a failure to deliver in line with guidance or targets, or to achieve performance indicators or non-financial commitments previously communicated to the Group's variety of stakeholders could also adversely affect the Group's reputation. Any damage to the Group's brand or reputation may have a material adverse effect on the Group's financial condition and results of operations.

**1.9            *The Group faces risks related to minority interests, minority participations and joint ventures.***

In its joint ventures, or other participations or certain of its operations, the Group has a significant, but not always controlling, interest. Under the governing documents for certain of these partnerships, certain key matters such as the approval of business plans and decisions as to the timing and amount of cash distributions or recapitalizations may require the consent of the Group's partners, and such limitations could constrain the Group's ability to pursue its strategy in the future.

The Group also conducts its business through subsidiaries it has established in various markets. In some cases, third-party shareholders hold non-controlling interests in these subsidiaries. Various disadvantages may potentially result from the participation of minority shareholders, whose interests may not always coincide with those of the Group. The presence of non-controlling interests may, among other things, impede the ability of the Group to implement organizational efficiencies and transfer cash and assets from one subsidiary to another in order to allocate assets most effectively, or create impediments to the Group's exit from certain investments in a successful and timely manner. The Group has entered into joint ventures in the past and may enter into such arrangements in the future, and there can be no assurance that such joint ventures will be successful or fail due to disagreements between the Group and its partners.

**1.10**      *The Group is subject to fluctuations and various risks of business interruption, including as a result of natural disasters.*

Due to the high fixed cost nature of the building materials industry, interruptions in production capabilities at any facility may cause the productivity and profitability of the Group to decline significantly during the affected period. The manufacturing processes of producers of building materials are dependent upon critical pieces of equipment, such as cement kilns, crushers, grinders and other equipment. This equipment may, on occasion, be out of service as a result of strikes, unanticipated failures, accidents or other force majeure events. In addition, there is a risk that equipment or production facilities may be damaged or destroyed by such events. For example, the Group has experienced in the past disruptions due to equipment failures, including the collapse of plant roofs, and due to labor interruptions in the form of employee strikes, which forced the Group to incur additional costs and led to delays in its production process. Any extended period of suspended production at any of the Group's plants could have a material adverse effect on the Group's business, financial condition, profitability or prospects.

The Group's presence in various markets, including the United States, Greece, Egypt and Turkey, increases its exposure to a number of meteorological and geological risks, such as natural disasters, climate hazards or earthquakes, which could damage its property or result in business interruptions and could have a material adverse effect on its operations. For example, in the second half of 2017, Hurricane Irma impacted Titan America's performance in Florida, resulting in a loss of production and turnover. Whilst the Group insures against such risks, it could be harmed by unexpected events or liabilities, for which the Group cannot assume that its existing insurance coverage will be sufficient. Any inadequacy in insurance coverage or a protracted dispute with an insurance provider as to the extent of the insurance coverage may have a material adverse effect on the Group's financial condition and results of operations.

**1.11**      *The Group is subject to fluctuations in distribution costs.*

The Group incurs significant expenses related to the distribution of its products to the markets in which it operates. The Group's distribution expenses include, among other things, fuel costs and charter expenses for trucks and vessels used in the transportation of its products. For the year ended December 31, 2018, distribution expenses represented 15.8 per cent of the Group's cost of sales. Distribution expenses are impacted by a number of factors such as fuel costs, weather conditions and the Group's logistics footprint, including the size and utilization of its fleet of trucks, the cost of chartering trucks and vessels from third parties and the cost of other distribution infrastructure such as terminals and distribution centers. Any substantial increase in the Group's distribution expenses or interruption in distribution could put pressure on the Group's profit margin and adversely affect the Group's business, prospects, financial condition and results of operations.

**1.12**      *The Group is subject to certain operational risks, including risks regarding safety at work.*

Cement production and the operation of quarries can be a hazardous industry, and factors outside the Group's control, such as weather and temperature, can increase the risks related to cement production and operation of quarries. Safety at work is one of the Group's top priorities and is a precondition for the operation of the Group's plants. Although the Group implements strict safety policies and training programs intended to systematically educate employees on safety as well as detailed procedures and systems, these programs may fail to prevent all such accidents and, as a result, the Group could be subject to administrative and/or legal proceedings arising as a result of breaches of health and safety by employees of the Group, any of which may have an adverse effect on the Group's operations and reputation. The cement production process could also generate environmental impacts, including dust and noise, and may require the storage of waste materials, including in liquid form. Significant dust, noise or liquid pollution from site operations could also have the potential of affecting the Group's employees, communities and the environment near the Group's operations, and also negatively affect the Group's business, results of operations and financial condition.



**1.13** *The Group’s estimates of the volume and grade of its limestone deposits could be overstated, and the Group may not be able to replenish its reserves.*

The Group reserve estimates regarding the average limestone reserve at the Group’s quarries are prepared by its own engineers and geologists, and are subject to regular review by its corporate staff jointly with its regional technical managers. The Group also uses the services of third-party geologists and/or engineers to validate its own estimates where it deems appropriate. Reserve engineering involves estimating deposits of minerals that cannot be measured precisely, and the accuracy of any reserve estimate is a function of the quality of available data, as well as engineering and geological interpretation and judgment. Accordingly, the Group’s limestone reserves constitute its estimates based on evaluation methods generally used in its industry and on its assumptions as to the Group’s production, as well as market prices for limestone. There are numerous uncertainties inherent in estimating quantities of reserves and in projecting potential future rates of mineral production, including many factors beyond its control, including the risk that the Group might not be able to renew certain of its limestone quarry licenses, resulting in lower extracted volumes of limestone compared to the Group’s initial estimates. As a result, there can be no assurance that the Group’s limestone reserves will be recovered in full or at the rates the Group anticipates. The Group may be required to revise its reserve and mine life estimates based on its actual production and other factors. As a result, the Group’s limestone reserves could be lower than its estimates, and it might be required to purchase limestone from third-party suppliers or to develop mines at a greater distance from its facilities, any of which would materially adversely affect its financial condition and results of operations.

**1.14** *The Group faces risks from potential and on-going litigation.*

In the ordinary course of its business, the Group is involved, and may in the future become involved, in a number of legal proceedings incidental to its operations, including product liability, commercial, ownership disputes, competition, environmental and health and safety matters, social security and tax claims. Certain of the Group’s subsidiaries are also involved in proceedings related to their privatization, see “*Part III: Business—Description of the Group—Legal Proceedings*”.

Although the Group’s management believes these matters will be resolved without any significant impact on its business, financial position or results of operations, the actual outcome of these legal proceedings is uncertain and in the case of an adverse final decision in any of these legal proceedings, the Group’s business, financial position and results of operations may be adversely affected. Furthermore, such proceedings can divert the attention of the Group’s management from its business and any negative publicity resulting from such proceedings or other disputes may result in substantial expenses and adversely affect the Group’s business, reputation, prospects, financial condition and results of operations.

**1.15** *The Group is subject to impairment losses related to non-financial assets.*

The cement and, to a lesser extent, the aggregates and other construction materials business is capital intensive. Due to the heavy weight of the product and its high distribution costs, shifts in local markets and/or product ranges might lead to impairment of the assets concerned as the investment in those assets may not yield the return that was expected when the investment was made. Impairment losses impact negatively on profitability and equity. The Group has incurred, and may in the future incur, impairment losses. For example, the Group’s subsidiaries in Egypt booked a significant impairment on valuation of their assets, subsequent to the devaluation of the Egyptian Pound in 2016.

**1.16** *Certain tax matters may have an adverse effect on the Group’s cash flow, financial condition and results of operations.*

The Group is subject to multiple tax laws and various regulatory requirements that affect its commercial, financial and tax objectives. As the tax laws and regulations in effect in the various jurisdictions in which the Group operates do not always provide clear or definitive guidelines, the Group’s structure, the conduct of its business and its tax practices are based on its interpretation of applicable tax laws and regulations. The Group

cannot guarantee that these interpretations will not be questioned by the tax authorities, or that applicable laws and regulations in certain countries will not change, be interpreted differently or be applied inconsistently. More generally, any violation of tax laws and regulations in the countries where the Group companies are located or do business could lead to tax assessments or the payment of late fees, interest, fines and penalties. This could have a negative impact on the Group's effective tax rate, cash flow and results of operations.

In most of the markets in which the Group operates, tax legislation is revised frequently. Changes to tax legislation which result in increased taxes being levied on the Group may adversely impact the Group's operations and profitability. Additional tax expenses could accrue in relation to previous tax assessment periods, which are still subject to a tax audit or a pending tax audit or have not yet been subject to a tax audit. As a result, relevant tax authorities could revise original tax assessments and substantially increase the Group's tax burden (including interest and penalty payments). When particular matters arise, a number of years may elapse before such matters are audited and finally resolved.

**1.17        *The Group's capital expenditure projects may face funding challenges, delays and cost overruns.***

Following the completion of an ambitious program focused mostly in the United States and Egypt, which reached €324.0 million of capital expenditure over the course of a two-year period, 2015 and 2016, the Group expects that the level of capital expenditure will gradually revert to lower levels, focusing primarily on maintenance and normal course of business improvements. However, there can be no assurance that no additional capital expenditure will be needed to realize expected benefits of the above two-year program, or that the Group will not need to incur higher than expected expenses to maintain or upgrade its machinery and programs in connection with this program. In the years ended December 31, 2018 and 2017, the Group's capital expenditures amounted to €118.5 million and €122.5 million, respectively. However, despite any short-term reductions in capital expenditures as compared to recent periods, capital expenditures may increase in the future, given the capital intensive nature of the Group's business, and any such expenditures may be financed from the Group's operational cash flows, through additional debt or equity financing. The Group's access to external sources of financing will depend on many factors, including factors beyond its control, such as conditions in the global capital markets and investors' risk perception of investing in the markets in which the Group operates, including Greece and emerging markets such as Turkey, Egypt and Brazil. Any equity or debt financing, if available, may not be on terms that are favorable to the Group. Similarly, there can be no assurance that the Group will receive sufficient cash flows from its operations to fund its capital expenditures programs.

The Group has certain capital expenditure projects underway such as improving operational performance by implementing Group-wide new SAP and IT systems, the development of its centralized procurement programs, the optimization in the Group's supply chain, leveraging digital technology and increasing the use of its automated maintenance processes, and is likely to engage in additional projects in the future. There can be no assurance that such investment projects will be completed in a timely manner or on budget. Factors that could result in planned investment expenditures being delayed or cancelled include construction difficulties and the failure to obtain all requisite planning and other consents. Difficulties associated with the granting or extension of permits could result in significant delays of future investments and growth or even the suspension of particular projects. Additional financing may not be available to us, or, if available, it may not be obtained on a timely basis and on commercially acceptable terms.

If the Group's access to external financing is limited, or if the amount of capital required exceeds management estimates, the Group may not be able to fully implement its business strategy, which may limit the future growth and development of its business, which may have a material adverse impact on its financial condition and results of operations.

**1.18        *The Group's insurance coverage may not cover all the risks to which it may be exposed.***

The Group faces the risks of loss and damage to its property and machinery due to fire, theft and natural disasters such as floods and earthquakes. Such events may cause a disruption to or cessation of its operations. While the Group believes that has insurance coverage in line with industry practices, in some instances the

Group's insurance coverage, with sums insured amounting to approximately €2.1 billion as at December 31, 2018, may not be sufficient to cover all of its potential unforeseen losses and liabilities. In addition, its insurance coverage is subject to deductibles, exceptions and limitations, and may not cover all the risks to which it may be exposed.

In addition, its insurance coverage is subject to periodic renewal. If the availability of insurance coverage is reduced significantly for any reason, it may become exposed to certain risks for which it is not and, in some cases could not be, insured. Moreover, if the Group's losses exceed its insurance coverage, if its losses are not covered by the insurance policies it has taken up, or if it is required to pay claims to its insurers pursuant to the reinsurance arrangements described above, it may be liable to cover any shortfall or losses. The Group's insurance premiums may also increase substantially because of such claim from the Group's insurers. Although as at the date of this Prospectus there had been no instances where the Group considers its insurance coverage to have been insufficient, in any of the above circumstances, the Group's results of operations, business and financial condition could be adversely affected.

#### **1.19        *The Group is exposed to risks from acquisitions.***

The Group's long-term strategy includes both organic growth and growth via acquisitions, in order to strengthen and develop its existing activities, particularly in growth areas, and as a means of reducing market-specific risk via geographic diversification. The successful implementation of such an acquisition strategy depends on a range of factors, including:

- the ability of the Group to identify appropriate opportunities;
- complete acquisitions at an appropriate cost;
- successfully assess the relevant target's business risks and prospects;
- prevent any disruptive events arising out of the target's operations;
- resolve potential integration issues;
- secure relevant approvals in relation to applicable competition or merger control laws;
- obtain the required operating licenses;
- comply with restrictive covenants of the Group's financing agreements; and
- achieve an acceptable rate of return from its acquisitions.

There may also be substantial challenges or delays in integrating and adding value to the businesses acquired or to be acquired by the Group. The costs of integration could be materially higher than budgeted and the expected synergies resulting from such acquisitions may not be realized. Any acquisitions that the Group has completed or completes are accompanied by other risks commonly encountered with acquisitions of companies or businesses, such as a potential disruption to the Group's businesses, the assumption of unexpected or greater than expected liabilities relating to the acquired assets or businesses (including environmental liabilities arising from contaminated sites) and the possibility that indemnification agreements with the sellers of such assets may be non-existent, unenforceable or insufficient to cover all potential liabilities, the possibility of regulatory interference, the imposition and maintenance of regulatory controls, procedures and policies and the impairment of relationships with employees and counterparties as a result of difficulties arising out of integration. Moreover, the value of any business that the Group acquires or invests in may be less than the amount it has paid. Any failures to successfully integrate or delays in integrating acquired assets and businesses could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

**1.20** *The Group may fail to retain and attract qualified and experienced employees, or fail to maintain satisfactory labor relations with its unions.*

While the Group aims to attract and retain the best possible candidates from domestic and international markets, the Group may be unable to recruit and retain experienced, capable and reliable personnel, especially senior and middle management with appropriate professional qualifications. Moreover, if members of the Group's senior management team were to depart, the Group might not be able to implement a successful succession program in a timely manner, if at all.

The Group enters into discussions and collective bargaining agreements with labor unions, which, in certain of the Group's business units, in particular in Greece and Southeastern Europe, represent more than 45.0 per cent of its workforce in 2018. Although the Group maintains good relations with its unions and has not faced a material strike that affected its operations since 2015, there can be no assurance that it will not experience labor unrest, difficulty in negotiating collective bargaining agreements or disputes or actions in the future, some of which may be significant and could adversely affect the Group's business, prospects, financial condition, reputation and results of operations.

**1.21** *The Group is subject to risks associated with failures in information systems and cyber-security.*

The operation of many of the Group's business processes depends on the uninterrupted availability of its information technology ("IT") systems. To maintain competitiveness, the Group is increasingly reliant on automation, centralized operation and new technologies to manage and monitor its production and other activities. As a consequence, any localized or widespread system failure, whether deliberate (such as an outage resulting from a cyber-attack) or unintentional (such as network, hardware or software failure), could have adverse effects at various levels. The complexity and associated risks to the maintenance and security of these systems is ever increasing, especially due to the introduction of service and logistics centers based on central server solutions. The impact of such a failure also increases with the number of connected locations as well as the increasing digitalization of business processes. Risks could arise from the unavailability of IT systems, the delayed provision of important data, and the loss or manipulation of data and the risk of system disruption due to mechanical failure or malicious attack requires processes to back-up systems and data on a regular basis. The realization of one or more of these risks could materially adversely affect the Group's business, financial condition, reputation and results of operations.

**1.22** *The Group's existing compliance controls, although considered sufficient by the Group's management, may fail to prevent or detect inadequate practices, fraud, and violations of law by the Group's intermediaries, customers, suppliers, partners or employees.*

The Group is subject to various legal and regulatory requirements and risks in the markets in which the Group operates, such as antitrust, anti-money laundering, anti-bribery and anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act, or other sanctions laws and regulations imposed by international organizations or individual nations. The Group's existing compliance controls may not be sufficient in order to prevent or detect inadequate practices, fraud, and violations of law by the Group's intermediaries, customers, suppliers, partners, affiliates or employees. Should any of the Group's intermediaries, customers, suppliers, partners, affiliates or employees receive or grant inappropriate benefits or use corrupt, fraudulent or other unfair business practices, the Group could be confronted with legal sanctions, penalties, loss of orders, claims by injured parties or harm to the Group's reputation. This could have a material adverse effect on the Group's business, financial position and results of operations.

**1.23** *The Group may fail to obtain or renew, or may experience material delays in obtaining, requisite approvals, licenses and permits from the relevant national and/or regional governments or authorities for the conduct of its business.*

The Group requires various approvals, licenses, permits and certificates from the relevant national and/or regional governments or authorities in the markets in which the Group operates, in particular in connection with

operating its limestone quarries. Such permits are typically long-term, ranging from 10 to 15 years, and they are typically automatically renewed five years before their expiration. The Group cannot provide assurance or guarantee that it will not encounter problems in obtaining new or renewing existing licenses, permits and certificates required in the conduct of its businesses, or provide assurance that the Group will continue to satisfy the conditions to which such licenses, permits, and certificates are granted. There may also be delays on the part of regulatory and administrative bodies in reviewing applications and granting approvals, which could result in delays or increased costs to the Group's operations. If the Group fails to obtain or maintain the necessary permits, licenses and certificates required for the conduct of its business, the Group may be required to incur substantial costs, which could have a material adverse effect on the Group's business, financial position and results of operations.

## **2. Risks Relating to the Industry in Which the Group Operates**

### **2.1 *The Group's business is affected by the cyclical nature of the construction industry.***

The building materials industry is dependent on the level of activity in the construction sector, which tends to be cyclical and dependent on various factors, including, but not limited to, the level of infrastructure spending, the demand for private and commercial real estate, mortgage lending, local economic activity, inflation and interest rates. In particular, public investments are driven by the relevant national or regional government to increase investments in infrastructure. For example, the United States government has announced substantial increases in infrastructure spending, but such spending measures are still under political debate and deliberation. There can be no assurance that spending will indeed be approved or that it will be diverted to the markets in which the Group operates. Similarly, there can be no assurance that the planned public projects scheduled for 2019 in Greece will not face further delays, leading to a further reduction of cement demand in Greece. Political instability or changes in government policy and funding can also adversely impact the construction industry. Although private construction, and in particular housing, is in part driven by the growth of the economy, the level of construction activity may fall even if the economy in general is growing. The cyclicity of the construction sector, together with its dependence on economic activity, could have a negative impact on the financial results of the Group and the profitability of its operations. The Group has operations in mature markets such as the United States and emerging markets such as Egypt, Brazil and Turkey. Some of these markets' contribution to revenues and/or profitability is significant, and, accordingly, the Group's revenues and/or profitability already have been, and may in the future be, materially adversely affected by downturns in the construction industry in individual markets as well as global downturns.

The Group's business, results of operations or financial condition could be adversely affected by a continued deterioration of the global economic outlook or cyclical weakness in the construction industry on a global scale or in a significant market in which it operates.

### **2.2 *The Group's results are affected by the seasonal nature of the construction business.***

During the winter season in temperate areas in the northern hemisphere and the rainy season in tropical climates in Latin America and Florida, there is typically lower activity in the construction sector, especially where meteorological conditions make large-scale construction projects difficult, resulting in lower demand for building materials. The Group is expected to continue to experience a decrease in sales during the first and fourth quarters reflecting the effect of the winter season in Europe and North America and an increase in sales in the second and third quarters reflecting the effect of the summer season in these markets. This effect can be especially pronounced during harsh or long winters. In addition, high levels of rainfall in tropical regions during the wet season can adversely affect operations. For example, construction activities in Florida suffered disruptions in 2017 due to Hurricane Irma. Besides the seasonal effects of weather conditions, if such conditions are unusually intense, occur unexpectedly or last longer than usual in the Group's major geographic markets, especially during seasonal peak construction periods, such outcome could have a material adverse effect on the Group's business, results of operations and financial condition.

### **2.3            *The Group is subject to significant competition in the markets in which it operates.***

The markets for cement, aggregates and other construction materials and services are very competitive. Competition in these segments is based largely on price and, to a lesser extent (but still substantially), on the quality of the material, service provided, logistics and innovative solutions offered. Similarly, the Group's products are fairly commoditized and the Group's ability to price them in a profitable manner is constrained by a competitive price environment, restricting the Group's profitability levels. On the basis of data contained in the Global Cement Directory (2018 edition), the Group estimates that in 2018, the top four cement producers represented approximately 25.0 per cent to 30.0 per cent of global production (excluding China) in a market otherwise characterized by a large number of smaller regional players. Competition for the Group in the cement industry varies from market to market, and the Group is competing both with global players in the markets in which it operates and numerous small or localized competitors. In particular, the Group's competitors that are active on a global level are usually established companies, with greater manufacturing and distribution channels and other better resources, and may benefit from greater brand recognition compared to the Group's, which could allow them to offer more competitive prices to their customers and increase their market gains to the detriment of the Group in the markets in which it operates. Competition, whether from established market participants or new entrants, could cause the Group to lose market shares, increase expenditures or reduce pricing, any one of which could have an adverse effect on the Group's business, results of operations or financial condition.

The Group competes in each of the markets in which it operates with domestic and international cement producers, as well as importers and foreign construction service providers. The Group could face increased competition, which would result in lower prices and decreased volumes, either from existing players or new entrants to the markets in which the Group operates. Further, the profitability of the Group is generally dependent on the level of demand for such building materials and services as a whole as well as on its ability to maximize efficiencies and control operating costs. Prices in these markets are subject to material changes in response to relatively minor fluctuations in supply and demand, general economic conditions and other market conditions beyond the Group's control.

In order to maintain or further reinforce its competitive position, the Group relies on periodic investments in the areas of production and innovation, and on regular maintenance of its production facilities. In the future, the Group may not have adequate resources to continue to make such investments, and, as a result, may not be able to continue to successfully compete in the markets in which it operates. In addition, competitors could react more quickly to the changing needs of customers, differentiate themselves more effectively, or improve the functionality or performance of their products more quickly than the Group or in a more cost-effective manner. As a consequence, the Group may face significant price, margin or volume declines in the future, which could have an adverse effect on its business, results of operations or financial condition in particular in markets where cement overcapacity or oversupply is prevalent.

### **2.4            *Increased market demand for cement substitutes could have an adverse impact on the Group's business.***

The Group specializes in the production of cement, aggregates, ready-mix concrete and related products and derives substantially all of its turnover therefrom. Materials such as wood, steel, gypsum, plastic, aluminum and ceramics can be used in construction as a substitute for cement. Other existing construction techniques, such as the use of dry wall, as well as any new construction techniques and modern materials, could decrease the demand for cement, ready-mix concrete and mortars. In addition, new construction techniques and modern materials which could replace the use of cement may be introduced in the future. The use of substitutes for cement could cause a significant reduction in the demand and prices for the products of the Group and may have an adverse effect on its business, results of operations and financial condition.

### **3. Market risks**

#### **3.1 *Fluctuations in foreign exchange rates may have an adverse effect on the Group's business***

The Group operates internationally and therefore faces foreign exchange risks arising from various currency exposures. The Group operates and sells its products in Greece and Western Europe, the United States, Southeastern Europe, the Eastern Mediterranean and Brazil, and the vast majority of its turnover is generated in currencies other than the Euro (its reporting currency), including the U.S. dollar, the Egyptian Pound, the Turkish Lira, the Serbian Dinar, the Albanian Lek and the Brazilian Real. In the year ended December 31, 2018, only 20.8 per cent of the Group's turnover was recorded by legal entities using the Euro as their reporting currency, while 57.7 per cent was reported in U.S. dollars, 9.1 per cent in Egyptian Pounds, 3.7 per cent in Macedonian Dinars, 3.6 per cent in Serbian Dinars and 5.2 per cent in other currencies. In terms of EBITDA, 7.9 per cent of the Group's EBITDA was generated by legal entities using the Euro as their reporting currency, while 69.0 per cent was reported in U.S. dollars, 4.2 per cent in Egyptian Pounds, 8.1 per cent in Macedonian Dinars, 6.2 per cent in Serbian Dinars and 4.7 per cent in other currencies. As a result, movements in exchange rates have a significant influence on the Group's business, results of operations and financial condition.

The Group operates in 14 countries, eight of which present their financial statements in currencies other than the Euro, the Group's functional currency. As a result, the translation of local statements of income into Euros creates currency translation effects, which the Group does not actively hedge in the financial markets. Currency fluctuations can also result in the recognition of foreign exchange losses on transactions, which are reflected in the Group's consolidated statement of income. Such translation effects are in particular relevant to the Group's United States and Egyptian operations. For example, because of the Euro's strengthening against other currencies (primarily the U.S. dollar and the Egyptian Pound) in the year ended December 31, 2017, the Group's turnover and EBITDA were €148.4 million and €17.9 million, respectively, lower than what they would have been if these exchange rates had remained stable at 2016 levels. Similarly, the Group's turnover and EBITDA for the year ended December 31, 2018, were €51.5 million and €7.9 million, respectively, lower than what they would have been if these exchange rates had remained stable at 2017 levels. Such risks are further exacerbated with connection to the Group's exports from Greece to the United States through U.S. dollar-denominated contracts. In these cases, a weaker U.S. dollar leads to a decrease in effective export prices and the Greek and Western Europe segment's profit margins but also creates an exchange rate translation loss.

In addition, the Group's statement of financial position is only partially hedged by debt in foreign currencies, and therefore a significant decrease in the aggregate value of such local currencies against the Euro may have a material effect on the Group's shareholders' equity. Further, such foreign exchange losses affecting the Group's equity could be also recognized as loss on the Group's income statement, should the Group dispose the relevant subsidiary. There can be no assurance that appreciation of the Euro against other currencies will not occur in the future or that future political events will not affect other currencies to which the Group is exposed. The Group's statement of comprehensive income is also affected by foreign exchange variations, mainly deriving from the translation of the statement of financial position as well as the income statement and the statement of other comprehensive income of the Group's subsidiaries that are denominated in foreign currencies, when these are translated to Euro. For example, the Group recorded foreign exchange losses in its statement of comprehensive income of €110.2 million and €200.5 million in the years ended December 31, 2017 and 2016, respectively, resulting from fluctuations in foreign exchange rates against the Euro.

The Group seeks to reduce the overall exposure by netting purchases and sales in each currency on a global basis where feasible, and then covers its net position in the market. These derivative instruments are generally limited to forward contracts and currency swaps and the Group does not enter into foreign currency exchange contracts other than for hedging purposes. With regard to transaction-based foreign currency exposures, the Group's policy is to hedge material foreign currency exposures through derivative instruments. To the extent that such hedges are not effective in terms of accounting classification, they will have a direct impact on the Group's income statement or the Group's shareholders' equity. For a sensitivity analysis in connection to the Group's foreign exchange risk, see Note 33 of the 2018 Consolidated Financial Statements incorporated by

reference in this Prospectus. If the Group is unable to manage foreign exchange risk effectively through hedging or otherwise, its business, results of operations and financial condition could be adversely affected in the future.

**3.2        *The Group’s ability to repay or refinance its indebtedness on time and distribute dividends and share capital to its shareholders depends upon its future cash flows from operations, as well as prevailing market conditions.***

The Group’s indebtedness primarily consists of bonds issued in the capital markets, bilateral loans and syndicated loans. The Group’s ability to make payments on and refinance its indebtedness and to fund working capital, capital expenditures and other expenses will depend on its future operating performance and ability to generate cash from operations. The Group’s ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond the Group’s control. The Group may not be able to generate sufficient cash flow from operations or obtain enough capital to service the Group’s debt or fund its planned capital expenditures.

Similarly, the Company is a holding company and its ability to repay the Group’s debt, pay dividends or make other contributions to its shareholders depends on its subsidiaries’ ability to pay cash to the Company pursuant to dividend payments and/or other obligations. The ability of the Company’s subsidiaries to pay dividends to the Company in the future will depend on their earnings, covenants contained in future financing or other agreements and on regulatory restrictions. Similarly, the Group may be unable to distribute dividends in order to maintain its existing credit rating and avoid any potential credit downgrade. Thus, the Company may not be able to have sufficient funds to pay its debt or distribute dividends, see “—*Risks Relating to an Investment in Shares—There can be no assurance that the Company will make dividend payments in the future.*”

The Group’s ability to refinance its debt will depend in part on its financial position at such time. Any refinancing of the Group’s debt could be at higher interest rates than its current debt and may require the Group to comply with more onerous covenants, which could further restrict its business operations. The terms of existing or future debt instruments may restrict the Group from adopting some of these alternatives.

The economic environment has in the past been marked by a scarcity of financing for periods of time, in particular with regard to long-term financing. If financial and economic conditions were to deteriorate, including as a result of political and economic uncertainty or instability, or if interest rates were to increase, it may be more costly and more difficult for the Group to access new credit or to refinance its debts on terms that are acceptable to it, or at all. This could have a material adverse effect on the Group’s business, results of operations and financial condition. In addition, as at the date of this Prospectus, the Group’s credit rating is BB+ (outlook negative) by S&P, and there can be no assurance that such credit ratings will not be revised downwards in the future, which could increase the costs of the Group’s financing.

**3.3        *Increases in interest rates may have an adverse effect on the Group’s business.***

As at December 31, 2018, approximately 88.7 per cent of the Group’s indebtedness was subject to floating interest rates, compared to approximately 11.3 per cent of its indebtedness being at fixed rates. As a consequence, any rise in short-term interest rates exposes the Group to increased borrowing costs. The ratio of fixed to floating rates of the Group’s borrowings is decided on the basis of market conditions, Group strategy and financing requirements. The Group seeks to manage interest rate risk with interest rate derivatives and by maintaining a balance between fixed rate and floating rate exposure. However, no assurance can be given that these measures will be effective in protecting the Group against interest rate risk and a failure to manage this risk could have an adverse effect on the Group’s business, results of operations and financial condition. For additional information on interest rate changes and the relevant sensitivity analysis, see Note 33 of the 2018 Consolidated Financial Statements incorporated by reference in this Prospectus.



### **3.4        *The Group faces counterparty risks.***

The Group is exposed to credit risk in the event of default by a counterparty (mainly banks and other financial institutions). The Group is also exposed to a lower extent to counterparty risk with respect to its customers because of the Group's rigorous selection of its counterparties, by regularly monitoring the ratings assigned to counterparties by credit rating agencies, and by taking into account the nature and maturity of the Group's exposed transactions, according to Group policies. Counterparty limits are defined and regularly reviewed. However, no assurance can be given that these measures adequately protect the Group from all counterparty risks, including, in particular, in the case of a systemic financial crisis, which could have a material adverse effect on the Group's business, results of operations and financial condition.

## **4.        *Risks Relating to the Share Exchange Offer***

### **4.1        *Existing Shareholders of Titan are under no obligation to participate in the Share Exchange Offer and, as a result, if the Acceptance Condition to which the Share Exchange Offer is subject is not met, the Share Exchange Offer will lapse.***

Although the Share Exchange Offer is supported by the Founders and E.D.Y.V.E.M. Hellenic Construction Materials, Industrial, Commercial Transportation Public Company Limited ("**E.D.Y.V.E.M.**") who have stated that they will tender their Existing Shares in the Share Exchange Offer, on the same terms and subject to the same conditions as all other Existing Shareholders, there can be no assurance that such other Existing Shareholders will accept the Share Exchange Offer. In addition, the Share Exchange Offer is subject to the Acceptance Condition. In this respect, the Company refers to the share exchange offer that was initiated on October 18, 2018 and for which the 90 per cent acceptance condition was not met; approximately 87 per cent of the ordinary and approximately 92 per cent of the preference shares of Titan were tendered in the context of that offer. If upon expiration of the Share Exchange Offer the Acceptance Condition is not satisfied, the Share Exchange Offer will lapse and all tendered Existing Shares will be returned to their holders.

### **4.2        *Even if the Acceptance Condition is satisfied, unless and until the Greek Statutory Squeeze-out and/or Greek Statutory Sell-out processes are completed, as the case may be, minority shareholders in Titan will be entitled to their pro rata share of any dividends that may be declared and paid by Titan.***

If the Company receives valid acceptances from Existing Shareholders in satisfaction of the Acceptance Condition, but the Relevant Threshold is not reached, the remaining Existing Shares will be held by persons, other than the Company, who will be entitled to receive dividend payments in respect of such shares. Furthermore, even if the Relevant Threshold is reached, the holders of such remaining Existing Shares will have a pro rata claim upon any dividends of Titan that may be declared and paid prior to such time as the Greek Statutory Squeeze-out and/or Greek Statutory Sell-out processes are completed and, as such, may receive dividend payments from Titan in advance of any dividend payments that the Company might make to its shareholders. Furthermore, if there were to be a residual minority interest in Titan, this interest would need to be reflected in the consolidated financial statements of the Company as a "non-controlling interest" in the Company's statement of financial position. In this case, the historical financial data in respect of the non-controlling interest for Titan incorporated by reference in this Prospectus may not be directly comparable to the financial data that the Company will publish until such time as the Greek Statutory Squeeze-out and/or Greek Statutory Sell-out processes, if any, are completed.

### **4.3        *The liquidity and market value of the Shares could also be adversely affected by a continuing trading market in the Existing Shares.***

The Company requires the approval of shareholders holding at least 95.0 per cent of each class of Existing Shares to delist the Existing Shares from the ATHEX, and, if the Company fails to acquire such percentages in the Share Exchange Offer, it will not control a sufficient number of Existing Shares in the general meetings of its ordinary and preference shareholders to pass a resolution to approve the delisting of the Existing Shares from

the ATHEX, unless the Relevant Threshold is reached and until such time as the Greek Statutory Squeeze-out and/or Greek Statutory Sell-out processes are completed. If the Existing Shares remain listed on the ATHEX for a significant period of time following completion of the Share Exchange Offer and, if the Relevant Threshold is reached, before the completion of the Greek Statutory Squeeze-out and/or Greek Statutory Sell-out processes, the liquidity and market value of the Shares could be adversely affected by a continuing trading market in the Existing Shares.

**4.4** *If the Relevant Threshold is reached, any indebtedness incurred by the Company in order to pay the total cash consideration to Existing Shareholders electing to receive cash consideration instead of New Shares in any Greek Statutory Squeeze-out and/or Greek Statutory Sell-out will increase the Company's leverage.*

Existing Shareholders could elect to receive cash consideration in lieu of New Shares in any of the Greek Statutory Squeeze-out or Greek Statutory Sell-out, as the case may be. If the Relevant Threshold is reached, the indebtedness that may be incurred by the Company under the Statutory Squeeze-out Facility to satisfy the total cash consideration payable to Existing Shareholders in any of the Greek Statutory Squeeze-out or Greek Statutory Sell-out will increase the Group's leverage and could have an adverse impact on the credit ratings of the Group. Any reduction in the credit ratings of the Group by the rating agencies could adversely affect its interest costs and, in the longer term, its financing sources.

**5. Risks Relating to an Investment in Shares**

**5.1** *The Shares may not have an active trading market, which may have an adverse impact on the value of the New Shares.*

There has been no prior public market for the Shares and an active trading market for the Shares may not develop. The Company has applied for admission to trading of all Shares on Euronext Brussels. Additionally, the Company has applied for a secondary listing on the ATHEX and on Euronext Paris. However, there can be no assurance that a liquid market will develop for the Shares, that holders of the Shares will be able to sell their Shares or that such holders will be able to sell their Shares for a price that reflects their value. Furthermore, shares traded on the ATHEX are less liquid and more volatile than shares traded on other major stock exchanges and have in the past experienced substantial fluctuations in their market price, which could affect the market price and liquidity of the Shares of any shareholders electing to transact on their Shares on the ATHEX.

**5.2** *There can be no assurance that the Company will make dividend payments in the future.*

The Company currently intends to pay dividends, subject to the availability of distributable profits and reserves, computed on the basis of the stand-alone financial statements, and any material external growth opportunities. There can be no assurance, however, that the Company will make dividend payments in the future. The payment of dividends will depend on factors such as its business prospects, cash requirements, including those related to any material external growth opportunities, financial performance, the condition of the market and the general economic climate, and other factors, including tax and other regulatory considerations. Furthermore, as the Company itself is a holding company and does not perform any operating activities, its ability to pay dividends and the level of any dividends is subject to the extent to which it receives funds, directly or indirectly, from its subsidiaries including Titan. The ability of the Company's operating subsidiaries, and in turn Titan, to make loans or distributions to the Company may, from time to time, be restricted as a result of several factors, including restrictions in their financing agreements, capital controls or other foreign exchange limitations, the requirements of applicable law and regulatory, fiscal or other restrictions (including, for example, the application of a dividend withholding tax and the ability to use any double tax treaty to mitigate such tax) in the jurisdictions where the Group operates. If earnings and cash flow from the Company's operating subsidiaries were substantially reduced for a sufficient length of time, the Company may not be in a position in the longer term to make distributions to shareholders. The Company is also subject to certain financial covenants pursuant to the Statutory Squeeze-out Facility that may limit the payment of dividends.

In addition, under Belgian law and the Articles of Association, before it can pay dividends, the Company must allocate an amount of 5.0 per cent of its Belgian GAAP annual net profit (*nettowinst/bénéfices nets*) to a legal reserve in its stand-alone statutory accounts until the reserve equals 10.0 per cent of the Company's share capital. The Company's legal reserve currently does not meet this requirement nor will it meet the requirement at the time of Closing. Accordingly, 5.0 per cent of the Belgian GAAP annual net profit of the Company during future years will need to be allocated to the legal reserve, limiting the Company's ability to pay out dividends to its shareholders until the 10.0 per cent ceiling is met.

As a consequence of these factors, there can be no assurance as to whether dividends or similar payments will be paid out in the future or, if they are paid, their amount.

### **5.3 *Investors may not be able to recover in civil proceedings for U.S. securities law violations.***

Most of the directors and members of the Management Committee of the Company live outside the United States; therefore a substantial portion of the assets of the Company and of the assets of these individuals are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon these individuals or the Company or to enforce against them judgments obtained in the United States based on the civil liability provisions of the U.S. securities laws. In addition, there is uncertainty as to the enforceability in Belgium of original actions or actions for enforcement of judgments of U.S. courts of civil liabilities predicated solely upon the federal securities laws of the United States.

### **5.4 *Investors resident in countries other than Belgium and Greece and France may suffer dilution if they are unable to participate in future preferential subscription rights offerings.***

Under Belgian law, shareholders have a waivable and cancellable preferential right to subscribe pro rata to their existing shareholdings to the issuance, against a contribution in cash, of new shares or other securities entitling the holder thereof to new shares. The exercise of preferential subscription rights by certain shareholders not residing in Belgium, Greece and France may be restricted by applicable law, practice or other considerations, and such shareholders may not be entitled to exercise such rights. In particular, there can be no assurance that the Company will be able to establish an exemption from registration under the U.S. Securities Act, and the Company is under no obligation to file a registration statement with respect to any such preferential subscription rights or underlying securities or to endeavor to have a registration statement declared effective under the U.S. Securities Act. Shareholders in jurisdictions outside Belgium, Greece and France who are not able or not permitted to exercise their preferential subscription rights in the event of future rights offerings may suffer dilution of their shareholdings.

### **5.5 *Capital controls in Greece may adversely affect the liquidity of the Group or the Shares.***

On June 28, 2015, capital controls were imposed in Greece, which provided for limits on all cash withdrawals and restrictions on payments abroad out of Greek bank accounts. Although the capital controls were subsequently gradually eased, and limitations to cash withdrawals within Greece were abolished, the limit on payments abroad was raised and repatriation of gains and dividends deriving from certain investments was significantly liberalized, there can be no assurance that more restrictive capital controls will not be reimposed in the future, which could adversely affect the Group's business, financial condition or results of operations. More specifically, payments abroad in respect of certain transactions over €1,000,000 per business day by legal entities are subject to approval by the Banking Transactions Committee, a special committee composed of representatives of the Greek government, the Greek central bank, the HCMC and the Union of Greek Banks.

Although Titan maintains and is expected to continue to maintain sufficient liquidity outside Greece to allow it to fund payments abroad, including payments of dividends to the Company and any other shareholders, if, in the future, the amount of such payments exceeds the available liquidity held outside of Greece, Titan would be required to seek the approval of the Banking Transactions Committee (or a sub-committee thereof), which may not be granted or be significantly delayed, and this could significantly harm its relationship and/or dealings with the Company, any other shareholders or its international counterparties, as the case may be.

Furthermore, at present, investors who subscribe for or purchase financial instruments which are listed and admitted to trading on the ATHEX, as will be the Shares, are not permitted, among others, to transfer outside of Greece the proceeds from any on-sale of such instruments on the ATHEX, unless either (a) the funds initially used to subscribe for or purchase such instruments have been transferred to a Greek bank or investment account from a bank account held outside of Greece, (b) they receive the relevant funds at the same bank account outside of Greece that they were using for the clearing and settlement of transactions prior to the commencement of the temporary bank closures on June 28, 2015, or (c) the funds to be transferred within a calendar year to a bank account of the beneficiary kept outside of Greece do not exceed 100% of the earned profits deriving from investments made using funds that have been remitted from a bank account of the beneficiary kept outside of Greece to a bank account of the beneficiary kept with a credit institution operating in Greece. If any of the above conditions is not satisfied, approval from the Banking Transactions Committee (or a sub-committee thereof) will have to be sought and obtained to transfer the relevant funds outside of Greece and such approval may not be granted or be significantly delayed, with material adverse effects on the ability of Company's shareholders electing to transact on their Shares on the ATHEX to receive and/or use any such proceeds outside of Greece either in a timely manner or at all. These restrictions on transfer of funds also apply to proceeds from the sale of shares pursuant to Over-The-Counter transactions that are effected in Greece, processed and perfected through the DSS operated by the HCSD using the "Delivery vs Payment" method, but not to transactions in the Shares made on Euronext Brussels or Euronext Paris.

**5.6** *Investors with a reference currency other than Euros will become subject to foreign exchange rate risk when investing in the Shares.*

The Shares are, and any dividends or any capital returns, distributions from distributable reserves or other distributions to be announced in respect of the Shares will be, denominated in Euro. An investment in the Shares by an investor whose principal currency is not the Euro exposes the investor to currency exchange rate risk that may impact the value of the investment in the Shares or any dividends or any capital returns, distributions from distributable reserves or other distributions.

**5.7** *Certain provisions of the Belgian Companies Code and the Articles of Association may affect potential takeover attempts and may affect the market price of the Shares.*

There are several provisions of Belgian company law, certain other provisions of Belgian law and the Articles of Association, such as those relating to the obligation to disclose significant shareholdings, merger control and authorized capital that may apply and may make it more difficult for an unsolicited tender offer to succeed. These provisions could discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of the Shares. These provisions may also have the effect of depriving the shareholders of the opportunity to sell their Shares at a premium.

**5.8** *The market price of the Shares may fluctuate widely in response to various factors.*

Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the results of operation or the financial condition of the companies that have issued them. In addition, the market price of the Shares may prove to be highly volatile and may fluctuate significantly in response to a number of factors, many of which are beyond the control of the Company, including: market expectations for the financial performance of the Company; actual or anticipated fluctuations in the business, results of operations and financial condition of the Company; changes in the estimates of the results of operations of the Company by securities analysts; investor perception of the impact of the Share Exchange Offer and its shareholders; potential or actual sales of blocks of shares in the market or short selling of shares; the entrance of new competitors or new products in the markets in which the Group operates; volatility in the market as a whole or investor perception of the industries and competitors of the Company; changes in market valuation of similar companies; announcements by the Company or its competitors of significant contracts; acquisitions, strategic alliances, joint ventures, capital commitments or new products or services; loss of major customers; additions or departures of key personnel; any shortfall in revenue or net income or any increase in

losses from levels expected by securities analysts; future issues or sales of Shares; new legislation; and general economic, financial and political conditions.

Following the listing and admission to trading of the Shares on any of Euronext Brussels, ATHEX and Euronext Paris, it is likely that the price of the Shares will fluctuate and may not always accurately reflect the underlying value of the Titan Group's businesses. The value of the Shares may decrease and the price that investors may realize for their holdings of Shares, when they are able to do so, may be influenced by most of the preceding or other factors regardless of the actual results of operations and financial condition of the Titan's Group, including the possibility that the market for the Shares is less liquid than for other equity securities and that the price of the Shares is relatively volatile.

**5.9** *The listing of the Shares on Euronext Brussels, ATHEX and Euronext Paris may adversely affect the liquidity and trading price for the Shares on some or all of the exchanges as a result of circumstances that may be outside of the Company's control.*

Although the Company believes the listing of the Shares on Euronext Brussels, ATHEX and Euronext Paris will be beneficial for the liquidity of its shares as it should permit a broader base of investors to purchase its shares in secondary trading, it may also adversely affect liquidity and trading prices for its shares on some or all of the exchanges as a result of circumstances that may be outside of its control. For example, transfers by investors of its shares from trading on one exchange to the other could result in increases or decreases in liquidity and the trading price.

**5.10** *Applicable law and the Articles may not grant Shareholders certain rights and protections generally afforded to shareholders of Greek companies under the laws of Greece.*

The Company is a public limited liability company (*société anonyme*) incorporated under the laws of Belgium. The rights provided to shareholders under Belgian corporate law and the Articles differ in certain respects from the rights that would typically be enjoyed by shareholders of a Greek company limited by shares (*société anonyme*) under Greek law.

Belgian law and Greek law provide for certain rules and protections of shareholders of domestic listed companies. Due to the Titan Group's proposed cross-border structure upon completion of the Share Exchange Offer, however, several of these rules will not apply to the Company once listed as if it were a Greek company listed in Greece. For example:

- Under Greek law, the general assembly is quorate and validly resolves on the items of the agenda when shareholders holding 50.0 per cent, falling to 20.0 per cent (or approximately 33.33 per cent for non-listed companies) at the repetitive session of the general assembly of the paid-in share capital of the company are present or represented thereat in case of, (i) change in nationality, (ii) change of the corporate purpose, (iii) increase of shareholders' obligations, (iv) regular increase of share capital (that is a share capital increase which is not provided for in the company's articles of association or which the company's board of directors was not authorised to approve), unless required by law or through capitalization of reserves, (v) reduction of share capital (other than for the cancellation of treasury shares or due to non-payment for shares subscribed for), (vi) change regarding the means of distributing profits, (vii) merger, de-merger, conversion, revival, extension of duration or dissolution of the company, (viii) granting or renewal of authorization to the board to increase the share capital or issuance of convertible bonds, (ix) limitation or repeal of pre-emptive rights and (x) any other item if required by law, while resolutions on these matters always require the positive vote of shareholders representing at least approximately 67.0 per cent of the votes present or represented at the general assembly; whereas under Belgian law the special quorum is the following: (a) half of the paid-up share capital must be represented and (b) and at least  $\frac{3}{4}$  of the vote must approve such resolution. This special majority applies in case of (i) amendment to the articles of association, (ii) increase or decrease of the share capital, (iii) authorization or renewal of the authorization of the board of directors to increase the capital within the scope of the authorized capital, (iv) the purchase by the company or one

of its subsidiary of its own shares or profit certificates, (v) issuance of convertible bonds or subscription rights (warrants), (vi) dissolution of a company, (vii) merger or demerger and (viii) transfer of a universality.

In case of (i) change in the corporate purpose, and (ii) change to the company's form and subsequent adoption of new articles of association, at least 80% of the represented share capital must vote in favour thereof.

- Greek law provides that upon request by shareholders representing 5.0 per cent of the company's paid-up share capital, the board is obligated to convene an extraordinary shareholders' meeting within 45 days as of service of such request; whereas under Belgian law, the board is obligated to convene an extraordinary shareholders' meeting upon request of shareholders representing 10.0 per cent of the company's paid-up share capital within three weeks of request.

For a more detailed comparison of the shareholders' rights under Greek company law, Titan's articles of association and Belgian company law as at the date of this Prospectus, see "*Part XIV: Description of Share Capital and Articles of Association—Comparison of shareholder rights in Greece and Belgium.*"

**5.11** *The Founders currently exercise and are likely to continue to be able to exercise, either alone or together with other Existing Shareholders, a significant influence over the Company, and their interests may not be the same as the interests of the other shareholders of the Company.*

At the date of this Prospectus, the Founders hold in aggregate 100 per cent of the Shares issued by the Company and approximately 20.51% of the Existing Shares and approximately 22.49% of the total voting rights in Titan. Pursuant to a shareholders' agreement dated April 16, 2019, the Founders have agreed to adopt, by concerted exercise of the voting rights they hold from time to time in the Company, including the voting rights that they will hold after Closing, a lasting common policy towards the management and operation of the Company. As a result of this shareholders' agreement, the Founders are acting in concert in relation to the Company. The Founders have also stated that they will tender all of their Existing Shares in the Share Exchange Offer.

Furthermore, as at the date of this Prospectus, E.D.Y.V.E.M. holds 14.91% of the Existing Shares (and 10.79% of the voting rights in Titan) and the Company has been informed that if the transaction is successful E.D.Y.V.E.M. will accede to the shareholders' agreement dated April 16, 2019 with the consent of the Founders on or shortly after the Acceptance Condition has been satisfied and before the admission to trading of the New Shares, thus becoming a person acting in concert with the Founders in relation to the Company. Therefore, subject to the satisfaction of the Conditions and depending on the level of acceptance of the Share Exchange Offer, the Founders and E.D.Y.V.E.M. are expected to hold between 35.43% and 47.23% of the Shares and be able to exercise a significant influence over the Company as of the Closing Date. As a result, there may be a risk that their interests will not be aligned with those of the Company's other shareholders, while, depending on the applicable majority requirements, they may be in a position to block or to pass resolutions of the shareholders' meeting of the Company. For example, they could influence the composition of the Board of Directors and the distribution, if any, of dividends.

**6. Risks related to taxation**

**6.1** *Any sale, purchase or exchange of Shares may become subject to the Financial Transaction Tax.*

On February 14, 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). The intention is for the FTT to be implemented via an enhanced cooperation procedure in 11 EU member states (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia). In December 2015, Estonia withdrew from the group of states willing to introduce the FTT (the "**Participating Member States**").

Pursuant to the Draft Directive, the FTT will be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (inter alia) primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall be fixed by each Participating Member State however, for transactions involving financial instruments other than derivatives shall amount to at least 0.1 per cent of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is either a party to the financial transaction or acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

Investors should therefore note, in particular, that any sale, purchase or exchange of Shares may be subject to the FTT at a minimum rate of 0.1 per cent provided the above-mentioned prerequisites are met. The investor may be liable to pay this charge or reimburse a financial institution for the charge, and/or the charge may affect the value of the Shares. However, the issuance of the New Shares should not be subject to the FTT.

The Draft Directive is still subject to negotiation among the Participating Member States and therefore may be changed at any time. Moreover, once the Draft Directive has been adopted (the “**Directive**”), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Directive might deviate from the Directive itself.

Investors should consult their own tax advisors in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Shares.

## **PART II: INDUSTRY**

### **1. Market Overview**

The global construction materials industry is generally comprised of companies operating in the production, distribution and consumption of cement, ready-mixed concrete, aggregates, fly-ash and other materials. These products are used in, among other things, the construction of residential and commercial buildings, and in infrastructure projects. The growth of the construction industry, and the relevant demand for the above materials, is determined by a number of macroeconomic and demographic factors, particularly levels of GDP growth, population growth, consumer and business preferences, interest rates, infrastructure and housing needs and fiscal expenditure. In the markets in which the Group operates, the principal drivers of the construction cycle are increasing urbanization, residential construction patterns and public infrastructure spending. These cyclical factors affect demand for, and therefore volumes and pricing of, building materials and related services, including the products sold by the Group. Key players in these industries range from multinational companies that are active across the construction materials value chain and operate in various jurisdictions, to small local players operating in one specific geographical or market segment. According to the International Cement Review, 2018, total global cement consumption in 2018 decreased marginally to approximately 4.0 billion tons of cement, largely due to the slowdown in China, whose market contracted as a result of scale back of construction activities. In 2018, China continued to be the largest consumer of cement, followed by India and the United States.

#### **1.1 *Cement***

Cement is a basic construction material and is an essential component for producing concrete, which is used in small-scale and large-scale construction projects in both the residential and commercial buildings as well as public and private infrastructure projects. There are different types of cement, including Portland cement and Masonry cement. Portland cement is the most commonly used type of cement and is manufactured using gypsum and clinker and is characterized by its quick hardening ability, making it ideal for projects requiring quick turnaround. Masonry cement is produced using clinker, plasticizers, and an air entraining agent, and has a higher ability to absorb moisture, making it suitable for a wide range of applications including plastering, core filling, tile adhesive and grout, fabrication of decorative stone and stucco and other semi-structural masonry works, such as driveways, sidewalks and fencing. In addition, white cement, a less commonly used type of cement, is a premium-priced product that is used for ornamental purposes.

Cement transportation over land is costly and, therefore, cement producers generally aim to locate their cement plants in proximity to their customers. Sea and inland waterway transport provides a less costly alternative over greater distances, and is typically utilized by shipping cement products via import terminals located in harbors.

Cement customers include construction companies, producers of ready-mix concrete, producers of precast concrete as well as retailers who on-sell the purchased cement to private customers.

#### **1.2 *Concrete***

Concrete is the combination of cement, water and aggregates and is one of the most versatile and extensively used materials in the construction industry. The most common type of concrete, ready-mix concrete, is formed and batched at local plants, or in concrete-mix trucks, due to the limited amount of time available for transportation to the customer before the mixed concrete hardens.

Concrete customers are typically small-scale to large-scale construction contractors. Ready-mix concrete is used to make pavement, architectural structures, motorways and roads, bridges and overpasses, parking structures, walls and footings for gates, fences and poles, among other things. Precast concrete, on the other hand, is pre-mixed and is commonly delivered in the form of a finished product such as blocks, bricks, panels and posts to



the customers. Given that concrete is a mix of components and is not manufactured in a production facility, the concrete industry is generally less capital intensive and more decentralized than the cement industry.

### **1.3**        *Aggregates*

Aggregates are used in the production of, amongst other things, cement, ready-mixed concrete and asphalt paving mixtures. Aggregates, which include sand, gravel and crushed stone, are produced in various ways, determining the suitability for certain applications. The production of aggregates involves the extraction of sand and gravel from both land quarries and sea locations. The aggregates are then screened to achieve a variety of different physical characteristics, which include hardness, geological nature (limestone, granite etc.), granularity, shape, color, and granular distribution. These characteristics determine the application for which the aggregates are suited.

## **2.**        **Market Environment**

### **2.1**        *United States*

Demand for building materials (including cement and related products) in the United States expanded in 2018 according to U.S. Census Bureau data, marking the ninth consecutive year of industry growth. Overall, in 2018 construction spending increased by 4.1 per cent to \$1.30 trillion compared to 2017 where public construction, residential construction and private non-residential construction grew by 6.6 per cent, 3.3 per cent and 3.5 per cent, respectively, compared to 2017. Cement demand in the United States, according to the U.S. Geological Survey, grew by 2.3 per cent in 2018 to 100.1 million tons. In 2018, cement consumption in Titan America's markets in Virginia, North and South Carolina, and Florida grew at 4.8 per cent year-on-year despite the impact of wet weather conditions, particularly in the Mid-Atlantic region. In the New York Metropolitan area, cement consumption increased by 0.8 per cent in 2018 over 2017.

In Florida, according to the U.S. Geological Survey, cement consumption in 2018 increased by 10.0 per cent to 7.7 million tons, compared to 7.0 million tons in 2017, which was impacted by Hurricane Irma. Moreover, the Florida cement industry benefited from a healthy cement pricing environment as demand and sales prices for construction aggregates increased and fly-ash also improved. In the concrete products segment (ready-mix and concrete blocks), sales volumes benefited from the region's previous capital investments.

In the Mid-Atlantic region, including Virginia and North and South Carolina, cement consumption decreased in 2018 by 1.8 per cent compared to 2017 due to record rainfall, impacting demand. Within the Mid-Atlantic region, according to the U.S. Geological Survey, cement consumption decreased by 2.9 per cent in Virginia to 1.9 million tons, in North Carolina by 1.5 per cent to 2.7 million tons, and in South Carolina by 1.2 per cent, reaching 1.7 million tons in 2018 as compared to 2017. Ready-mix demand in the areas served by Titan's Mid-Atlantic business was also affected due to record wet weather, driving project delays and limiting construction materials sales in the region.

In the New York Metropolitan area, according to the U.S. Geological Survey, cement consumption was 1.9 million tons in 2018, an increase of 0.8 per cent over 2017. Nevertheless, new supply in the market (both from domestic producers and from importers) has put some pressure on cement prices in the region and on the sales volumes of the region's other suppliers.

Most leading indicators for U.S. construction activity remain robust. According to the U.S. Geological Survey, annual U.S. cement consumption remains 21.8 per cent below its peak at 100.1 million tons in 2018, compared to 128.0 million tons in 2005. With respect to the residential construction market, although total housing starts have increased since 2010, they still remain below the national 50-year average and well below the peak in housing starts in 2005. Similarly, single family housing starts amounted to 821,000 units in February 2019 compared to 1,732,000 units in July 2005 (Source: U.S. Census Bureau). Non-residential construction in the U.S. is expected to grow at an average of 1.3 per cent per year between 2018 and 2023, according to PCA Spring 2019 forecast, driven by the continued strength of the U.S. economy and a strong labour market. Public

construction output, the construction activities undertaken by the government, is expected to grow at 1.2 per cent per year between 2018 and 2023, based on the PCA's Spring 2019 forecasts.

Looking ahead, PCA has a positive outlook on the U.S. construction market and has recently forecast compound annual growth in U.S. cement consumption of 1.7 per cent per year between 2018 and 2023 (Source: PCA Spring 2019 forecast). Titan America's markets in Virginia, North and South Carolina, and Florida are forecast to have particularly robust growth, based on expected population growth and healthy fiscal balances as well as the strength of residential construction and the expected pick-up in infrastructure-related projects. According to PCA's State Winter 2018-19 forecast, average annual cement consumption growth for the period 2018-2023 is anticipated to reach 2.0 per cent in Florida, 1.4 per cent in Virginia, 2.0 per cent and 2.2 per cent in New York and New Jersey, and an aggregate of 1.9 per cent in North and South Carolina. More specifically in 2019 and 2020, the PCA expects cement consumption to grow in Florida by 3.6 per cent and 2.5 per cent respectively, and expects consumption to improve in the Mid-Atlantic (including Virginia, North and South Carolina) by 3 per cent and 1.6 per cent respectively (Source: PCA State Forecasts Winter 2018-2019).

Against the backdrop of increasing cement demand in the United States, and capacity utilization rates of U.S. cement producers close to 81.0 per cent in 2018, cement imports are expected to increase in the future. The majority of cement import terminals in the United States are owned by producers that also own cement production plants in the United States. According to the U.S. Census Bureau Foreign Trade Division, the share of cement imports to consumption, which was 27.5 per cent in 2005, was a mere 15.0 per cent in 2018. Finally, according to PCA, the utilization rate of cement plants in the United States improved from 61.0 per cent in 2011 to 81.0 per cent in 2018 and is expected to reach 83.0 per cent by 2023 (Source: PCA forecast). Historically, higher utilization rates support positive pricing trends.

## **2.2** *Greece and Western Europe*

Total cement demand in Greece in 2018 remained at very low levels at an estimated 2.4 million tons. This represents an 80 per cent decline compared to the peak of 11.6 million tons in 2006, with cement consumption now close to a 50-year low. In 2018, building activities in Greece remained low due to delay in commencement of new public works and weak private building activities. Demand exhibited some positive trends in regions with tourism development with a small rise in demand in each quarter after the second quarter versus the same period in 2017. But on the whole, private building activity remained subdued. 2018 cement exports were close to 2017 levels, with the United States being the main destination.

The Group believes the restart of major projects in the second half of 2019 will cause a medium-term pickup in construction activities. Modest but sustainable economic growth, a buoyant tourism sector and the prospects of several large infrastructure projects are likely to add to the growth momentum. However, the private residential activities are expected to remain subdued. Therefore, at least in the near term, cement production in Greece is expected to continue to be channelled mostly towards export destinations, even though the export market remains competitive.

In the medium term, the outlook for the construction industry looks more positive, underpinned by continued recovery in the GDP real growth rate, which expanded for a seventh straight quarter in June to September 2018 (although it decreased by 0.1 per cent in the fourth quarter of 2018), improved unemployment (which dropped to 18.0 per cent in 2018 from a peak of 27.4 per cent in 2013), recent credit rating upgrades of the sovereign by credit rating agencies including S&P, Moody's and Fitch, and the end of the European Union's bailout program. However, any sustained recovery in the Greek domestic construction sector would require continued economic growth, increases in disposable income, improvement in employment, the availability of bank funding in order first to absorb the large unsold housing stock, and a restarting of the delayed infrastructure projects.

## **2.3**      *Southeastern Europe*

In Southeastern Europe, most markets showed strong public and private construction activities in 2018. This was supported by steady growth in GDP, political stability in the region and by a number of infrastructure projects that were in progress during the year.

The Group believes that long-term growth prospects for the local markets are positive, with current low levels of cement consumption likely to increase as the political situation stabilizes in the Southeastern region and EU membership grows more likely, which is anticipated to have the effect of increasing the number of housing and infrastructure projects. The region also benefits from significant funding from international organizations such as the EU, USAID and the World Bank for construction projects underpinning long-term growth potential. The Group also believes it has improved its competitiveness through the expansion of alternative fuels usage, to the benefit of its operations as well as of the local communities.

### **2.3.1**      *North Macedonia*

In 2018, according to the World Bank (January 2019), North Macedonia's GDP grew by 2.5 per cent, after a prolonged political crisis in 2017. Domestic cement consumption in 2018 decreased by 3.4 per cent compared to 2017, reaching 0.82 million tons, as a result of the long period spent in revision of all public construction contracts and licenses. In 2019, the Group's management expects market demand to expand on the back of an improving macro environment. The World Bank projects the economy to grow at 2.9 per cent in 2019.

### **2.3.2**      *Bulgaria*

According to the World Bank (January 2019), Bulgaria's GDP growth rate reached 3.3 per cent in 2018, driven by strong domestic demand and supported by EU funding. Improving economic growth contributed to the recovery of construction activities in 2018, leading to an estimated cement demand of 2.4 million tons, an increase of 15 per cent over 2017, according to the Group's estimates.

Going forward, the World Bank maintains a positive outlook for Bulgarian economic growth, forecasting a GDP growth rate of 3.1 per cent in 2019. Continued EU funding for financing public infrastructure projects, together with political stability, are critical for the sustained economic growth and recovery of the construction activities.

### **2.3.3**      *Serbia and Montenegro*

In 2018 the Serbian economy continued to grow, recording an increase of 3.5 per cent in GDP according to the World Bank (January 2019), driven by investments and exports, as well as labour market recovery. Economic growth is anticipated to accelerate further in 2019, with an expected GDP growth rate of 3.5 per cent, according to the World Bank. Cement consumption in 2018 benefited from ongoing infrastructure projects, but also from commencement of significant real estate and other commercial projects, contributing to a 12 per cent increase compared to 2017 in consumption to 2.15 million tons as per the Group's estimates.

The Montenegro economy grew by 3.8 per cent in 2018 according to the World Bank (January 2019). Healthy growth of the cement market was recorded in the country. According to World Bank forecasts, the GDP growth rate in Montenegro is expected to be 2.8 per cent in 2019.

### **2.3.4**      *Albania*

In 2018, according to the World Bank (January 2019), GDP in Albania increased by 4.0 per cent, driven by an increase in domestic demand and large energy investments as part of the country's economic recovery. The construction sector, especially public spending on infrastructure projects, was impacted by a contraction, mainly due to over-activity in 2017 and the completion of several large projects. This resulted in an 11 per cent drop in domestic cement consumption in 2018 compared to 2017, reaching 1.206 million tons, according to the Group's estimates.

### 2.3.5 *Kosovo*

According to the World Bank (January 2019), Kosovo recorded GDP growth of 4.2 per cent in 2018. The construction sector continued to expand, with cement demand rising by 5 per cent compared to 2017 to a new high of approximately 1.47 million tons. This was driven by residential construction, positive migration trends, increased road infrastructure projects and low interest rates. According to World Bank forecasts, the GDP growth rate in Kosovo is expected to be 4.5 per cent in 2019.

## 2.4 *Eastern Mediterranean*

### 2.4.1 *Egypt*

On March 14, 2016, the Central Bank of Egypt (the “CBE”) decided to adopt a more flexible exchange rate regime, which resulted in weakening the Egyptian Pound by approximately 13.0 per cent against the Euro (CBE Press release, March 2017). On November 3, 2016, the CBE decided to adjust the foreign currency trading policy by liberalizing the exchange rates, allowing banks to quote and trade at any exchange rate. The decision came in line with a broader package of reforms in an effort to ensure macroeconomic stability through fiscal consolidation, while intending to restore foreign exchange trading to formal banking channels and eliminate the parallel foreign exchange market. As a result, the Egyptian Pound devalued by more than 50.0 per cent in 2016 against the Euro and a further 11.0 per cent in 2017 and 4 per cent in 2018. This devaluation of the Egyptian Pound has proven to be a significant drag on the state of the Egyptian economy.

In 2018, total cement demand in Egypt declined by an estimated 6 per cent due to the continued fragile post-devaluation economic environment compared to 2017. In addition to the softer demand, the annual inflation rate remained high at circa 14 per cent on average in 2018. Moreover, the insufficient price increases due to overcapacity and higher energy costs further add to the challenging operating environment. In 2019, The Group expects the total cement demand to remain at similar levels as 2018.

The outlook for industry pricing and profitability in the near term remains challenging. The Egyptian army has completed and is in the process of ramping up production from a new cement facility in Beni Suef which has a nominal cement capacity of 12 million tons per year, representing an increase of over 15.0 per cent in Egypt’s cement production capacity, to approximately 90 million tons per year compared to total demand in 2018 of 51 million tons. The Egyptian army’s plant is expected to displace cement sales of certain established producers. The price gains achieved by the market earlier in 2018 have already been partially eroded as the Egyptian army’s plant progressively increases production. Furthermore, the government has imposed new cost increases as at July 1, 2018, specifically, a 43 per cent increase on electricity cost due to a reduction of subsidies on electric energy, a more than doubling of the clay tax and increases in liquid fuel cost, impacting transportation costs. The cement industry may not be able to pass on these costs through price increases in the short term given the competitive environment.

According to the World Bank (January 2019), GDP in Egypt is projected to grow at 5.6 per cent in 2019 as compared to 5.3 per cent in 2018, driven by the rise of natural gas production, the recovery of the tourism sector, as well as the continued improvement of the confidence of the global business community in Egypt’s economy as a result of the implemented economic reforms. Inflation has declined from its July 2017 peak of 33 per cent to 14.4 per cent in February 2019 (according to the Central Bank of Egypt), however still remains high. The Egyptian government’s debt ratio is projected to decline in response to the government’s target of reducing it to 80 per cent GDP by 2022. The current account deficit is moreover expected to narrow further as net exports strengthen.

The Group expects the environment in Egypt to remain challenging in the short-term. The combination of the 12 million ton new entrant in the market, soft market demand, and government-mandated increases in energy costs and additional levies on production of cement makes for a volatile mix. However, there are positive underlying market drivers to support long term demand, such as improving macroeconomics, population growth, and the infrastructure projects pipeline. The Sisi government has outlined a significant pipeline of infrastructure

projects, including the construction of a new capital city, the new Alamein City, which is underway, and other large infrastructure projects. Moreover, residential construction growth is expected to continue due to the growing population and highly favourable demographics. Egypt is the most populous country in the Middle East and the third most populous on the African continent, with a total population of 99 million people, which is expected to grow to 120 million by 2030, adding on average 1.7 million people per year, according to the World Bank estimates. In addition, approximately 60.0 per cent of the Egyptian population is below the age of 30, making it one of the youngest populations of the world. The young population implies greater need for residential housing and infrastructure such as roads, schools and hospitals, underpinning long-term demand for the cement industry.

#### **2.4.2**      *Turkey*

In Turkey, according to the Turkish Cement Manufacturers' Association, domestic cement consumption in 2018 declined by 10 per cent compared to 2017 to 64.4 million tons following the sharp contraction in construction activity in the second half of 2018.

In 2018, the unfavourable evolution of macroeconomic indicators, high inflation, interest rates and significant Turkish Lira depreciation, coupled with pressures on the banking system, have led to a negative effect on the Turkish economy as a whole and in particular on the construction sector in Turkey. The sovereign has received rating downgrades from ratings agencies Moody's and S&P, as the recent political events have had a significant impact on the currency. The economy is projected to contract in 2019 as a sharp fall in domestic demand from the second half of 2018 will be offset only partially by an increase in exports. A gradual recovery in domestic confidence and demand is projected to help growth to recover in 2020. As per the OECD's estimates, GDP is projected to contract by 0.4 per cent in 2019 from a 3.3 per cent growth in 2018.

In 2019, the deterioration in macroeconomic indicators, in tandem with the pressure on the banking system, is expected to lead to a significant reduction in demand for building materials in the short term. The longer-term prospects of the construction sector, however, remain attractive.

#### **2.5**          *Brazil*

In Brazil, the economy returned to growth following three years of recession. Brazilian GDP rose by 1.1 per cent in 2017 and 1.2 per cent in 2018 while inflation declined to 3.4 per cent in 2017 and 3.8 per cent in 2018. The Central Bank's success in decreasing inflation (from 10.7 per cent in December 2015 to 3.8 per cent currently, according to the Brazilian Government) and lowering interest rates (from 14.25 per cent in August 2016 to 6.50 per cent in March 2019, according to Banco Central do Brazil) have stimulated consumer spending. The improved economic environment, resuming confidence and consumption, in addition to the structural reform agenda, presents a positive outlook for growth of the Brazilian economy. The World Bank (January 2019), estimates Brazil's GDP growth to be 2.2 per cent in 2019.

Demand in Brazil exhibited gradual encouraging trends during the course of 2018. The market started to stabilize following four years of consecutive declines, with cement consumption reaching 52.7 million tons in 2018, representing a year on year decline of 1.2 per cent, the slowest decline in consumption since the peak year 2014 (72 million tons). In 2019, according to the SNIC, the total cement demand is expected to increase by 3 per cent, driven by both residential construction and government investments in infrastructure.

The Group believes that the long-term demand growth prospects in Brazil remain attractive as improving growth rates, large and young population, growing urbanization and infrastructure needs are expected to provide support for the industry.

## PART III: BUSINESS

### A. DESCRIPTION OF THE ISSUER

The Company, Titan Cement International SA, was incorporated on July 11, 2018 by the Founders.

On April 16, 2019, the Company initiated a Share Exchange Offer for the shares of Titan.

As a result of the Share Exchange Offer, it is intended that the Company will become the direct parent of Titan and the new ultimate parent company of the Titan Group.

As at the date of this Prospectus, the Company has no operations and no material assets or liabilities other than in connection with the Share Exchange Offer.

At the date of this Prospectus, the Company's capital is € 100,000, represented by 5,555 shares without nominal value.

The Company and HSBC are expected to enter into the Statutory Squeeze-out Facility on or about the date of this Prospectus. Please see a summary of the Statutory Squeeze-out Facility in "*Part VII: Information on the Share Exchange Offer, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out—Source of Funds*".

### B. DESCRIPTION OF THE GROUP

#### 1. Overview

Titan was founded in 1902 with the establishment of the first cement plant in Greece in the town of Elefsina. On February 16, 1911, Titan became a public limited liability company (*société anonyme*) under the name Titan Cement Company S.A. and has been listed on the ATHEX since 1912.

Titan is the parent company of a vertically integrated group that manufactures, distributes and trades cement, aggregates, ready-mix concrete and related building products in four regions: (i) the United States (including Canada), (ii) Greece and Western Europe (including import terminals in France, Italy and the United Kingdom), (iii) Southeastern Europe (including Albania, Bulgaria, North Macedonia, Kosovo, Serbia and Montenegro) and (iv) the Eastern Mediterranean (including Egypt and Turkey).

The Group operates a multi-regional business with two cement plants in the United States, three in Greece, two in Egypt and one in each of Albania, Bulgaria, North Macedonia, Kosovo, Serbia, Turkey and Brazil.

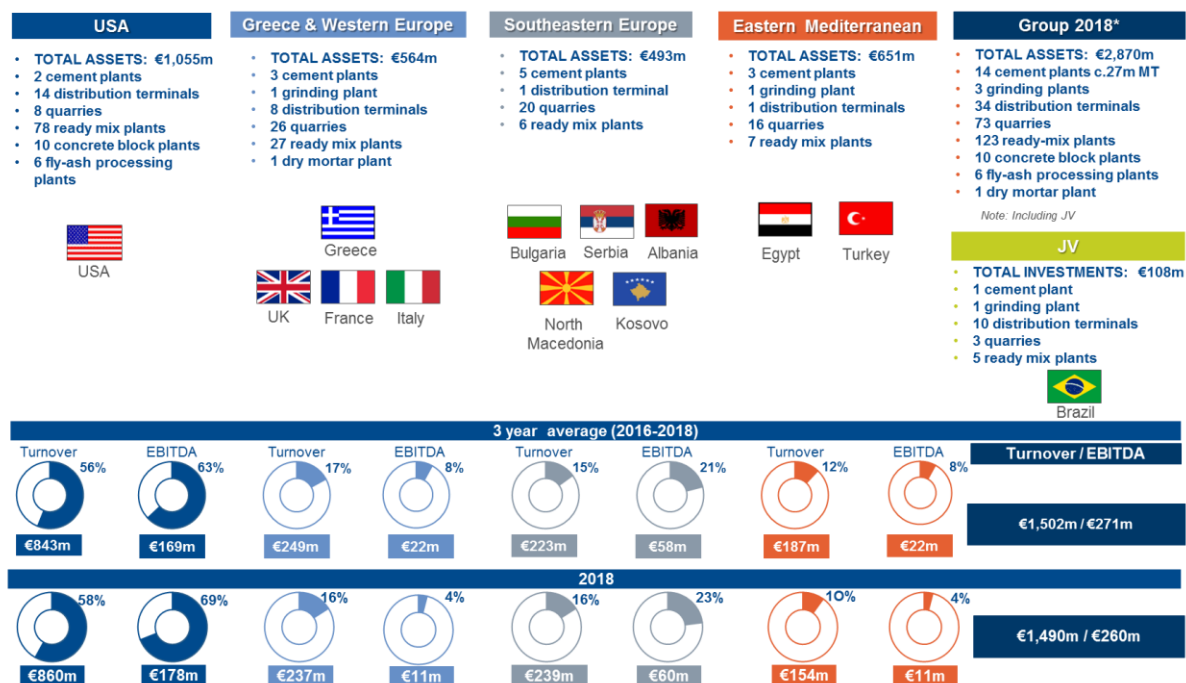
The Group (including its joint venture in Brazil) operates 14 cement plants, three grinding plants, 34 distribution terminals, including six import terminals, 73 quarries, 123 ready-mix plants, ten concrete block plants, six fly-ash processing plants, three processed engineered fuel facilities and one dry mortar plant. The Group's total cement capacity (including cement, grinding plants and cementitious materials) is approximately 27.0 million tons per year.

In addition to the Group's operations in the four regions mentioned above, the Group also participates in a joint venture in Brazil (Companhia Industrial De Cimento Apodi ("**Cimento Apodi**")), the results of which are consolidated by the Group on an equity basis. A complete list of the subsidiaries of Titan can be found in Note 14 of the 2018 Consolidated Financial Statements, which have been incorporated by reference in this Prospectus.

As at December 31, 2018 and 2017, the Group had total assets of €2.9 billion and €2.6 billion, respectively. For the years ended December 31, 2018 and 2017, the Group generated turnover of €1,490.1 million and 1,505.8 million and EBITDA of €259.7 million and €273.4 million, respectively. For the years ended December 31,

2018 and 2017, 84.1 per cent and 83.5 per cent of the Group's turnover and 95.8 per cent and 93.3 per cent of the Group's EBITDA was generated outside Greece and Western Europe, respectively.

The following table shows the geographic diversification of the Group's operations by region for the three-year average (2016-2018) and the year ended December 31, 2018:



The Group has grown its production even during recent economic downturns, as its cement production capacity has increased by 29.0 per cent between 2008 and 2018. The Group's management believes that this growth has been driven as part of the Group's geographic diversification, which has allowed areas of growth to mitigate the effects of regions in which the construction sector has remained stagnant.

## 2. History

Titan was founded in 1902 with the establishment of the first cement plant in Greece in the town of Elefsina. On February 16, 1911, Titan became a public limited liability company (*société anonyme*) under the name Titan Cement Company S.A., under Royal Decree dated 19.4/1.5.1835. Registered in the General Electronic Commercial Registry with register No. 224301000 (formerly the Register of Sociétés Anonymes Number 6013/06/B/86/90), Titan operates under applicable law on Sociétés Anonymes, as amended and currently in force, and has been listed on the ATHEX since 1912. The Group's international operations commenced in 1933, when it first began exporting cement from Greece to Brazil.

Titan's second cement plant in Greece began operations in Thessaloniki in 1962. Titan began operating its third and fourth cement plants at Drepano (located in the Peloponnese region) and Kamari (located near Athens) in 1968 and 1976, respectively. By 1980, Titan was the second largest Greek exporter, and in 1985 the Group made its first exports to the United States. By the end of 1994, Titan operated its own cement distribution terminals in New Jersey (United States), Venice (Italy), Marseille (France) and Hull (United Kingdom).

The Group's overseas expansion began in 1992, when it acquired a controlling stake in Roanoke Cement, Virginia, United States. In 1998, Titan acquired a majority holding in the Plevenski Cement in Bulgaria and in Cementarnica Usje in North Macedonia. In 1999, the Group entered the Egyptian market by the acquisition, through a 50/50 joint-venture with the Lafarge Group, which at the time owned a 76.0 per cent stake in Beni Suef Cement Company ("Beni Suef").

In 2000, the Group built up a significant presence on the U.S. East Coast with vertically integrated activities stretching from the south of New York to Florida. In the same year, Titan purchased Tarmac America, by acquiring 100.0 per cent of the Roanoke (Virginia) and the Pennsuco (Florida) cement plants, as well as two quarries, 45 concrete production facilities and three cement distribution terminals in Norfolk (Virginia), Tampa (Florida) and New Jersey.

In 2002, Titan reinforced its position in Southeastern Europe through the acquisition of the Serbian cement company, Kosjeric. In the same year, Titan announced a 50.0 per cent acquisition, through its existing joint venture with the Lafarge Group in Egypt, of the Egyptian cement company Alexandria Portland Cement Company (“**Alexandria Portland**”). In 2003, within the framework of Titan’s strategy to expand its cement holdings internationally, Titan acquired Zlatna Panega Cement AD in Bulgaria. Subsequent to the acquisition of the Zlatna Panega cement in Bulgaria, and with the aim of simplifying the shareholding structures and balancing its presence in the different markets of the region, Titan announced the conclusion of the sale of 99.9 per cent of PLEVENSKI Cement AD in Bulgaria and the acquisition of a 46.5 per cent stake in Usje Cementarnica AD in the North Macedonia, which resulted in the increase of Titan’s stake in the company to 94.8 per cent.

Throughout 2006 and 2007, Titan America, the Group’s subsidiary operating in the United States, expanded its vertically integrated activities through a mix of acquisitions and organic growth of ready-mix units, aggregates and building blocks. In 2010, Titan completed the construction of a new cement plant in Albania, Antea.

In 2008, Titan acquired (through a 50/50 joint venture with the Cem Sak Group) a 50.0 per cent equity stake in Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S. in Turkey (“**Adocim Marmara**”). During the same year, Titan acquired Lafarge’s 50.0 per cent stake in the Lafarge-Titan Egyptian Investments joint venture, which consisted of two cement plants in Egypt, Alexandria Portland and Beni Suef and took over the completion of construction of a second production line in Beni Suef.

In December 2010, Titan announced the signing of a definitive agreement with the Privatization Agency of Kosovo for the purchase, through Sharr Beteiligungs GmbH (owned by 51.0 per cent by the Group), of the Sharr cement plant.

In 2016, the Group expanded its geographical footprint in Brazil by acquiring an equity stake in Cimento Apodi (47.0 per cent in September 2016 and a further 3.0 per cent in September 2017), a cement manufacturer in the state of Ceará in Northeast Brazil with a production capacity of more than 2.0 million tons of cement per year.

In October 2018, Titan concluded a transaction to increase its participation in its joint venture in Turkey, Adocim Cimento, by acquiring an additional 25.0 per cent of Adocim Cimento from its joint venture partner increasing the Group’s overall holding to 75.0 per cent of Adocim Cimento’s share capital, while at the same time disposing of its 50.0 per cent participation in its grinding plant in Antalya. See Notes 15.2 and 29 of the 2018 Consolidated Financial Statements, which have been incorporated by reference in this Prospectus.

### **3. The Group’s Competitive Strengths and Strategy**

#### **3.1 *An established Group with a Strong Shareholder Base, Dedicated Management Team, Strong Governance and a Long-Term Vision***

Titan is one of the oldest corporations in Greece, founded more than 115 years ago and listed on the Athens Stock Exchange since 1912. The founding family members have been the key shareholders of Titan throughout the Group’s history. The Group’s governing objective is to grow as a multi-regional, vertically integrated building materials producer, combining an entrepreneurial spirit and operational excellence with respect for people, society and the environment. To achieve this objective, the Group focuses on its long-term strategic priorities of geographical diversification, continuous competitive improvement, vertical integration and human capital and corporate social responsibility (“**Corporate Social Responsibility**” or “**CSR**”), which are underpinned by a committed management team, strong corporate governance and are backed by its core shareholders. The Group’s inclusive strategy combines a focus on commercial priorities with a range of



stakeholder needs over the long-term, taking into account both its financial and sustainability considerations. The Group's corporate strategy is developed and continually refined in the context of the global and local markets in which it operates.

A focus on human resources and Corporate Social Responsibility is a key part of the Group's corporate strategy, and the Group develops and continuously improves its relations with all internal and external stakeholders based on mutual respect and understanding. For details on the Group's CSR policy, see "*—Corporate Social Responsibility and Sustainable Development*" below.

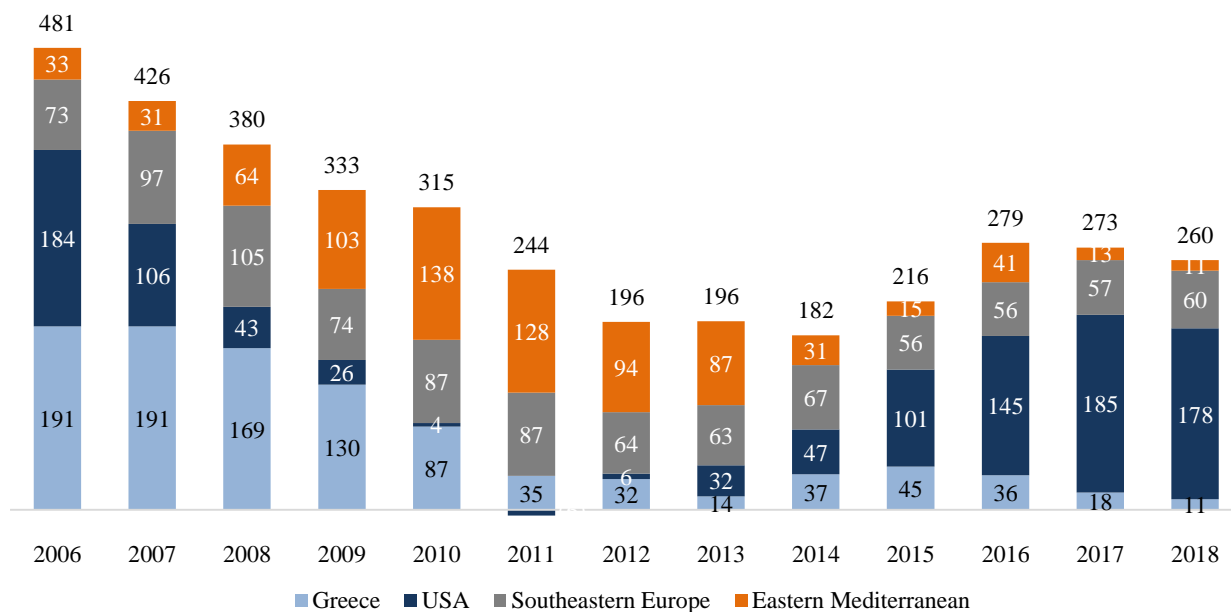
The Group has always been a people-driven organization. It builds long-term relationships with employees grounded on mutual trust, reliability and shared values. The Group continues to provide significant employment opportunities worldwide and is committed to investing substantial resources in developing its employees' knowledge and skills. For example, the Group provided training to 5,064 of its employees in the year ended December 31, 2018 compared to 4,717 in the year ended December 31, 2017, an increase of 7.4 per cent. In addition, the training programs that improve management capabilities accounted for 14.0 per cent of the total training hours in 2017. Moreover, in 2016, the Group introduced an internal platform, "Leading the Titan Way," for empowering employees to:

- build unity and facilitate cooperation;
- provide solutions and deliver results;
- envision and implement change inside the group; and
- inspire and develop people.

### **3.2 *A Geographically Diversified Portfolio with Leading Market Positions and Operations Close to the End Markets***

The Group currently operates across four distinct geographical areas through its segments, specifically Greece and Western Europe, the United States, Southeastern Europe and Eastern Mediterranean. To further diversify geographically, the Group may selectively extend its operations and strengthen its asset portfolio through acquisitions in existing or attractive new markets and joint ventures in regions that offer attractive economics and meaningful diversification potential, or by developing plants or other facilities in new sites. This geographical diversification reduces the Group's reliance on any one market, provides the Group with additional export opportunities and furthers its ability to capture future growth opportunities across the globe.

The Group's geographical diversification has been a key advantage over time as conditions in specific markets vary widely. As shown in the graphic below, throughout the last decade, Southeastern Europe and Eastern Mediterranean have underpinned the Group's EBITDA, while the U.S. market initially and the Greek market subsequently experienced tough market conditions. During recent years, the recovery in the United States market has counterbalanced weaker trends in the other regions in which the Group operates. The U.S. market is expected to remain the key driver for the Group's operating performance. The evolution of the Group's EBITDA is presented below for the relevant periods (in million Euros):

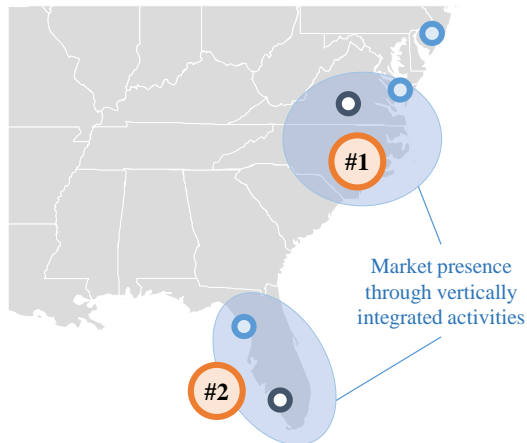


For the year ended December 31, 2018, the Group demonstrated a degree of geographic diversity in its earnings, with a relatively low dependence on Greece. The United States, which the Group first entered in 1985, grew in 2018 to represent 57.7 per cent of the Group’s turnover and 68.5 per cent of the Group’s EBITDA. Greece accounted for 15.9 per cent of the Group’s turnover and 4.2 per cent of the Group’s EBITDA in 2018 with domestic cement sales representing less than one-third of the production of Greek plants due to the continuing distressed economic environment. As a result, exports from Greece to the United States, Italy, France and the United Kingdom continued to absorb more than two-thirds of production. Southeastern Europe has acted as a steady cash flow source for the Group, while Egyptian operations have now achieved fuel sufficiency, leading to lower cost base. The Group believes that it is well prepared to serve a growing although oversupplied market.

In 2016, the Group expanded its geographical footprint in Brazil, with the acquisition of a 47.0 per cent equity stake in Cimento Apodi, a Brazilian cement manufacturer operating in the state of Ceará in Northeast Brazil. The Group increased its stake in Cimento Apodi in 2017 to 50.0 per cent. Cimento Apodi owns and operates a modern integrated cement plant in Quixeré, which has been in operation since 2015, and a grinding cement plant in Pecém port, close to the city of Fortaleza, which has been in operation since 2011. Cimento Apodi has a production capacity of over 2.0 million tons of cement per year. With this investment, the Group believes it has entered a market with long-term potential, joining forces with well-established local partners and investing in state-of-the-art facilities.

The Group benefits from production and distribution facilities which are located close to its end markets, and in most of the markets in which it operates, the Group commands a top-three market share. In the United States, the Group has a significant presence in the East Coast area and the Group’s management believes the Group is well positioned to capture growth in the region. It ranks first in Virginia with a 34.0 per cent market share, and second in Florida with a 25.0 per cent market share (based on the Group’s three-year average estimates). Both states are experiencing strong growth in construction activity. The Group is also active in the states of North and South Carolina through vertical integrated operations. The Group’s import terminals located in Norfolk (Virginia) and Tampa (Florida) provide flexibility by allowing for cement imports from the Group’s other plants to serve additional demand in Virginia and Florida. Moreover, the Group also owns a terminal in New Jersey, which allows it to serve the New Jersey and New York markets. In Greece, the Group’s plants are close to the three major cities and ports, facilitating exports, and the Group is the largest operator in aggregates and ready-mix concrete. In Southeastern Europe, the Group is the largest producer of cement and covers the whole region through synergies among countries. In Egypt, the Group’s plants are located in Cairo and Alexandria, the key demand centers of the country, while in Turkey, the Group’s cement plant is located in the northeast, near the Black Sea region, and its grinding plant is located in Marmara.

## USA



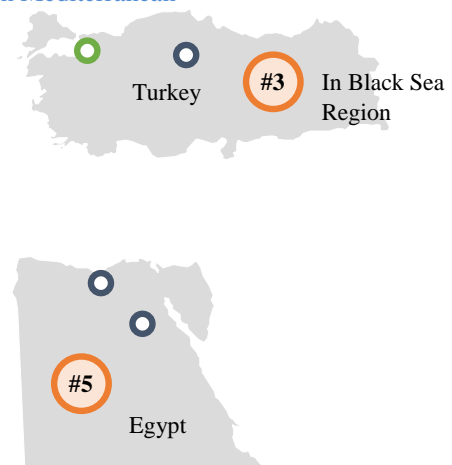
## Greece



## Southeastern Europe



## Eastern Mediterranean



● Cement plant   
 ● Grinding plant   
 ● Import terminals   
 ● Market position: Titan estimates three-year average

### 3.3 Vertically Integrated Business Model

In addition to its principal cement offering, the Group has attempted to extend its product offering into other product areas in the cement value chain, such as ready-mix concrete, aggregates, concrete blocks, dry mortars and fly-ash (a strategy that the Group refers to as “vertical integration”). The Group owns and operates its own grinding plants, distribution terminals, ready-mix plants and quarries in locations where it is commercially advantageous to do so.

The Group runs its operations across its geographical locations, particularly in the U.S. and Greek markets, in a vertically integrated manner which allows it to ensure access to the market, reduce its reliance upon external suppliers and distributors, reduce earnings volatility, operate its cement plants at higher capacity rates, enjoy economies of scale and increase proximity to end users. Vertical integration has resulted in turnover from non-cement products contributing 43.1 per cent of the Group’s turnover of €1,490.1 million for the year ended December 31, 2018, compared to 21.0 per cent of the Group’s turnover of €267.0 million in 1992.

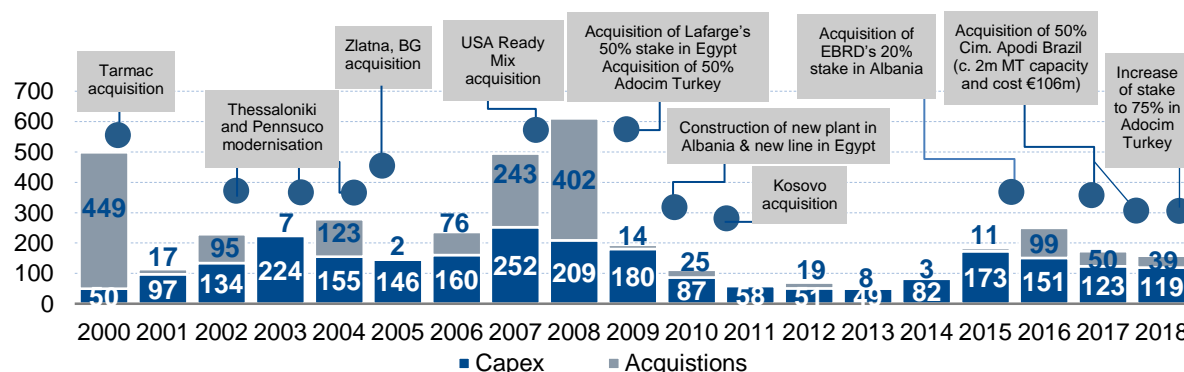
Wherever market conditions are favorable, the Group seeks to expand into the production of aggregates and ready-mix concrete products. These businesses provide diversified sales and cash flows, thus capturing additional profitability along the demand chain. In addition, they are strategically valuable due to the synergies with the Group’s core cement operations.

### 3.4 Well Invested, Low Cost, Modern Asset Base

The Group maintains a well invested asset base across geographies with most of the Group’s plants being either newly built or upgraded within the last decade, providing flexibility on capital expenditure management during the down-cycles. Moreover, historically the Group has demonstrated its ability to operate with low capital expenditures, particularly in the aftermath of financial crisis. Since 2000, the Group has invested approximately €4.2 billion, of which approximately €2.5 billion was invested in both organic expansion and maintenance projects in connection to the Group’s existing plants, and approximately €1.7 billion in new acquisitions.

The Group accelerated capital investment over the course of a two-year period, 2015 and 2016, and implemented a €324.0 million capital expenditure program, with a primary focus on technology competitiveness, revenue growth, cost efficiencies and environmental protection. The majority of the capital expenditure program was directed to the United States and Egypt to further improve operating performance and fuel costs savings. In addition, the Group undertook several projects to improve operating efficiencies by implementing new SAP and IT systems, centralizing procurement, optimizing the supply chain, leveraging digital technology and automating the maintenance process. Looking forward, having completed these major upgrades, the Group expects its capital expenditure to revert to lower levels, focusing primarily on maintenance and normal course of business improvements.

The chart below sets forth the Group’s capital expenditures and amounts spent for acquisitions for the relevant periods (in million Euros)



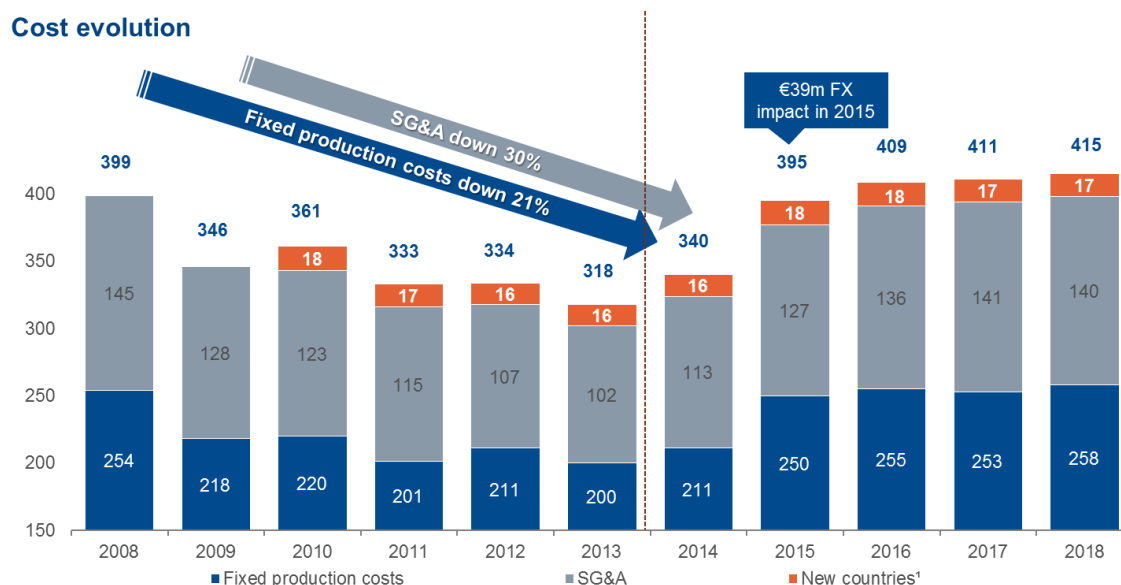
The Group aims at continuously improving its cost structure and productivity, and enhancing its competitive position by investing in its asset base and implementing new methods and processes throughout its business. To this end, the Group strives for the optimal utilization of its human resources, encouraging the adaptation of its workforce to Titan’s international identity, transferring production know-how, as well as rationalizing and modernizing operations. The Group also makes persistent efforts to reduce its CO2 emissions through the use of the best available technologies, the production of blended cement and increased consumption of alternative fuels, thereby demonstrating its commitment to environmental issues.

During the global economic crisis between 2008 and 2013, the Group made significant efforts to contain costs and prove that it was ready to adapt to the new economic conditions. Fixed production costs and selling, marketing and administrative costs decreased (excluding the costs associated with the acquisition in Kosovo and start-up costs in Albania) by 21.3 per cent (€54.0 million decrease in six years) and 29.7 per cent (€43.0 million reduction in six years), respectively. This decline in fixed production costs was driven by a reduction in labor costs.

The Group’s latest areas of focus include excellence in operational maintenance, new digital and IT infrastructure, enhanced product and process innovation capacity, as well as two major Group-wide initiatives, on procurement and people development.

The first phase of the Group’s Procurement Transformation Program (“PTP”) was implemented in 2016. The PTP aims to optimize the number of suppliers in order to build long-term value-adding supplier relationships, with an emphasis on “total cost” reduction, transparency and enhancement of sustainable impact on the supply chain.

During a transition period from 2014 to 2017, total fixed production costs and selling, marketing and administrative costs increased in order to capture new business growth opportunities and due to adverse foreign exchange impact as the U.S. dollar appreciated against the Euro. The Group’s fixed production costs for the year ended December 31, 2018 increased by 22.1 per cent compared to 2014 and selling, marketing and administrative costs increased by 24.2 per cent compared to 2014.

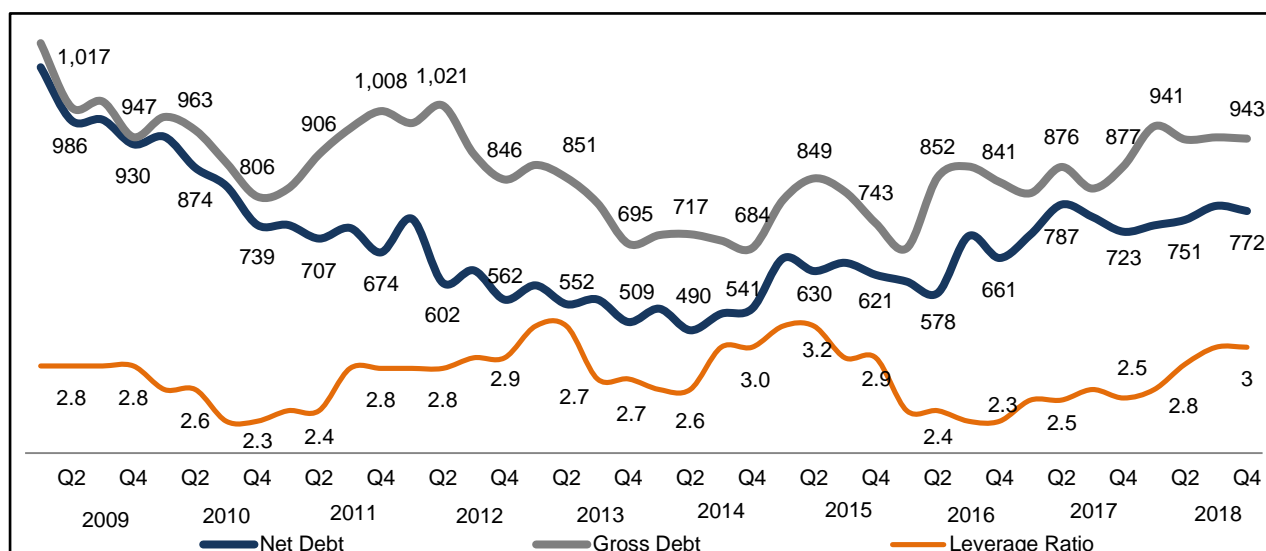


<sup>1</sup>New countries: Costs related to the Albania Greenfield (started in Mar'10) and the acquisition of the Kosovo operations (Dec'10)  
 Note: 2013 & 2014 have been adjusted in order to exclude Turkey (IFRS 11)

### 3.5 Strong Financial Track Record with Healthy Cash Flow Generation and Proven Ability to Manage Leverage

The Group has achieved significant growth and robust cash generation during the last six years. The Group’s turnover increased by 4.7 per cent annually, from €1,130.7 million in the year ended December 31, 2012, to €1,490.1 million in the year ended December 31, 2018. Similarly, the Group’s EBITDA increased by 4.8 per cent annually, from €195.8 million in the year ended December 31, 2012 to €259.7 million in the year ended December 31, 2018. The Group has demonstrated its ability to adapt its leverage policy to meet growth opportunities and safely navigate volatile macroeconomic periods. In an effort to strengthen its financial position during the global economic crisis from 2008 to 2013, the Group successfully deleveraged and reduced its Net Debt from a peak of €1.1 billion as at March 31, 2009 to €508.5 million as at December 31, 2013. In order to support the Group’s operational excellence initiatives, as well as new acquisitions and distributions to its shareholders, Net Debt increased as at December 31, 2018 to €771.9 million compared to €508.5 million as at December 31, 2013.

The chart below sets forth the Group's Gross Debt (in gray), Net Debt (in blue) and Leverage Ratio (in orange) evolution as at the end of the respective periods (in million Euros):



- (1) Net Debt corresponds to the Group's short-term borrowings plus long-term borrowings less cash and cash equivalents (excluding the Group's joint venture in Brazil) at the end of the respective period.
- (2) Gross Debt corresponds to the Group's short-term borrowings plus long-term borrowings (excluding the Group's joint venture in Brazil) at the end of the respective period.
- (3) Leverage Ratio corresponds to the Group's Net Debt, minus the impact of certain cash held at banks, divided by EBITDA for the last twelve months ended at each period end, after excluding certain exceptional items, which include restructuring costs, results from discontinued operations and other one-off items.

The Group has also entered into strategic partnerships with international organizations, most notably with the IFC, the development branch of the World Bank, which acquired a minority stake in the Group's operations in Egypt in November 2010 and a minority stake in the Group's operations in the Western Balkans in June 2012.

The Group's dividend and distribution policy is driven by the aim of ensuring the soundness of the Group's statement of financial position and the maintenance of its financial ratios in line with the targets set by the Group.

Moreover, the Group manages liquidity risk by putting in place adequate credit facilities with international banks well in advance of its financing needs, as well as by diversifying its funding through capital markets financing. The Group has successfully completed multiple bond issuances, thereby increasing the proportion of debt funding from bond markets to 85.4 per cent of its indebtedness as at December 31, 2018, from 31.0 per cent as at December 31, 2013. In November 2017, the Group issued €250.0 million notes due 2024 with a 2.375 per cent coupon, increased by a €100.0 million additional tap issuance in January 2018. Additionally, in April 2017, the Group refinanced and extended up to January 2022 a €300.0 million multicurrency revolving committed facility agreement between TGF and a syndicate of banks, including HSBC Bank plc (the "Multicurrency Facility") serving mainly as a standby buffer facility, and which was unutilized as at December 31, 2018.

The Group enters into hedging transactions to match its risk profile under its commercial, investment and borrowing activities and does not engage in speculative transactions. As at December 31, 2018, the Group had €324.0 million of long-term committed and undrawn bank facilities, and €171.0 million of cash and cash equivalents, to service its short-term liabilities.

### 3.6 Well Positioned for Future Growth

The industry conditions across the key markets where the Group operates are expected to improve going forward, driving future growth for the Group. The U.S. market is expected to continue its growth trajectory

driven by the strong construction activities across residential, non-residential and public construction markets. The current level of residential activities, robust macroeconomic conditions, and increased focus on infrastructure investments are likely to support the construction industry in the United States. Moreover, the operating conditions are improving in the other markets where the Group operates. In Greece, the current cement demand is about 80.0 per cent below the peak demand in 2006 and is close to a 50-year low. Continued economic recovery, improving unemployment and sovereign credit ratings, and the end of the European Union's bailout programs are likely to support cement demand in the medium term. In Southeastern Europe, with the low level of current cement consumption, continued political stability and the European Union support, the long-term prospects are positive. In Egypt, the cement demand growth outlook remains healthy with improving macroeconomics, a strong infrastructure project pipeline and favorable demographics. The long-term cement demand growth outlook in Brazil remains attractive with improving GDP growth, a young and growing population, and a significant infrastructure and housing needs. For details on the market growth outlook, see "*Part II: Industry.*"

The Group is well positioned to benefit from future growth opportunities in its existing markets with its upgraded asset base. In recent years, the Group has made significant investments across geographies. Since 2000, the Group has invested approximately €4.2 billion in organic expansion, maintenance of the Group's existing facilities and new acquisitions. In particular, €324.0 million was invested over the course of a two-year period, 2015 and 2016, with a primary focus on improving its facilities in the United States and Egypt. For details on the capital investment program, see "*—Well Invested, Low Cost, Modern Asset Base*" above.

In addition, the Group has significantly improved its leverage position supported by a strong profitable growth and a healthy cash flow generation. A better leverage position provides the financial flexibility to the Group to pursue potential inorganic and organic growth opportunities in existing and new markets.

#### **4. Outlook**

Management's expectations for 2019 remain mixed. In the United States, the construction trends remain favourable in the markets in which the Group operates. PCA forecasts that cement consumption will increase by 2.3 per cent in 2019 and by approximately 1.6 per year during the period from 2019 to 2023. Management believes that the Group is well placed to capture the positive momentum, having a strong presence in expanding metropolitan areas and the operating capacity to meet the growing demand.

In Greece, management expects a medium-term increase in construction activity, in particular in light of major public works that are expected to reactivate cement demand and which have been postponed until the second half of 2019. Similarly, construction works in connection with the tourism sector are expected to further increase, which is expected to positively impact the construction sector's growth. However, residential construction activity is expected to remain low in 2019, with the Group focusing on increasing its cost competitiveness and optimizing its exports profitability for the short- to medium-term.

With respect to Southeastern Europe, management expects that continuous economic growth will result in an increase in construction activity in the medium- to long-term. The Group expects the competitiveness of its plants to increase through the expanded use of alternative fuels, and such expanded use is also anticipated to both improve the Group's operations and also to benefit the local communities in which the Group's facilities are located. The Group's plants in Southeastern Europe are still operating below their nominal capacity, although the Group expects that capacity utilization will increase. Lastly, the Group is aiming to increase its efficiency by further integrating the operations between the various Southeastern European markets in which it operates.

In Egypt, management expects that demand levels in 2019 will remain at approximately the same levels as in 2018. In the short-term, the Group expects its operating results to face challenges due to limited pricing power, despite of the Group's initiatives on containing costs in connection with its raw materials and energy costs. The Group remains focused on improving its prices and operating margins.

In Turkey, management believes that unfavorable macroeconomic conditions, coupled with pressures on the banking system, will result in a significant decrease in demand for building materials in the short-term. However, management expects that in the long-term, the prospects of the construction sector are attractive and that Adocim Cimento remains well prepared to face the anticipated downturn, due to its modern asset base, competitive cost structure and low gearing.

In Brazil, the possibility of relative political stability raises expectations for the start of a new growth cycle in the domestic cement market. Further, demographic growth and private building activity typically drive cement demand in Northeastern Brazil, where the Group operates, and such demand has already shown signs of positive trends since the beginning of 2019.

## 5. Business Overview

### 5.1 Products

The table below shows the Group's turnover by product for the year ended December 31, 2018:

<b>Product</b>	<b>Turnover (€ million)</b>	<b>Percentage of the Group's turnover (%)</b>
Cement <sup>(1)(2)</sup> .....	847.7	56.9
Non-Cement <sup>(2)(3)</sup> .....	642.4	43.1
<b>Total</b> .....	<b>1,490.1</b>	<b>100.0</b>

(1) Cement sales include clinker and cementitious materials.

(2) Includes the Group's joint venture in Brazil, but does not include associates.

(3) Non-cement sales include ready-mix concrete, aggregates, building blocks, and other products.

The table below shows the Group's turnover by product for the year ended December 31, 2017:

<b>Product</b>	<b>Turnover (€ million)</b>	<b>Percentage of the Group's turnover (%)</b>
Cement <sup>(1)(2)</sup> .....	845.0	56.1
Non-Cement <sup>(2)(3)</sup> .....	660.8	43.9
<b>Total</b> .....	<b>1,505.8</b>	<b>100.0</b>

(1) Cement sales include clinker and cementitious materials.

(2) Includes the Group's joint venture in Brazil, but does not include associates.

(3) Non-cement sales include ready-mix concrete, aggregates, building blocks, and other products.

The table below shows the Group's turnover by product for the year ended December 31, 2016:

<b>Product</b>	<b>Turnover (€ million)</b>	<b>Percentage of the Group's turnover (%)</b>
Cement <sup>(1)(2)</sup> .....	907.5	60.1
Non-Cement <sup>(2)(3)</sup> .....	601.7	39.9
<b>Total</b> .....	<b>1,509.2</b>	<b>100.0</b>

(1) Cement sales include clinker and cementitious materials.

(2) Includes the Group's joint venture in Brazil, but does not include associates.

(3) Non-cement sales include ready-mix concrete, aggregates, building blocks, and other products.

The table below shows the Group's sales volumes by product for the periods indicated:

**For the Year Ended December 31,**



<b>Sales Volumes</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Cement <sup>(1)(2)</sup> (in million tons).....	18.2	19.3	17.5
Aggregates <sup>(2)</sup> (in million tons).....	17.1	16.0	15.9
Ready-mix <sup>(2)</sup> (in million cubic meters).....	5.3	5.6	4.9

(1) Cement sales include clinker and cementitious materials.

(2) Includes the Group's joint venture in Brazil, but does not include associates.

### 5.1.1 Cement

Cement used in construction is the Group's largest product offering by sales, and is sold in all of the regions where the Group operates. The Group's sales of cement accounted for turnover of €847.7 million for the year ended December 31, 2018, which represented 56.9 per cent of the Group's total turnover for the period. As at December 31, 2018, the Group operated 14 cement and three grinding plants with an installed annual worldwide production capacity of 27 million tons of cement.

The table below shows the cement production capacity for the Group as at December 31, 2018:

	<b>As at December 31,</b>
	<b>2018</b>
	<i>(million tons)</i>
North America.....	3.5
Greece and Western Europe.....	6.5
Southeastern Europe.....	5.6
Eastern Mediterranean.....	7.5
Joint Venture (Brazil).....	2.0
<b>Total cement production capacity.....</b>	<b>25.1</b>
Other cementitious materials capacity.....	1.9
<b>Total.....</b>	<b>27.0</b>

Cement is manufactured through a large-scale, complex, and capital and energy-intensive process. At the core of the production process is a rotary kiln, in which limestone and clay are heated to approximately 1,450 degrees Celsius. The semi-finished product, called clinker, is created through a sintering process. In the cement mill, gypsum is added to the clinker and the mixture is ground to a fine powder, which is a traditional Portland cement. Other high-grade materials such as granulated blast furnace slag, fly-ash, pozzolan and limestone are added in order to modify the properties of the cement to cater to different applications.

The Group produces an extensive line of cements and other hydraulic binders. These range from traditional Portland cements and classic masonry cements to specialized products designed for specific types of environments, such as, for example, environments exposed to seawater, sulfates and other harsh natural conditions, where cements with high slag or pozzolan content provide greater durability. The Group also develops solutions intended for specific applications, for example, white cement, oil-well cements and road surfacing binders. In addition, the Group provides a variety of complementary services, including technical support, order and delivery logistics, documentation and demonstrations, as well as training related to the characteristics and proper use of cement.

Cement customers include construction and public works organizations, manufacturers (producers of ready-mix concrete and prefabricated products) and, via retailers, the general public. At a basic level, the market can be segmented into bag and bulk cement. Bag markets consist of highly fragmented customer groups and, in particular, specific emerging markets, which tend to be the largest consumers of bagged cement. Bulk markets

are more industrialized, as they are mainly focused on larger business-to-business customers such as construction companies or building product manufacturers. Most mature markets in Europe and North America are predominantly bulk markets.

Cement is costly to transport over land. Consequently, the radius within which a typical cement plant is competitive extends for no more than 300 kilometers for the most common types of cement. However, cement can be shipped more economically by sea and inland waterway over greater distances. Most Group plants are located close to customers in highly populated areas, thereby benefiting from the on-going global urbanization trend.

### **5.1.2**      *Aggregates*

Aggregates are produced by the Group in all of the regions where the Groups operates, and are sold to third-party customers mainly in Greece, the United States, Bulgaria and North Macedonia. The Group's aggregate sales volumes reached 17.1 million tons in the year ended December 31, 2018, an increase of 6.9 per cent compared to 16.0 million tons in the year ended December 31, 2017. As at December 31, 2018, the Group operated 73 quarries worldwide, either owned by the Group or operated through lease agreements.

Aggregates include crushed stone, gravel and sand. They can also be recycled from concrete material. Aggregates are typically produced by blasting hard rock from quarries and then extracting and crushing it. Aggregates can also be produced through the extraction of sand and gravel from both land and marine locations, which generally requires less crushing. In both cases, the aggregates are then screened to obtain various sizes to meet different needs. Aggregates differ in terms of their physical characteristics, such as hardness, geological nature (limestone, granite, etc.), granularity (ranging from sand to riprap used in seawalls), shape, color and granular distribution. These characteristics determine the applications for which the various types of aggregates are suited (e.g., concrete, masonry, asphalt, or base materials for roads, landfills and buildings).

The Group also markets high-quality recycled aggregates made from crushed concrete and asphalt issued from deconstruction. Aggregates are used as raw materials for concrete, masonry and asphalt and as base materials for roads, landfills, and buildings. As such, they are a key component of construction projects worldwide. There is a very broad range of customers for aggregates. Major customers include concrete and asphalt producers, manufacturers of prefabricated products, and construction and public works contractors of all sizes. Because of the high weight of aggregates and their cost of transportation, aggregates markets are nearly always local.

### **5.1.3**      *Ready-mix concrete*

Ready-mix concrete is mainly sold by the Group in Greece and the United States, but also in Bulgaria, North Macedonia, Egypt, Turkey and Brazil. In the year ended December 31, 2018, the Group's ready-mix concrete sales volumes decreased by 5.2 per cent to 5.3 million cubic meters compared to 5.6 million cubic meters in the year ended December 31, 2017. As at December 31, 2018, the Group operated 123 ready-mix concrete plants.

The most common type of concrete, ready-mix concrete, is formed and batched at local plants due to the limited amount of time available for transportation to the customer. Ready-mix concrete is used to make pavement, architectural structures, motorways and roads, bridges and overpasses, parking structures, walls and footings for gates, fences and poles, among other things. The ready-mix concrete industry is generally less capital intensive than the cement industry. It is also highly decentralized, since concrete is a heavy product that must be delivered quickly, requiring that production facilities be near the place of use.

Buyers of ready-mix concrete are typically construction and public works contractors, ranging from major multinational corporations to small-scale customers.

#### **5.1.4**      *Fly-ash*

Fly-ash is mainly produced and sold by the Group in North America (the United States and Canada). As at December 31, 2018, the Group operated six fly-ash processing plants.

Fly-ash is a natural by-product of coal combustion and a valuable additive in the ready-mix concrete business. The use of fly-ash in concrete greatly improves performance by enhancing the workability and durability of the mix. The proprietary electrostatic separation (“**ESS**”) process is a preferred choice for ash management issues facing the utility industry, as it removes unburned carbon from the fly-ash, allowing the ash to be used as a consistent and reliable product in the cement and concrete industry, while the retrieved unburned carbon can be used again as fuel.

The world leading green ESS process was featured in the Energy Innovations Publication of the European Round Table of Industrialists. Use of the technology around the world results in energy savings equivalent to the power needs of 340,000 households per month and a reduction of CO<sub>2</sub> emissions of 1.3 million tons per year. It also conserves landfill space equal to the annual solid waste produced by nearly 1.4 million citizens.

### **6.            Operations**

The Group operates in four regions:

- the United States (including Canada);
- Greece and Western Europe (including import terminals in France, Italy and the United Kingdom);
- Southeastern Europe (Albania, Bulgaria, North Macedonia, Kosovo, Serbia and Montenegro); and
- Eastern Mediterranean (Egypt and Turkey).

The Group operates a multi-regional business, with two integrated cement plants in the United States, three in Greece, two in Egypt and one in each of Albania, Bulgaria, North Macedonia, Serbia, Kosovo, Turkey and Brazil. It also operates one cement grinding plant in Greece, one in Turkey and one in Brazil. The Group’s total cement capacity (including cement, grinding plants and cementitious materials) is approximately 27.0 million tons per year.

The Group operates through its joint venture in Brazil, Cimento Apodi, the results of which are consolidated by the Group on an equity basis.

#### **6.1            *United States***

Titan America LLC (“**Titan America**”), a wholly-owned subsidiary of Titan, manufactures, distributes, and sells cement, fly-ash, construction aggregates, ready-mix concrete, concrete blocks, and related building materials to construction contractors and resellers in the Eastern region of the United States, primarily Florida, Virginia, North and South Carolina, and the New York metropolitan area.

Titan America’s facilities in the United States include two cement plants, 78 active ready-mix concrete plants, ten concrete block plants, eight quarries/mines, 14 distribution terminals (of which three are water-borne import facilities) and six fly-ash plants (including one plant in Canada). In the year ended December 31, 2018, the Group’s operations in the United States contributed 57.7 per cent of the Group’s turnover (€860.1 million) and 68.5 per cent of the Group’s EBITDA (€177.9 million). As at December 31, 2018, the United States segment had total assets with a book value of €1,054.9 million (36.8 per cent of the Group’s total assets).

Titan America is a market leader in each of the U.S. markets in which it operates. In the cement sector, Titan America's market share is approximately 34.0 per cent in the Virginia and North Carolina market and 25.0 per cent in Florida.

Utilization rates of Titan America cement plants are currently in the mid-eighties, and Titan America's vertically integrated cement activities have more spare capacity to address the market. With the reactivation of Titan America's cement import terminals in Tampa, Florida, and Norfolk, Virginia, imported volumes have been directed to internal market channels and external customers close to the import terminals, improving operating flexibility, logistics costs, and customer service.

The Group's customers in the United States mainly comprise of developers, consumers in the homebuilding, commercial construction and big-box retail sectors, construction companies, concrete product producers and distributors. The Group distributes its products directly, using its own equipment and trucks or through third-party contractors. The Group's sales are destined both for residential and commercial building activity, based on demand and pricing levels.

Energy efficiency and environmental stewardship are among the highest of the Group's priorities in the United States. Titan America is improving its environmental impact by changing the profile of the fuel it uses from traditional fossil fuels to renewable energy sources and secondary fuels. U.S. operations continued to meet the criteria for EnergyStar certification for the Roanoke cement plant (tenth year of certification), and the Pennsuco cement plant. In addition, the Wildlife Habitat Council certified both of Titan America's cement plants for their "Wildlife at Work" programs. This prestigious distinction was awarded in recognition of each plant's demonstrated commitment toward long-term wildlife habitat enhancement efforts. Furthermore, Roanoke Cement Company was accepted as an Exemplary Environmental Enterprise participant in the Virginia Environmental Excellence Program, run by the Department of Environmental Quality and the Pennsuco Complex became the first facility of its kind in the United States to be officially certified as a Gold Level Zero Waste facility.

Titan's capital expenditure program in the United States for the three year period from 2016 to 2018 amounted to €205.3 million. The investment program's focus was on productivity improvements and targeted organic growth opportunities to enable Titan America to realize the benefits of operating leverage, and deliver higher levels of profitability and free cash flow. Specific investments included an increase of Titan America's mobile fleet and new equipment to support the growth experienced and expected in the ready-mix concrete, concrete block and aggregates segments, and improvements at the Norfolk and Tampa sea terminals in anticipation of further regional growth and increased import activity.

### **6.1.1**      *Cement*

Titan America operates two cement production plants, one near Roanoke, Virginia ("**Roanoke**"), and the other near Miami, Florida ("**Pennsuco**"), with a combined total annual capacity of 3.5 million tons, and which the Group believes are highly efficient. Both plants produce Portland, Masonry and Stucco cement in bulk and bagged form.

The Roanoke cement plant is the only cement plant in Virginia. The plant's integrated quarry has raw material reserves, namely limestone and shale, with an estimated life of more than 50 years based on current production rates.

The Pennsuco cement plant was modernized in 2004 and currently has the highest clinker production capacity in Florida, on the basis of a report issued by PCA in 2016 and the Group's estimates. The integrated quarry's limestone reserves provide the plant and related construction aggregates business with an estimated life period of more than 20 years based on current production rates.

Titan America markets its cement under three brand names: Titan cement, manufactured at the Pennsuco facility; Roanoke cement, manufactured at the Roanoke facility; and Essex cement, in relation to cement

imported and distributed in the New York and New Jersey areas through the Group's water-borne cement terminal in New Jersey. In 2016, the Group's import terminals in Tampa, Florida, and in Norfolk, Virginia were re-activated and have the capacity to serve increased demand in Florida and the Mid-Atlantic region.

#### **6.1.2**      *Ready-mix concrete*

Titan America has 78 active ready-mix concrete plants in Virginia, North and South Carolina, and Florida, which are managed through fully-automated order-taking, batching and dispatching software systems. Regional ready-mix volumes increased in 2018, compared to 2017, as a result of the Group's substantial investment in the ready-mix business.

Ready-mix concrete is delivered from Titan America's facilities directly to customers via an active fleet of approximately 800 ready-mix trucks owned by the Group. Titan America operates in the ready-mix business under the Titan Florida brand name in Florida, Titan Virginia Ready Mix and Powhatan Concrete in Virginia and S&W in North and South Carolina.

#### **6.1.3**      *Concrete blocks*

Titan America's concrete block business has a strong presence in Florida with manufacturing facilities located in the most populated areas of the state capable of producing more than 80 million blocks annually. These plants, located on Florida's Atlantic coast, Tampa and Orlando, produce a wide variety of concrete block products designed to meet the demanding Florida State building code.

Transportation of blocks to customers is primarily handled by third-party contract haulers through truck delivery to customers in the homebuilding, commercial construction, and big-box retail sectors.

#### **6.1.4**      *Aggregates*

Titan America operates two quarries for raw materials used by its cement plants in Roanoke and Miami. The quarry in Miami is also used for sales of aggregate materials. In addition, the Group operates a limestone quarry in Southwest Florida (near Fort Myers), and five sand mines, two in Florida and three in Virginia. These quarries/mines supply the Titan America ready-mix and concrete block plants while also serving an external customer base of concrete products producers, developers, and contractors with construction aggregates used in the residential, commercial, and infrastructure sectors.

#### **6.1.5**      *Fly-ash*

Acquired by Titan America in 2002, Separation Technologies LLC ("**Separation Technologies**") was founded in 1989 to develop commercial applications for a proprietary, patented technology to beneficiate fly-ash and other dry fine particle materials. Titan America is the leading producer of beneficiated fly-ash in the United States, processing more tons annually and at more power plants than any other competing company. Having perfected its technology through the beneficiation of fly-ash (since producing its first commercially viable separator in 1995), Separation Technologies' addressable market now includes a wide array of industrial minerals processes, on a global basis, which require or would benefit from the dry separation of fine particles. This includes, but is not limited to, the beneficiation of fly-ash, calcium carbonate, barite, talc and potash. More recently, the Group has achieved technical success separating and concentrating agricultural products such as aquaculture proteins which creates promising opportunities. As at December 31, 2018, the Group operated six fly-ash processing plants in the United States.

A state-of-the-art engineering center in Needham, MA conducts R&D, including pilot testing of new materials and further development of the technology. In 2014, Titan America launched ST Equipment & Technology LLC to further expand the development of its separation technology in fly-ash, minerals, and food applications worldwide.

Processed fly-ash is sold in 13 states and Canada under the ProAsh® brand name and delivered by third-party contract haulers via truck to end users primarily involved in the production of ready-mix concrete. In addition, the Group has also franchised project/market development rights in the United States, Europe and East Asia.

#### **6.1.6**      *Distribution terminals*

Titan America operates 14 cement distribution terminals, including three marine import terminals, located in Port Newark (New Jersey), Norfolk (Virginia) and Tampa (Florida). The strategically positioned network of terminals ensures that Titan America's customers are receiving their products in a timely manner while Titan America minimizes distribution costs through network efficiencies.

### **6.2**      *Greece and Western Europe*

The Group's operations in Greece are vertically integrated, with products ranging from raw materials (such as aggregates, gypsum and kaolin) to ready-mix concrete. The facilities of Titan in Greece include three cement plants, one grinding plant, 26 quarries, 27 ready mix plants, eight distribution terminals, including three import terminals in Italy, France and the United Kingdom, and one dry mortar plant. Titan is one of the three integrated cement producers in Greece and has an estimated market share of approximately 40.0 to 45.0 per cent based on the Group's three-year average estimates of total market sales volumes. Titan's annual cement production capacity in Greece is approximately 6.5 million tons. In the year ended December 31, 2018, the Group's operations in Greece and Western Europe contributed 15.9 per cent of the Group's turnover (€237.1 million) and 4.2 per cent of the Group's EBITDA (€10.9 million). As at December 31, 2018, the Greece and Western Europe segment had total assets with a book value of €563.6 million (19.6 per cent of the Group's total assets).

The Group's cement plants in Greece have the advantage of being located near the major population centers, allowing the Group to benefit from lower transportation costs, and near deep sea ports, which facilitate exports.

The Group's customers in Greece and Western Europe mainly comprise ready-mix producers, construction companies, wholesalers, distributors, retail and pre-cast concrete producers. The Group distributes its products directly, using its own equipment and trucks, or through third-party contractors. The Group's sales are destined both for residential and commercial building activity, based on demand and pricing levels.

#### **6.2.1**      *Cement*

The Group's core cement operations in Greece consists of three integrated cement plants and one grinding plant with a total annual cement production capacity of approximately 6.5 million tons. The plants are strategically located near large limestone reserves (which are either owned or operated under long-term lease) as well as near to the three largest Greek metropolitan areas.

The Kamari plant is located 39 kilometers from Athens. It has two cement production lines and is the Group's second fully-operational plant in terms of capacity. The plant is highly efficient, with low extraction costs for raw materials, low calorific consumption, high labor productivity, full process automation and modern cement grinding equipment. Raw material reserves for the cement production (limestone) are expected to last for more than 50 years.

The Patras plant has two production lines and commands raw material reserves which are expected to last for over 50 years and is located on its own deep-water port. The recent installation of two new silos at the port has enabled the increase of loading rates and the loading of larger vessels.

The Thessaloniki plant is the only clinker-producing plant in Northern Greece and was expanded in 2003 with the addition of a new production line. In 2004, a new vertical cement-grinding mill was installed, adhering to the highest technological standards and efficiencies. In 2007, a twin vertical mill became operational, reducing environmental impact through lower electricity consumption.

The Elefsina plant is a grinding plant for white cement, which is a high-margin specialty product that complements the use of gray cement in many decorative applications and is also used in the production of various high-value building products.

Cement distribution in Greece is sustained by the operation of one bulk and bagged cement distribution terminal in Crete and three bagged cement distribution terminals in Kavala, Halkida and Markopoulo.

Greece has been able to support its trading volumes through the economic downturn by focusing on its exports. It exports to its import terminals located in Europe (Italy, France and the United Kingdom), as well as to Titan America terminals in the United States. Greece also exports to third parties in North and Western Africa, and North America. In 1997, Titan launched INTERMIX for the production and sale of dry mixed building products, including renders, screeds and mortars. These were the first pre-blend dry building products to be manufactured in Greece. The fully automated industrial process takes place in Elefsina and produces a high-quality product.

#### **6.2.2**      *Ready-mix concrete*

Titan, through its subsidiary Interbeton Building Materials, S.A. (“**Interbeton**”) operates 27 ready-mix concrete plants throughout Greece. Concrete production and delivery provides strategic benefits, as a down-stream business from its core cement business. As with aggregates, sales of concrete are channeled to a diversified clientele. In 2008, Interbeton launched a value-adding products initiative, expanding the range of applications and meeting specific customer needs through specialized, proprietary ready-mix products which are developed in-house in the state-of-the-art cement and concrete laboratories. Ten years later, the initiative is moving forward, with the product range expanded to a number of branded families of ready-mix products.

#### **6.2.3**      *Aggregates*

In Greece, the Group has expanded through integration in the production and distribution of aggregates. At present the Group operates 26 quarries in Greece, half of which are mainly used to supply its cement production and the other half are used for aggregates sales to third parties. The quarries are strategically located across the country and most of them are operated by Interbeton. With a customer base ranging from ready-mix and asphalt producers to major contractors, the Group’s aggregates business in Greece is supported by an extended network of concrete production plants across the different prefectures.

Investments in quarry modernization have been carried out, with an emphasis on safety and environmental protection, through projects such as modifications on crushing-classification facilities and the introduction of waste management processes. In addition to quarries, Titan has mining operations in the islands of Milos and Crete, for minerals critical to the production of cement. These minerals are gypsum, kaolin and pozzolan.

#### **6.2.4**      *Waste management*

In addition, with a view to securing secondary fuels for its cement operations, since 2015, Titan has also diversified into waste management through Ecorecovery SA (“**Ecorecovery**”), Titan’s joint venture with Polyeco Group S.A, of which Titan owns 48.0 per cent. Through Ecorecovery, Titan processes, manages and trades solid waste for the production of alternative fuels, and has submitted to the authorities the relevant studies for the construction and operation of a plant in Attiki, which would process commercial and industrial waste to produce solid recovered fuels. Ecorecovery also owns 97 per cent of Nordeco SA, a company which has already set up and is operating a similar plant in Northern Greece.

### **6.3**              *Southeastern Europe*

The Group’s cement plants in North Macedonia, Bulgaria, Serbia, Kosovo and Albania, form a strategic ring in Southeastern Europe, with total combined cement production capacity of 5.6 million tons as at December 31, 2018, up from 3.0 million tons compared to December 31, 2009. The Group has a strong presence in the region, with top-three market shares in each of the five countries in which it operates. The Group’s facilities in

Southeastern Europe include five cement plants, 20 quarries, six ready mix plants, one distribution terminal and one processed engineered fuel plant. In the year ended December 31, 2018, the Group's operations in Southeastern Europe contributed 16.0 per cent of the Group's turnover (€238.6 million) and 22.9 per cent of the Group's EBITDA (€59.6 million). As at December 31, 2018, the Southeastern Europe segment had total assets with a book value of €492.6 million (17.2 per cent of the Group's total assets).

In 2012, the IFC became a minority partner to the Group's operations in Southeastern Europe, holding 11.2 per cent in its operations in North Macedonia and 11.8 per cent in Serbia and Kosovo. In 2015, the Group, through its subsidiary, Alvacim Limited, purchased the 20.0 per cent stake held by EBRD in Antea in Albania, and, as a result, currently holds 80.0 per cent of Antea's share capital, whereas the remaining 20.0 per cent is held by the IFC.

The Group's customers in Southeastern Europe mainly comprise of ready-mix producers, construction companies, wholesalers, distributors, retail and pre-cast concrete producers. The Group distributes its products directly, using its own equipment and trucks, or through third-party contractors. The Group's sales are destined both for residential and commercial building activity, based on demand and pricing levels.

### **6.3.1** *North Macedonia*

The Group's operations in North Macedonia revolve around its Usje cement plant, Usje Cementarnica AD ("**Usje**"), located in the capital city of Skopje. Usje is the sole producer of cement in the country and is vertically integrated with activities in ready-mix concrete and aggregates. The Group first entered the market in 1998 in a joint venture with Holcim Limited. As part of its strategic expansion in Southeastern Europe, it acquired a further 46.5 per cent stake in Usje in 2004, buying out its partner. Over the subsequent years, the Group purchased additional minority stakes and increased its total share to 94.8 per cent. As a result of an investment in Usje made by the IFC in 2012, the Group currently holds an 83.6 per cent stake in Usje. Besides serving the domestic market, Usje exports cement, with the majority of its exports being channeled to neighboring Kosovo.

### **6.3.2** *Bulgaria*

The Group entered the Bulgarian market in 1998 through its acquisition of Plevenski Cement. In 2004 it expanded further by selling its Plevenski plant to Holcim Limited and acquiring a larger plant, the Zlatna Panega Cement AD ("**Zlatna**") from Heidelberg Cement. Zlatna operates a cement plant close to the capital, Sofia. By 2006, Zlatna had been fully modernized, with an annual production capacity of 1.5 million tons. The Group's operations in Bulgaria consist of six ready-mix concrete plants (three in Sofia, one in Plovdiv, one in Veliko Tervovo and one in Stara Zagora). Zlatna also has a share in the aggregates business through its participation in Holcim Karierni Materiali AD Sofia (four quarries) and Holcim Karierni AD Plovdiv (five quarries).

In 2011, the Group launched GAEA Green Alternative Energy EAD ("**GAEA**"), a Bulgarian company offering solutions for waste management, environmental protection, waste utilization and alternative fuels production. In 2016, the thermal substitution rate, which corresponds to the rate of replacing conventional fuels used as a source of thermal energy by alternative fuels, increased to 26.0 per cent compared to 20.0 per cent in 2015, driven by the use of waste streams including Processed Engineered Fuel ("**PEF**"), tires, higher heating value materials such as textile, plastics and rubber, and biomass. The increased use of alternative fuels resulted in significantly lower fuel costs for the Zlatna cement plant and lower CO<sub>2</sub> emissions, while at the same time providing an environmentally friendly and safe process for waste management to local communities. To secure higher quality PEF waste streams, GAEA has established strategic partnerships with many Bulgarian waste management companies.

Alternative fuel co-processing in Bulgaria is now a self-sustained business, fully supported locally with technology, people and know-how. GAEA also supports the Group's cement business, as it enabled the Zlatna plant to achieve a peak daily thermal substitution rate of 48.0 per cent per kiln, using processed engineered fuel



and end-of-life whole tires. This improvement has been achieved through continuous improvements in process, equipment and strong support by the Group.

### **6.3.3** *Serbia and Montenegro*

In April 2002, Titan acquired 70.0 per cent of the share capital of the Kosjeric Cement Company (“**Kosjeric**”) from the Serbian Privatization Agency, whose facilities consist of a single cement plant in Zlatibor, in Central Serbia. The plant was subsequently modernized and, at the end of 2008, Titan acquired a further 22.1 per cent stake. In May 2009, Titan acquired the remaining stake, increasing its total share to 100.0 per cent. As a result of an investment in Kosjeric by the IFC in 2012, the Group currently holds an 88.2 per cent stake in Kosjeric.

Montenegro is an important market for exports for Kosjeric due to the plant’s geographical proximity. To that extent, Kosjeric has established a trading subsidiary, TCK Montenegro DOO, in that market, to meet local demand.

### **6.3.4** *Albania*

As part of its strategy in Southeastern Europe, Titan completed the construction of a greenfield cement plant, with an annual capacity of 1.5 million tons, in 2010 in the area of Boka e Kuqe, which is close to Tirana, Albania. The IFC is a minority shareholder in the operating company, Antea Cement Sh.A (“**Antea**”), holding a 20.0 per cent stake, which it acquired in November 2008.

In February 2015, the Group purchased the 20.0 per cent stake which was held by the EBRD in Antea. As a result of the purchase, the Group holds 80.0 per cent of Antea’s share capital, whereas the remaining 20.0 per cent is held by the IFC.

### **6.3.5** *Kosovo*

In December 2010, the Group announced the signing of a definitive agreement with the Privatization Agency of Kosovo for the purchase of the Sharr cement plant, with a rated capacity of 0.6 million tons per year, which the Group already managed through a lease agreement. The plant is operated by the Group’s subsidiary, SharrCem Sh.P.K (“**Sharr**”). The Group has made significant investments to modernize the cement plant, with an emphasis on environmental protection and operational efficiencies.

## **6.4** *Eastern Mediterranean*

The Group’s operations in the Eastern Mediterranean include two cement plants in Egypt and one in Turkey, with total cement production capacity of 7.5 million tons, one cement grinding plant in Turkey, 16 quarries, seven ready mix plants, one distribution terminal and two processed engineered fuel facilities. In the year ended December 31, 2018, the Group’s operations in Eastern Mediterranean contributed 10.4 per cent of the Group’s turnover (€154.3 million) and 4.4 per cent of the Group’s EBITDA (€11.3 million). As at December 31, 2018, the Eastern Mediterranean segment had total assets with a book value of €650.6 million (22.7 per cent of the Group’s total assets).

The Group’s customers in Eastern Mediterranean mainly comprise of ready-mix producers, construction companies, wholesalers, distributors, retail and pre-cast concrete producers. The Group distributes its products directly, using its own equipment and trucks or through third-party contractors. The Group’s sales are destined both for residential and commercial building activity, based on demand and pricing levels.

### **6.4.1** *Egypt*

The Group first entered the Egyptian market in 1982. In 1999, Titan entered into a 50/50 joint venture with Lafarge Group, the owner of 76.0 per cent of the Beni Suef plant, through a government privatization program. The joint venture raised its stake in Beni Suef to 95.0 per cent in January 2000. In July 2002, the Group

announced the acquisition of 50.0 per cent of the Egyptian cement company Alexandria Portland from the Lafarge Group (which had at that time, an 88.5 per cent majority stake).

In May 2008, and after nine years of a successful 50/50 joint venture, the Group acquired Lafarge's entire share in the joint venture and, consequently, the remaining interest of Lafarge in Alexandria Portland and Beni Suef. The Group's operations in Egypt, comprising of its interests in Beni Suef and Alexandria Portland, are referred to as "**Titan Cement Egypt.**"

In November 2010, the Group announced the completion of the €80.0 million equity investment by the IFC, which resulted in it acquiring a 15.2 per cent stake in the operations of Titan Cement Egypt. As a result, the Group currently holds approximately a 82.5 per cent stake in Titan Cement Egypt, IFC is holding 15.2 per cent and other minor shareholders are holding the remainder.

The Beni Suef plant is located 120 kilometers south of Cairo on the east bank of the River Nile and has excellent access to the main highways linking North and South Egypt. The plant was upgraded in 2007, resulting in lower fuel and electric energy consumption, and a second 1.5 million ton cement production capacity line became operational in 2009. Limestone quarries are located close to the plant, with reserves expected to last over 50 years, and two clay quarries are located 10 to 15 kilometers from the site.

In March 2016, the second coal grinding mill went into operation at the Beni Suef cement plant, allowing Titan Cement Egypt to reduce energy costs. The Group's subsidiary in Egypt, GAEA, commenced operation in 2016, producing refuse-derived fuel from municipal solid waste in Alexandria to supply the local cement plant, and dried sewage sludges and biomass for the Beni Suef plant. Titan Cement Egypt also began co-processing, a practice referring to the use of waste as energy source, in Egypt in the autumn of 2016, with thermal substitution rate daily peaks of 20.0 per cent in Alexandria and 5.0 per cent in Beni Suef.

Alexandria Portland operates a plant located in Alexandria, the second most populous city in Egypt. The modernized plant is located close to the sea, thus facilitating exports. Alexandria's new coal-grinding mill was commissioned in December 2016 and supported fuel cost containment. A ready-mix plant at Borg El-Arab (Alexandria city) was established in 2010 and a second ready-mix plant at West Cairo was completed in October 2012.

#### **6.4.2**      *Turkey*

The Group's operations in Turkey under the Group's Eastern Mediterranean segment are conducted through its subsidiaries Adocim Marmara and Adocim Cimento. Adocim Marmara was fully acquired by the Group in 2016. Titan acquired a 50.0 per cent equity stake in Adocim Cimento in April 2008 and further increased its overall holding to 75.0 per cent in October 2018 by acquiring an additional 25.0 per cent from its joint venture partner. Adocim Marmara operates a grinding plant, which serves the Istanbul market. Adocim Cimento operates one integrated cement plant in Tokat near the Black Sea, which facilitates exports to the Black Sea market, and three ready-mix facilities in Tokat, Sivas and Artova. The business operations of Adocim Marmara are integrated with the operations of Adocim Cimento.

#### **6.5**            *Joint Venture – Brazil*

In September 2016, the Group acquired an equity stake in Cimento Apodi, a Brazilian cement manufacturer operating in the state of Ceará in Northeast Brazil. Cimento Apodi is jointly owned and controlled by Titan (with a 50.0 per cent stake), and a family-owned Brazilian business, through a joint venture agreement. Cimento Apodi operates a modern integrated cement plant in Quixeré, which has been in operation since 2015 and a cement grinding plant in Pecém port, close to the city of Fortaleza, which has been in operation since 2011. Cimento Apodi has a production capacity of over 2.0 million tons of cement per year. Quixere plant is the only plant in Latin America with a Waste Heat Recovery system. Cimento Apodi also owns and operates five ready-mix facilities and 10 distribution terminals.

Despite difficult market conditions, the Group's joint venture in Brazil, Cimento Apodi, has managed to increase its market position by taking advantage of discontinued production by some competitor plants. Moreover, the North and Northeast regions of Brazil are believed to have particularly strong growth prospects, and growth in these regions has contributed to improvements in both volume and prices.

## **7. Production Process**

### **7.1 Cement**

The Group extracts raw materials such as limestone, clay, pozzolan and gypsum from its quarries to produce cement through the following process:

*Raw materials extraction and storage.* The principal raw materials (mainly limestone and clay) used for cement production are mined, using processes such as blasting and drilling, or through powerful excavators. In the pre-operational phase, the mine is researched and probed to identify the quality and quantity of raw materials. Once it is established that mining is economically feasible for a given site, the final digging configuration is defined and the size of the fleet of vehicles and equipment that will be required is decided. In the operational phase, blocs are marked and holes are made by punch presses. Explosives are loaded into the holes to loosen the limestone and bulldozers are deployed to remove dirt and the overburden, which is the rock, soil, and ecosystem that lies above and covers the limestone. The extracted raw materials are then loaded onto trucks and transported to the crushing plant. The raw materials are separately crushed and subsequently stored by type in silos, before they are fed to the raw mills for mixing in the appropriate proportions.

*Homogenization and grinding.* Homogenization refers to the process of mixing and grinding the raw materials. Limestone, gypsum and clay are mixed with iron acquired from third parties. The drying and grinding of raw materials takes place either in horizontal mills that crush the raw materials into powder or vertical mills that are used to pulverize the raw materials through pressure. Drying is effected through the use of hot kiln off-gases. The quality of the resulting raw material is monitored by examining samples of each batch and processing them using quality control software, which confirms that the blend meets internal quality standards. The raw material is blended into a powder and subsequently stored in a silo until it is ready to be used.

*Clinkerization.* Clinker is produced by transferring the powdered raw material to a heater or calciner, where it is pre-heated to transform it into calcium oxide. At the pre-heating stage, the kiln temperature reaches approximately 900 degrees Celsius. After being processed, the raw material is fed to the rotary kiln, where intense heat causes the calcium oxide to fuse partially with iron ore, aluminum and silica to form a mixture of calcium silicates and other silicates. At this stage, the kiln temperature reaches approximately 2,000 degrees Celsius. The clinker is then cooled to a temperature of approximately 200 degrees Celsius and is stored in a silo or outdoor patio.

*Cement grinding and storage.* After the clinker has cooled, it is mixed with gypsum or other natural or artificial materials and this mixture is fed into a mill, where it is ground into a fine powder to produce cement. In this form, cement acts as a binding agent that becomes concrete or mortar when mixed with water, sand, stone and other aggregates. The exact mix of materials is strictly specified and continuously monitored. After passing through the mill, the cement is stored in concrete silos designed to preserve its quality until distribution.

*Packaging.* The cement is either packaged into bags and loaded into trucks, a majority of which belong to the Group's fleet with others that are operated by third parties, to be transported for distribution, or transported unpacked in bulk via specially designed trucks that deliver large amounts to designated work sites or by third-party chartered vessels.

### **7.2 Ready-Mix Concrete**

Ready-mix concrete is produced by mixing cement with water and aggregates. Aggregates are inert granular materials such as sand, gravel or crushed stone which are obtained from quarries and then transferred to the

ready-mix plants, where they are unloaded and stored separately, and constitute approximately 70.0 per cent of the ready-mix concrete's volume. Ready-mix concrete is produced either in concrete plants and transported to construction sites as ready-mix concrete or mixed at the construction site. Once the cement has been mixed with water and aggregates, the mixture undergoes a chemical reaction that hardens the ready-mix concrete into a permanent form of artificial stone within a few hours. For this reason, ready-mix concrete is transported through the use of specially designed trucks that stir concrete keeping it homogeneous until it is delivered at the work-site.

This process is overseen by a control room that centrally coordinates all production, taking into account the various specifications of ready-mix concrete for different applications, in addition to processing and organizing customer orders and related production.

The production of ready-mix concrete at the Group's plants can be broken down into the following eight stages:

*Entrance.* The ready-mix concrete components (cement, aggregates, water and additives) are received by personnel and tested by sampling. After their verification, the components are stored.

*Storage.* The components are stored at silos or storage bins located at the ready-mix plants.

*Hoppers.* A front-end loader transports aggregates to the silo, where a supplier belt fills boxes with aggregates. The sand, gravel and other products each have their own hopper. An automated system creates an alert if any hopper is low so that it may be replenished on a timely basis.

*Loading point.* The component materials of ready-mix concrete are separated and weighed in the aggregate hopper and transported by conveyor belt to the loading point where they are loaded into ready-mix concrete trucks. Cement, which falls from silos located above, is combined with water and additives. This process is automated and controlled from the control room.

*Holding area.* Once loaded, the ready-mix concrete trucks go to the holding area, where the ready-mix concrete is mixed for approximately ten minutes.

*Exit.* Once the concrete is mixed and ready for delivery, the ready-mix concrete truck is sealed and exits the plant. The seal ensures customers that the ready-mix concrete truck left the loading facility and arrived at the delivery site without having been opened, and upon delivery the invoice is delivered to the customer.

*Quality Assurance.* For every 200 cubic meters of ready-mix concrete produced at a plant, the Group collects a sample for quality testing at a laboratory. These samples are referred to as test specimens. Generally, four samples are collected for the laboratory by a team of drivers within a maximum period of 48 hours. Once these test specimens arrive at the laboratory, they are identified and cured, either in a humidity chamber or a controlled-temperature water tank, until testing commences. After this process, the test specimens are further broken down by automated laboratory presses seven and 28 days after being withdrawn from the cure. The results are analyzed, allowing for control of the quality of the products produced at the Group's facilities.

## **8. Facilities**

The below provides a short description of the Group's facilities as at December 31, 2018.

*Limestone quarries:* the Group operates 73 limestone quarries, which are open-pit mines from which the raw materials to produce cement are extracted. The majority of the Group's quarries are located near the Group's cement plants, increasing efficiency and reducing transport costs. For further information on the Group's limestone quarries, please see "*Limestone Quarries*" below.

*Cement plants:* the Group operates 14 cement plants, which are used to crush, store and transform raw materials to clinker, which is then stored at the Group's facilities. After being extracted from quarries or imported from

third parties, the raw materials are fed to the raw mills for mixing. When the mixing is complete, the raw materials are transported to the kiln where they are heated and transformed to clinker. The clinker is then cooled and stored in special storages before the grinding process begins.

*Grinding plants:* the Group operates three grinding plants, which consist of horizontal or vertical mills that break the clinker into the fine gray powder that is cement.

*Distribution terminals:* the Group operates 34 distribution terminals, as both inland and port locations, including six import terminals, which are used to serve the international intra-Group trade. The Group uses its distribution terminals to ship its products either in bags or in bulk using specialized silo trucks or ships. Such products are then directed to internal market channels and external customers.

*Ready-mix plants:* the Group operates 123 ready-mix plants, which are used to weigh and mix raw materials (mainly cement, aggregates and water) to produce ready-mix concrete.

*Dry mortar plant:* the Group operates one dry mortar plant, in Greece, which is used to batch and blend various raw materials (mainly sand, cement and additives).

*Concrete block plants:* the Group operates ten concrete block plants, which consist of manufacturing facilities that transport, weigh and mix raw materials to concrete blocks. After blending the raw materials (mainly cement, water and additives), the mix is then molded through a conveyor before it is transformed into concrete block cubes.

*Fly-ash processing plants:* the Group operates six fly-ash processing plants, which are used to produce fly-ash through coal combustion. To produce fly-ash, coal is pulverized and blown with air into the boiler's combustion chamber where it ignites, generating heat and driving out fine particles of burned fuel. Fly-ash is captured through filtration equipment before the flue gases reach the chimneys.

*Processed engineered fuel facilities:* the Group operates three processed engineered fuel facilities, which are used to transform waste into alternative fuel. The transformation process consists of collecting and harnessing combustible materials such as plastics, textiles and biomass and transforming them into fuel, which is then used to power the Group's production facilities.

## **9. Principal Raw Materials**

The Group's production facilities consume significant amounts of raw materials. The principal raw materials used by the Group in the production of cement and concrete are limestone, clay, clinker, pozzolan, gypsum, mineral aggregates, water and additives. In the years ended December 31, 2018 and 2017, the consolidated cost of the Group's raw materials accounted for 15.4 per cent and 16.4 per cent, respectively, of the Group's consolidated total cost of sales.

### **9.1 Limestone Quarries**

The Group obtains the limestone required to produce cement, concrete and related products principally from land where the Group owns quarries or has rights through leasing agreements to undertake quarrying.

In the years ended December 31, 2018 and 2017, the Group extracted approximately 33.2 and 33.7 million tons, respectively, of raw materials from the 73 quarries owned or leased by the Group globally.

The Group closely monitors its limestone reserves through the implementation of its reserve policy to maintain future production in commercially viable and environmentally sustainable levels. The relevant local teams conduct regular examinations and evaluations of the Group's quarries, prepare and submit reports to the applicable controlling department which then communicates the reserve estimates to the head of operations with

respect to each quarry. Depending on the results of such examinations, the Group may then implement further actions such as quarries re-designing and pit optimization, to increase its reserve utilization efficiency.

## **9.2**      *Other Raw Materials*

The Group obtains its other raw materials besides limestone, such as pozzolan and gypsum, either from quarries owned or leased by the Group, which are mostly located in Greece, or from various third-party suppliers, mostly in the other markets in which the Group operates.

## **10.**      **Energy Sources**

The Group consumes thermal and electrical energy in its extraction and production processes. Energy consumption is one of the Group's principal costs. In the years ended December 31, 2018 and 2017, energy costs comprised 22.1 per cent and 21.6 per cent, respectively, of the Group's consolidated cost of sales. The Group also operates systems for recycling, processing and utilizing waste as alternative raw material and alternative fuel.

### **10.1**      *Thermal Energy*

In the years ended December 31, 2018 and 2017, the Group's total heat consumption amounted to 44,949 and 49,192 TJ, respectively, and represented 87.4 per cent and 87.8 per cent of the Group's total energy consumption. The Group's principal thermal energy sources are coal, pet coke and alternative fuels, with the Group purchasing its thermal energy from third parties on a spot rate basis. The Group does not rely on any specific or key third-party providers for its thermal energy needs, or face a significant risk of not having access to thermal energy, as long as the spot market is functioning in each country where its facilities are located.

### **10.2**      *Electrical energy*

In the years ended December 31, 2018 and 2017, the Group's electrical energy consumption (derived from third parties) amounted to 6,462 and 6,805 TJ, respectively, and represented 12.6 per cent and 12.2 per cent of the Group's total energy consumption. The Group purchases its electrical energy from third parties, either state owned or privately run generating facilities, typically through-spot purchases or forward contracts shorter than 12 months.

## **11.**      **Customers and distribution**

The Group has a large, widespread customer base, with its five largest customers representing collectively below 10.0 per cent of its turnover in the year ended December 31, 2018. The Group's customers comprise mostly ready-mix producers, construction companies, cement wholesalers and distributors, and retail and pre-cast concrete producers.

In particular, cement customers include construction companies and public works organizations, manufacturers (such as producers of ready-mix concrete and prefabricated products) and, via retailers, the general public. Buyers of ready-mix concrete are also typically construction and public works contractors, ranging from major multinational corporations to small-scale customers. Customers for aggregates include a broad range of buyers, from concrete and asphalt producers, to manufacturers of prefabricated products, and construction and public works contractors of all sizes.

Benefiting from its vertically integrated business model, the Group is able to sell its aggregates and fly-ash production to its customers through various channels, mainly through its ready-mix concrete and cement businesses. The Group distributes its cement products directly, generally using its own equipment and trucks or through third-party contractors, while also selling its products for export through third-party chartered vessels. As at December 31, 2018, the Group operated 34 distribution terminals, either through land owned by the Group

or through lease agreements with the relevant national or local authority, including six import terminals, located mainly in the United States, and Greece and Western Europe.

## **12. Competition**

Many of the local markets for cement, aggregates, ready-mix concrete, dry mortars, building blocks as well as other construction materials and services are highly competitive. Competition in these segments is based largely on price and, to a lesser extent (but still substantially), on the quality of the material, service provided, logistics and innovative solutions offered. There is relatively low degree of product differentiation and the predominantly commodity nature of building material products and construction services leads to intense competition.

The Group estimates (on the basis of the Global Cement Directory 2018 and based on publicly available information) that in 2018 the top four cement producers represented approximately 25.0 to 30.0 per cent of global cement production (excluding China). Competition for the Group in the cement industry varies from market to market and involves domestic and international cement producers, as well as importers and foreign construction service providers. In most markets the Group competes with global cement producers such as LafargeHolcim, HeidelbergCement, CRH, Cemex and others. Specifically in its areas of operation in the United States, the Group competes mainly with Cemex, HeidelbergCement, Argos and CRH. In Greece, the Group competes primarily with LafargeHolcim whereas in Egypt one of the Group's main competitors is the Egyptian, army which operates a major state-owned cement plant. In Turkey, the Group competes with Votorantim and Askale Cimento whereas in Brazil it competes with Votorantim.

## **13. Intellectual Property**

The Group owns or has licenses to use various trademarks, patents and other intellectual property rights that are of value to its business. The Group owns or has the right to use all relevant trademarks used in conjunction with the marketing of its products.

## **14. Research and Development**

The Group's research and development strategy is focused on the monitoring, integration and application of global trends on environmental footprint reduction, with particular focus on CO<sub>2</sub> reduction, both through process improvements and through the development of low carbon clinker. The Group is engaged in long-term partnerships with scientific institutions, such as the European Cement Research Academy and academia and participates in R&D projects relating to new technologies, methods and materials that can reduce carbon footprint throughout the value chain, in line with the Low Carbon Technology Partnerships Initiative and the Paris Agreement on climate change. The Group's efforts are also focused on the development of new products and solutions such as applying nanotechnology in cement and clinker, as well as the development and implementation of new cement, mortar and concrete recipes to cover the Group's customers' needs.

## **15. Corporate Social Responsibility and Sustainable Development**

The Group's annual reporting has been developed in accordance with the Global Reporting Initiative G4 Principles, using the World Business Council for Sustainable Development/Cement Sustainability Initiative (the "WBCSD/CSI") guidelines and protocols. This report meets the "advanced level" criteria for UN Global Compact Communication on Progress.

The Group has also advanced further to the detailed presentation of relevant information for all countries in which it operates. CSR and sustainable development reports are also issued in local languages with data of interest to local stakeholders in most of the countries where the Group operates.

## **16. Regulatory Overview**

The Group's operations are subject to extensive environmental and safety laws and regulations in the United States, the EU and elsewhere. The below provides a summary of the principal laws and regulations affecting the Group's operations.

### **16.1 United States**

The Group's operations in the United States are subject to a variety of federal, state and local environmental laws and regulations. Such laws and regulations include, but are not limited to: the CAA, which, among others, sets standards for air quality and emissions of sulfur dioxide, nitrogen oxides and particulate matter; the Clean Water Act, which regulates discharges to water bodies and impacts to wetlands; and the RCRA, which regulates the management and disposal of solid and hazardous wastes.

U.S. environmental laws can also provide for environmental liability in case of the release of hazardous substances and waste which contaminate the environment or which affect human health and safety. These environmental laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, commonly known as superfund (which provides the federal government the authority to respond to releases or threatened releases of hazardous substances, and attach liability to the generators of hazardous substances, as well as current or previous owners or operators of real property for the cost of investigation, removal and remediation of releases of hazardous substances). Such laws also include the Superfund Amendments and Reauthorization Act, which strengthened the superfund laws and required reporting of hazardous materials for emergency planning purposes and reporting of releases of hazardous substances from their manufacturing, processing or use, and the Toxic Substances Control Act, which addresses the production, importation, use, and disposal of specific chemicals, including various reporting obligations.

Environmental regulations in the United States undergo frequent review and modification, in addition to the establishment of new rules. The EPA recently concluded a technological review of Portland cement under the NESHAP and concluded that no new requirements or changes to emission limits were warranted. However, environmental groups have challenged this final rule and any outcome of the legal challenge that results in a change to the EPA conclusion could negatively impact the Group's ability or cost to comply with revised NESHAP regulations. Compliance with NESHAP regulations, as they evolve, may require new monitoring systems and other infrastructure, and may also require the Group to undertake significant various operations, maintenance and monitoring expenditures.

Under U.S. environmental laws and regulations, the federal government or state governments, if the relevant authority is delegated to them, can establish permit programs that set operating limits on emissions or releases, impose monitoring and reporting requirements, and require the respective source's owner or operator to take steps to reduce pollution. Other regulations impose non-permit requirements that establish procedures and plans to prevent releases of chemicals or pollutants, to report the manufacturing, use and release of hazardous substances, and to manage the generation and disposal of wastes. Numerous governmental authorities, including the EPA and the equivalent state agencies, as well as third-party citizen groups, have the power to enforce compliance with these laws and regulations and the permits issued under them. Enforcement actions often involve difficult and costly compliance measures or corrective actions. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties, natural resource damages, the imposition of investigatory or remedial obligations, and the issuance of orders limiting or prohibiting some or all of the Group's operations.

The Group may also become subject to potential environmental legislation in the United States regulating quantities of CKD, an emission of the Group's cement production operations. The EPA evaluated the status of CKD regulations in 1999 and proposed a rule for new management under RCRA. Although this rule was never finalized, any obligation to manage CKD as a hazardous waste under RCRA would require increased costs for the Group's operations in the United States and could result in higher capital expenditures to manage the



Group's CKD emissions, any of which would adversely affect the Group's operating performance and profitability.

Moreover, the GHG regulations for electric utilities under the CAA were finalized in 2014 but have not been implemented pending the resolution of ongoing legal actions challenging the legality of those regulations. The ultimate disposition of the GHG regulations for electric utilities in the U.S. will set a regulatory precedent which may be applied to other industries (including cement) in subsequent regulatory actions. Any new GHG regulatory framework covering the cement industry could therefore have a significant negative impact on the Group's operations in the United States.

In the United States, the Group is also subject to safety requirements, which are outlined by the Occupational Safety and Health Act of 1970 as administered by the U.S. Occupational Safety and Health Administration and the Mine Safety and Health Act of 1977 as administered by the Mine Safety and Health Administration.

## **16.2**      *European Union*

The Group's operations in Europe are also subject to a variety of environmental regulations. For example, carbon dioxide ("CO<sub>2</sub>") emissions are heavily regulated under EU law. In the cement industry, CO<sub>2</sub> emissions result mainly from the production of clinker and the related combustion of fossil fuels, as well as the process emissions from the de-carbonization of the raw materials. In 2005, the EU introduced a cap and trade scheme, the ETS, under which industrial installations must control and report their CO<sub>2</sub> emissions on an annual basis. So far there have been three phases in ETS implementation, namely ETS Phase I (2005-2007), ETS Phase II (2008-2012) and the ongoing ETS Phase III, which commenced in 2013 and is expected to run until 2020. Phase IV is expected to commence on January 1, 2021, and finish on December 31, 2030. As a cement producer, the Group has participated in the ETS program through Phases I and II and is currently participating in ETS Phase III.

The ETS requires regulated installations to surrender to regulatory agencies a number of allowances corresponding to their verified CO<sub>2</sub> emissions for the previous year. CO<sub>2</sub> emissions which exceed an installation's allowances will have to be compensated for by the purchase of allowances on the market. If actual CO<sub>2</sub> emissions for a given site are below an installation's allowances then the surplus allowances can be kept against future CO<sub>2</sub> emissions, or sold in the market.

ETS Phase III has changed the method of allocation of emissions allowances from free allocation to an auction method for the electric utilities sector, while the primary industrial sectors which remain vulnerable to "carbon leakage" receive free allowances to cover part of their needs. Cement producers such as the Group are in the industrial sector, and therefore continue to receive free allowances under ETS Phase III. "Carbon leakage" is the increased competition risk that companies in a certain sector, which are subject to the emission requirements, face from companies that operate in markets outside the EU, and which have lower or no emission requirements. The Group will be granted approximately 4.0 million tons per year (up to 2020) in free emissions allowances to assist the Group in combating the effects of "carbon leakage" and thus maintain its operations in the EU states in which it currently operates.

The sectors and subsectors that are deemed to be exposed to a significant risk of carbon leakage and the number of free allowances allocated to them are defined by the European Commission in its carbon leakage list. Cement producers are included in this list.

The revised ETS Directive (Directive (EU) 2018/410) introducing ETS Phase IV, which will apply for the period 2021-2030, entered into force on April 8, 2018, and amended the existing ETS Directive (Phase III). According to the new rules, the cement industry remains on the carbon leakage list, but with fewer allowances compared to Phase III, and the number of such free allowances shall be determined based on production levels of recent years (dynamic allocation), rather than the historical production levels used under ETS III. In general, ETS Phase IV will reduce the total number of free allowances allocated to the Group, contributing to an increase of the price of auctioned CO<sub>2</sub> rights, and is expected to result in higher costs for cement producers.

## 17. Health, Safety and Environment

### 17.1 Health and Safety

The Group's Lost Time Injuries Frequency Rate ("LTIFR") for its own employees was 1.54 LTIs per million hours for the year ended December 31, 2018, while LTIFR for contractors was 1.12 LTIs per million hours in the same period. A number of Group-wide initiatives have recently been implemented in compliance with the Group's sustainability strategy and priorities, including, among others, a new health surveillance system, training for the prevention of serious accidents and a compendium of safety equipment.

### 17.2 Environmental Matters

Acknowledging climate change as a significant global challenge, the Group has adopted at an early stage and implemented a climate change mitigation strategy, which includes the increased use of alternative fuels, particularly biomass, and the reduction of thermal energy consumption at its facilities. For the year ended December 31, 2018, the use of alternative fuels increased to 12.1 per cent of the Group's total thermal energy consumption, compared to 9.1 per cent in the year ended December 31, 2017.

The Group's subsidiary companies, GAEA Bulgaria and GAEA Egypt, have the objective of sourcing and producing suitable alternative fuels for the cement plants. The Group addresses its carbon emissions in line with the Kyoto Protocol (using 1990 as the base year for CO<sub>2</sub> emissions) and reports the CO<sub>2</sub> emissions from the cement plants.

The Group has invested heavily in new technologies to reduce its air emissions. In 2018, Group specific dust emissions decreased by approximately 39.2 per cent compared to the previous year, to 12.1 g/t. Emissions of both nitrogen oxides and sulfur oxides in 2018 decreased to 1,01.8 g/t and 207.7 g/t, respectively.

Efficient water use and management at the Group's production facilities is also an important sustainability goal. The Group implements water management systems on its sites to monitor and optimize water use and report water data in a consistent way, according to the WBCSD/CSI guidelines. In 2018, specific water consumption at the Group's cement and grinding plants and their attached quarries was 256.2 L/t. Water recycling facilities are currently operating in more than 90 per cent of the Group's cement plants.

The table below illustrates the breakdown of the Group's capital expenditures relating to the implementation of its environmental policy by activity:

Group environmental expenditures	Year Ended December 31,		
	( <i>€ million</i> )		
	2018	2017	2016
Costs for environmental management .....	16.1	15.8	19.4
Costs for reforestation .....	0.5	0.5	0.3
Costs for rehabilitation .....	0.5	0.5	0.8
Costs for environmental training and awareness building .....	0.2	0.2	0.2
Costs for the application of environmentally friendly technologies.....	9.5	8.6	37.9
Costs for waste management .....	1.9	1.9	2.1
<b>Total</b> .....	<b>28.8</b>	<b>27.5</b>	<b>60.7</b>

## 18. Employment

As at December 31, 2018, the Group employed 5,365 people, 78.4 per cent of which were located outside Greece and Western Europe.

Region	No. of employees as at December 31, 2018	No. of employees as at December 31, 2017
United States .....	2,223	2,198
Greece and Western Europe .....	1,159	1,157
Southeastern Europe.....	1,203	1,253

Region	No. of employees as at December 31, 2018	No. of employees as at December 31, 2017
Eastern Mediterranean.....	780	824
<b>Total</b> .....	5,365	5,432

As at December 31, 2018, the percentage of Group employees that were unionized varied from approximately 5.0 per cent in the United States to 79.4 per cent in certain of the Group’s business units in the Southeastern Europe segment. In Greece and Egypt, approximately 44.7 per cent and 31.1 per cent of the Group’s employees, respectively, were unionized as at December 31, 2018.

Group companies enter into collective bargaining agreements that establish, among other things, the working conditions, salary adjustments and profit-sharing programs of the Group’s employees. In countries where there are local federations of cement workers such as Greece, Turkey and Bulgaria, the Group also enters into collective bargaining agreements as a member of the respective local cement employer associations. In the United States, the Group has entered into collective bargaining agreements with United Steel Workers and Operating Engineers.

In Greece, both the broader collective agreement covering the cement sector and the Group’s union collective agreement that covers the relevant Group employees expired in 2018. As of the date of this Prospectus, negotiations are still in progress in respect of renewed agreements.

The Group’s management believes that the relations of the Group with its employees are good and there are no risks associated with strikes or other shut downs of its operations. Although the Group’s employees participate from time to time in strikes, such strikes are organized on a nation-wide level and are not specifically directed against the Group or affecting its operations, while Group employee participation levels remain low. The Group has not faced any strikes or labor stoppages affecting its operations since 2015.

## **19. Legal Proceedings**

In the ordinary course of business, the Group is involved, and may in the future become involved, in lawsuits, claims, investigations and proceedings, including product liability, commercial, ownership, competition, environmental and health and safety matters, social security and tax claims (see also “*Part I: Risk Factors—The Group faces risks from potential and on-going litigation.*”).

### **19.1 Beni Suef**

With respect to Beni Suef, there are currently two active litigation cases where the plaintiffs are seeking the nullification of Beni Suef’s privatization that took place in 1999, when Beni Suef was sold to Financiere Lafarge in a public auction, before being subsequently acquired by the Group. The first action was filed by two former employees of Beni Suef in 2011 against Beni Suef, a subsidiary of the Group, among others. The Cairo Administrative Court rejected the plaintiffs’ claim in connection with the Beni Suef privatization, however, accepted their claim that Beni Suef was under the obligation to re-instate all employees, the employment of whom had been terminated, including employees who had already left Beni Suef under voluntary staff reduction programs. Both the plaintiffs and Beni Suef appealed this ruling to the Supreme Administrative Court, which subsequently suspended the case until the Supreme Constitutional Court, Egypt’s supreme administrative court, issues a final ruling on the constitutionality of Law 32/2014. Law 32/2014 takes away the legal standing of employees to sue against privatization proceedings. As a result, the Supreme Administrative Court has taken the position that it may not rule on the case until the Supreme Constitutional Court rules on the constitutionality of Law 32/2014. If Law 32/2014 is deemed constitutional, the two cases against Beni Suef’s litigation would most likely be dismissed by the Supreme Administrative Court on procedural grounds, given that the plaintiffs would not have standing. Should the Supreme Constitutional Court rule that such law is unconstitutional, and the case is remanded to the Supreme Administrative Court, the Group believes that the actions against Beni Suef’s privatization would still be rejected given that the 1999 privatization and the relevant public auction of Beni Suef were legal. Given the backlog of the Supreme Constitutional Court, no ruling is expected on the

constitutionality of Law 32/2014 in the next two or three years. Should the case be remanded to the Supreme Administrative Court, the Group believes that any final ruling will be issued only after several years, and would not affect the Group in the short or medium term. However, there can be no assurance as to the final outcome of these cases. Similarly, the second action, filed in 2013 by a private individual on similar grounds, is currently before the Investment Circuit no. 7. However, the hearing date has not yet been scheduled as of the date of this Prospectus.

In the Group's view, both these actions lack any legal and factual ground. If the actions against the privatization of Beni Suef (which occurred in 1999) are finally accepted by the Egyptian Courts, an outcome that the Group considers as highly unlikely, the privatization of Beni Suef could be canceled. However, given the nature of such a result, it is not possible for the Group to quantify the impact of such a decision. In any case, Titan will exhaust any available legal remedy against such decision. No provision has been made by the Group in respect of these actions in connection to the cancellation of the privatization of Beni Suef.

### **19.2**      *Alexandria Portland*

With respect to Alexandria Portland, also a subsidiary of the Group, there are also two active claims, in which plaintiffs are seeking the annulment of the Alexandria Portland's sale to Blue Circle Cement Group in 1999, before Alexandria Portland was subsequently sold to the Group. The first action was filed in 2012 by an ex-employee of Alexandria Portland against, among others, the seller Blue Circle Cement Group (but not Alexandria Portland), and is currently pending before the competent Administrative Court. This claim has been suspended until the Supreme Constitutional Court issues the above ruling on the constitutionality of Law 32/2014. Similarly, the second action, which was enacted by three ex-employees of Alexandria Portland against Alexandria Portland, was filed in 2013 and is also suspended before the competent Administrative Court, until the Supreme Constitutional Court issues the above ruling on the constitutionality of Law 32/2014. Similarly to the Beni Suef litigation, the Group believes that the actions against Alexandria Portland's privatization would still be rejected. However, there can be no assurance as to the final outcome of these actions.

In the Group's view, both actions lack any legal and factual ground. If the actions against the privatization of Alexandria Portland (which occurred in 1999) are finally accepted by the Egyptian Courts, an outcome that the Group considers as highly unlikely, the privatization of Alexandria Portland could be canceled. However, given the nature of such a result, it is not possible for the Group to quantify the impact of such a decision. In any case, Titan will exhaust any available legal remedy against such decision. No provision has been made by the Group in respect of these actions in connection to the cancellation of the privatization of Alexandria Portland.

### **19.3**      *Other cases*

In 2007, Beni Suef obtained a license for the construction of a second production line at one of its plants through a bidding process run by the Egyptian Trading and Industrial Authority ("**IDA**"), for a license fee of EGP134.5 million. IDA subsequently unilaterally raised the license fee to EGP251 million. In October 2008, Beni Suef filed an action before the Administrative Court challenging the price increase and requesting the license's price to be set at EGP500 or, alternatively, that the price be set at EGP134.5 million, as had been originally determined through the bidding process, rather than EGP251 million claimed by the IDA. Beni Suef's initial action was rejected by the Administrative Court, and Beni Suef filed an appeal before the High Administrative Court in June 2018. The appeal hearing has not yet been scheduled. Beni Suef has also lodged an action against IDA requesting the calculation of the payable interest, which is accruing on the EGP 251 million fee the IDA is claiming, on the basis of the legal interest of 4.0 per cent per annum and not on the basis of the CBE interest rates (varying from 9.5 per cent to 19.25 per cent) as calculated by IDA.

In June 2018, Beni Suef and IDA entered into an license fee agreement, pursuant to which Beni Suef paid to IDA the amount of EGP251 million for the value of the license plus the amount of EGP24.9 million, as down payment for interest, calculated on the basis of the CBE interest. Moreover, Beni Suef agreed to pay the remaining amount of interest, amounting to EGP224 million, in 12 monthly installments, under the express agreement that, in case the Egyptian Courts accept the above appeal of Beni Suef on the value of the license

and/or the above action of Beni Suef on the calculation of the payable interest, IDA will pay back to Beni Suef the relevant amounts. As at March 31, 2019, the remaining balance of interest accrual is EGP24.6 million, which includes interest calculated on the basis of the CBE interest rates. All above payments have been recorded in Beni Suef's financial statements and reflected as consolidated at the Group level. In the Group's view, Beni Suef has a strong basis for its position, and believes its arguments will be accepted by the Court.

There are no other litigation matters which may have a material impact on the financial position of the Group. For more information on litigation matters in which the Group is involved, see Note 30 of the 2018 Consolidated Financial Statements.

## **20. Insurance**

The Group maintains a comprehensive insurance program that covers damages to property and casualty losses, in addition to economic losses due to business interruption. The Group is insured against all risks of material damage and business interruption, including civil liability. The Group's insurance policy provides coverage for production interruption in its cement manufacturing facilities. The sums insured equal to approximately €2.1 billion as at December 31, 2018. The Group's management believes that its insurance programs, policy limits and deductibles are appropriate for the risks associated with its business and are in line with the insurance policies of similar cement manufactures that operate in the respective markets in which it operates. As at the date of this Prospectus, there had been no instances where the Group considers its insurance coverage to have been insufficient.

## PART IV: SELECTED HISTORICAL FINANCIAL INFORMATION AND OTHER DATA

The tables below set out selected historical financial information for the Group as at and for the years ended December 31, 2018, 2017 and 2016. For more information on the Company's statement of financial position as at December 31, 2018, please see "Part X: Capitalization and Indebtedness—Capitalization of the Company."

As of January 1, 2018, the Group and Titan adopted IFRS 9 and 15. Both standards have been applied with the cumulative impact recognized in retained earnings without restating the historical financial results in connection with the years ended December 31, 2017 and 2016. Therefore, the Group's historical financial condition and results of operations for the periods presented may not be comparable, either between periods or going forward.

The selected historical financial information presented below should be read in conjunction with "Part V: Operating and Financial Review and Prospects," and the Annual Consolidated Financial Statements incorporated by reference in this Prospectus.

	Year Ended December 31		
	2018	2017	2016
	(€ million)		
	(audited)		
<b>Income Statement Data:</b>			
Turnover.....	1,490.1	1,505.8	1,509.2
Cost of sales .....	(1,089.5)	(1,070.3)	(1,072.1)
Gross profit before depreciation, amortization and impairment.....	<b>400.6</b>	<b>435.5</b>	<b>437.0</b>
Administrative expenses.....	(125.0)	(125.5)	(122.1)
<b>Profit before interest, taxes, depreciation, amortization and impairment (EBITDA).....</b>	<b>259.7</b>	<b>273.4</b>	<b>278.6</b>
Depreciation and amortization related to cost of sales.....	(109.5)	(106.2)	(109.4)
Profit/(loss) before interest and taxes .....	143.9	157.0	151.5
Finance expense, net .....	(63.8)	(64.1)	(64.4)
<b>Profit before taxes .....</b>	<b>82.6</b>	<b>63.2</b>	<b>63.5</b>
Profit attributable to equity holders of the parent after taxes .....	53.8	42.7	127.4
<b>Cash Flows Data:</b>			
Net cash generated from operating activities.....	261.3	226.1	269.2
Net cash flows (used in)/from investing activities.....	(139.2)	(165.3)	(240.0)
Net cash flows (used in)/from financing activities .....	(108.4)	(82.6)	42.7
<b>Cash and cash equivalents at end of the period/year .....</b>	<b>171.0</b>	<b>154.2</b>	<b>179.7</b>
<b>Financial Position Data:</b>			
	As at December 31,		
	2018	2017	2016
	(€ million)		
	(audited)		
Non-current assets.....	2,204.8	2,001.4	2,165.0
Current assets .....	665.1	594.1	624.7
<b>Total assets.....</b>	<b>2,869.9</b>	<b>2,595.5</b>	<b>2,789.8</b>
Equity attributable to equity holders of the parent.....	1,394.1	1,307.2	1,476.4
<b>Total equity.....</b>	<b>1,471.3</b>	<b>1,369.7</b>	<b>1,552.8</b>
Non-current liabilities .....	906.4	929.4	830.0
Current liabilities.....	492.2	296.4	407.0
<b>Total liabilities.....</b>	<b>1,398.6</b>	<b>1,225.8</b>	<b>1,237.0</b>

## NON-IFRS FINANCIAL DATA

	For the Year Ended December 31,		
	2018	2017	2016
<b>Operating Free Cash Flow &amp; Effect on Net Debt</b>	<i>(€ million, except if indicated otherwise)</i>		
<b>EBITDA</b> .....	<b>259.7</b>	<b>273.4</b>	<b>278.6</b>
Non-Cash Items <sup>(1)</sup> .....	0.9	16.7	13.6
Capital expenditures <sup>(2)</sup> .....	(118.5)	(122.5)	(150.6)
Operating working capital <sup>(3)</sup> .....	6.1	(49.2)	(17.1)
<b>Operating Free Cash Flow</b> .....	<b>148.2</b>	<b>118.4</b>	<b>124.5</b>
Acquisitions, net of disposals <sup>(4)</sup> .....	(32.7)	(48.3)	(98.0)
Payment of interest, tax, dividends and others <sup>(5)</sup> .....	(122.4)	(169.6)	(115.5)
Foreign exchange impact on Net Debt <sup>(6)</sup> .....	(21.3)	37.3	49.4
Net Debt of Acquired Entities <sup>(7)</sup> .....	(20.9)	-	-
<b>(Increase)/Decrease in Net Debt</b> .....	<b>(48.9)</b>	<b>(62.2)</b>	<b>(39.4)</b>

- (1) Consists of non-cash items included in EBITDA such as provisions, accruals etc.
- (2) Consists of payments for property, plant and equipment, and payments for intangible assets.
- (3) Consists of cash released from, or absorbed by, changes to working capital in the period, reflecting (i) (increase)/decrease in inventories, (ii) (increase)/decrease in trade and other receivables, (iii) increase/(decrease) in operating long-term receivables and payables, and (iv) (decrease)/increase in trade payables.
- (4) Consists of (i) proceeds from sale of property, plant and equipment, intangible assets and investment property, (ii) payments for investing in associates and joint ventures, (iii) share capital increase in associates and joint ventures, (iv) payments for acquisition of subsidiaries, net of cash acquired and (v) acquisition of non-controlling interests.
- (5) Consists of income tax paid, interest paid and received, dividends paid and received, (payments)/proceeds for purchase/sale of treasury shares and other payments of financing activities.
- (6) Consists of effects of exchange rate changes on cash and debt balances.
- (7) Consists of Net Debt of acquired subsidiaries, namely Adocim Cimento in connection with the year ended December 31, 2018.

	As at December 31,		
	2018	2017	2016
<b>Net Debt &amp; Leverage Ratio</b>	<i>(€ million, except if indicated otherwise)</i>		
Gross Debt <sup>(1)</sup> .....	942.9	877.2	840.5
Net Debt <sup>(2)</sup> .....	771.9	723.0	660.8
Leverage Ratio <sup>(3)</sup> .....	3.0x	2.5x	2.3x

- (1) Corresponds to the Group's short-term borrowings plus long-term borrowings (excluding the Group's joint venture in Brazil).
- (2) Corresponds to the Group's short-term borrowings plus long-term borrowings less cash and cash equivalents (excluding the Group's joint venture in Brazil). The table below sets forth a reconciliation of short- and long-term borrowings to Gross debt and Net Debt.
- (3) Corresponds to the Group's Net Debt, minus the impact of certain cash held at banks, divided by EBITDA for the last twelve months ended at each period end, after excluding certain exceptional items, which include restructuring costs, results from discontinued operations and other one-off items.

	As at December 31,		
	2018	2017	2016
	<i>(€ million, except if indicated otherwise)</i>		
Long-term borrowings .....	745.2	820.4	711.0
Short-term borrowings .....	197.7	56.8	129.5
<b>Gross Debt</b> .....	<b>942.9</b>	<b>877.2</b>	<b>840.5</b>
Less and cash equivalents .....	171.0	154.2	179.7
<b>Net Debt</b> .....	<b>771.9</b>	<b>723.0</b>	<b>660.8</b>

## PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*The following discussion should be read in conjunction with the Annual Consolidated Financial Statements, and the related notes incorporated by reference in this Prospectus. This discussion contains forward-looking statements that are subject to known and unknown risks and uncertainties. Actual results and the timing of events may differ significantly from those expressed or implied in such forward-looking statements due to a number of factors, including those set forth in the section entitled “Part I: Risk Factors” and elsewhere in this Prospectus. You should read the following discussion in conjunction with “Forward-Looking Statements” and “Part I: Risk Factors.”*

### 1. Overview

Titan was founded in 1902 with the establishment of the first cement plant in Greece in the town of Elefsina. On February 16, 1911, Titan became a public limited liability company (*société anonyme*) under the name Titan Cement Company S.A. and has been listed on the ATHEX since 1912.

Titan is the parent company of a vertically integrated group that manufactures, distributes and trades cement, aggregates, ready-mix concrete and related building products in four regions: (i) the United States (including Canada), (ii) Greece and Western Europe (including import terminals in France, Italy and the United Kingdom), (iii) Southeastern Europe (including Albania, Bulgaria, North Macedonia, Kosovo, Serbia and Montenegro) and (iv) the Eastern Mediterranean (including Egypt and Turkey).

The Group operates a multi-regional business with two cement plants in the United States, three in Greece, two in Egypt and one in each of Albania, Bulgaria, North Macedonia, Kosovo, Serbia, Turkey and Brazil.

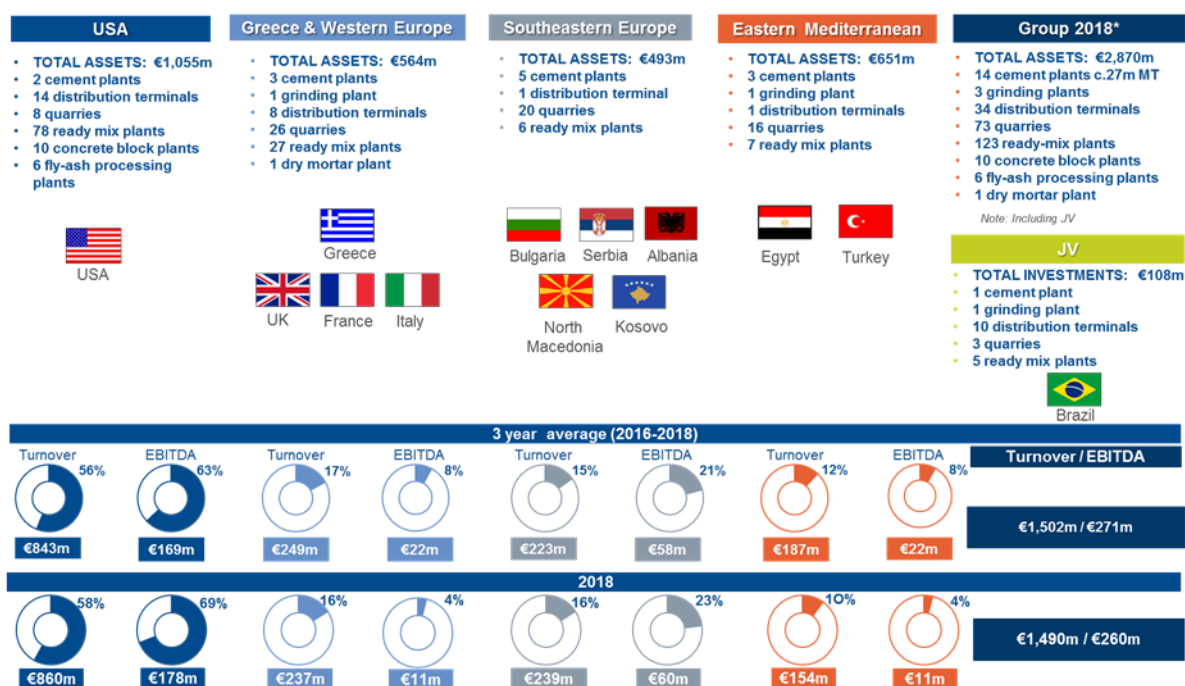
The Group (including its joint venture in Brazil) operates 14 cement plants, three grinding plants, 34 distribution terminals, including six import terminals, 73 quarries, 123 ready-mix plants, ten concrete block plants, six fly-ash processing plants, three processed engineered fuel facilities and one dry mortar plant. The Group's total cement capacity (including cement, grinding plants and cementitious materials) is approximately 27.0 million tons per year.

In addition to the Group's operations in the four regions mentioned above, the Group also participates in a joint venture in Brazil, namely Cimento Apodi, the results of which are consolidated by the Group on an equity basis. A complete list of the subsidiaries of Titan can be found in Note 14 of the 2018 Consolidated Financial Statements, which have been incorporated by reference in this Prospectus.

As at December 31, 2018 and 2017, the Group had total assets of €2.9 billion and €2.6 billion, respectively. For the years ended December 31, 2018 and 2017, the Group generated turnover of €1,490.1 million and 1,505.8 million and EBITDA of €259.7 million and €273.4 million, respectively. For the years ended December 31, 2018 and 2017, 84.1 per cent and 83.5 per cent of the Group's turnover and 95.8 per cent and 93.3 per cent of the Group's EBITDA was generated outside Greece and Western Europe, respectively.

The following table shows the geographic diversification of the Group's operations by region for the three-year average (2016-2018) and the year ended December 31, 2018:





The Group has grown its production even during recent economic downturns, as its cement production capacity has increased by 29.0 per cent between 2008 and 2018. The Group’s management believes that this growth has been driven as part of the Group’s geographic diversification, which has allowed areas of growth to mitigate the effects of regions in which the construction sector has remained stagnant.

## 2. Principal Factors Affecting the Group’s Financial Condition and Results of Operations

### 2.1 Macroeconomic Trends in the Construction Market in the Jurisdictions in Which the Group Operates

The construction industry is cyclical and demand for building materials and services is affected by a number of macroeconomic factors such as gross domestic product growth (which tends to precede demand growth in the cement industry by approximately six to 12 months in most markets), as well as interest rates, employment, demographics and government policy. In the markets in which the Group operates, the main drivers of the construction cycle are increasing urbanization, residential construction patterns and public infrastructure spending. These cyclical factors affect demand for, and therefore volumes and pricing of, building materials and services, including the products sold by the Group.

Economic slowdowns or downturns, or declines in public investment or infrastructure spending in significant individual markets or on a regional or global scale, will generally result in lower volumes of products sold by the Group and also adversely affect their pricing, with both factors adversely affecting the Group’s turnover and profit before interest and taxes. In addition to cyclical economic factors, demand for building materials and services has been, and will continue to be, affected by political instability and volatility, which varies greatly in its nature and impact across the markets in which the Group operates. For example, the Group’s results of operations in the United States were negatively impacted following the global recession in 2008, which led to the collapse of the housing market and the construction sector. Similarly, in Greece, the long-term economic decline and the imposition of higher taxes on real property, in addition to periods of high political uncertainty, have led to a 50-year low in cement consumption in 2018. Infrastructure spending is largely dictated by the government budget and developmental needs of the country, which in turn are driven by a range of underlying variables such as the level of tax revenues and political conditions. Permit costs and levies may also affect the Group’s business or the construction industry as a whole. In some circumstances these costs may be difficult to pass on to customers, for example in Egypt, where the Group competes with a cement plant owned by the national army, and where significant supply in the market dictates that prices remain low.

The Group's results are also dependent on its ability to react swiftly and effectively to changes in market conditions. During periods of a downturn in demand, the Group may continue to accrue fixed costs to maintain its plant and labor force, which could lower profitability in combination with any reduction in lower volumes of its products sold.

## **2.2 Geographic Diversification**

The Group actively employs its geographical diversification strategy to mitigate the adverse effects of the construction sector's cyclical nature, the macroeconomic trends affecting the markets in which the Group operates and other regional variations which impact specific geographical markets. The Group also pursues its strategy through acquisitions in markets in which the Group was not previously present, such as the acquisition of Cimento Apodi in 2015 in Brazil. For example, although the U.S. residential construction market collapsed in the 2007-2009 recession, it has seen a relatively strong recovery since, whereas other regions either have not experienced a downturn at the same time, or have not recovered at the same rate. Demand can also be less predictable in emerging markets such as Egypt and Turkey, which the Group believes will prove to be high-growth markets in the long term, but which may experience variable progress in any given year.

In the decade since the global financial crisis in 2007-2009, the Group's sales and prospects have diminished in its historical home market in Greece, and have significantly grown in the United States and other global markets. Prior to the extended economic stagnation in Greece, residential construction accounted for a majority of the Group's cement sales in the country; whereas currently, demand for building materials used in housing in Greece is at a near five-decade low, with no sign that the construction industry will recover soon. In contrast, the turnover and profitability of Titan America has posted continuous and marked improvement in the last five years, in tandem with the strong recovery of the construction sector in the United States, where demand is driven by population growth and healthy federal and state fiscal budgets which translate into significant funding of infrastructure projects. The Group's EBITDA derived from its U.S. operations has increased from 52.1 per cent of its total EBITDA in the year ended December 31, 2016 to 68.5 per cent and 67.7 per cent in the years ended December 31, 2018 and 2017, respectively, an increase that highlights the Group's successful geographical diversification strategy and the Group's reliance on the United States segment's results of operations. In the years ended December 31, 2018 and 2017, 57.7 per cent and 58.0 per cent of the Group's total turnover (excluding intra-Group sales) was generated by its operations in the United States, 15.9 per cent and 16.5 per cent by Greece and Western Europe, 16.0 per cent and 15.0 per cent by Southeastern Europe and 10.4 per cent and 10.5 per cent by its Eastern Mediterranean operations, respectively.

For further information on the Group's regional results of operations in the periods under review, please see "*Results of Operations*" below, and for a discussion of the market backdrop in each relevant region, please see "*Part II: Industry*."

## **2.3 Costs of Energy, Raw Materials and Transportation**

Cement production is highly energy-intensive, resulting in significant fuel and electricity expenses for the Group. The Group requires thermal energy from sources such as coal or natural gas to fire its kilns, and electrical power to move heavy equipment in the Group's plants, such as cement and grinding plants. In addition, the products manufactured by the Group are heavily dependent on the availability of raw materials, including, among others, limestone, clay and gypsum. Raw material and energy costs are therefore a significant component of the Group's cost of sales. In the years ended December 31, 2018 and 2017, energy costs comprised 22.1 per cent and 21.6 per cent, respectively, of the Group's consolidated cost of sales, whereas the consolidated cost of the Group's raw materials accounted for 15.4 per cent and 16.4 per cent, respectively, of the Group's consolidated total cost of sales.

The Group's energy is procured through a variety of arrangements in the markets in which it operates, but is principally through open market purchases or short-term (three to 12 month) forward agreements. As a result, the Group's results of operations are affected by movements in the prices of raw materials and energy. Energy prices and, to a lesser extent, raw material prices, are subject to significant price fluctuations beyond the

Group's control. Although options are limited for hedging movement in prices for thermal energy, more options are available in relation to electricity, as electricity trading is permitted in some markets. The Group does not enter into long-term hedging instruments in connection with thermal and electric energy prices, and its hedging exposures are limited to taking positions less than 12 months forward and are for hedging rather than speculative purposes. Also, in certain of the markets in which the Group operates, electricity prices are also influenced by governmental policy. For example, in July 2018, the government of Egypt decreased subsidies on electrical energy, which led to a 43.0 per cent increase in electricity costs for the industrial sector and contributed to higher cost of sales for the Group's operations in Egypt. See "*Part I: Risk Factors—Risks relating to the Group's business—Fluctuations in energy, fuel prices and transportation costs could have an adverse effect on the Group's costs of sales.*"

Changes in energy prices typically also result in corresponding increases or decreases in the Group's transportation costs, which are substantial due to the heavy weight of its products. The Group seeks to control transportation costs by passing them on to customers to the extent possible. In addition, the Group mitigates its exposure to transportation cost increases through the strategic placement of quarries and cement and aggregate production sites in geographic proximity to key markets. The Group's transportation costs are typically incurred for either (a) domestic land transportation within each market where its products are sold or (b) shipping (by sea) for the exportation of products and importation of fuels like pet-coke or coal. For its land transportation needs, the Group maintains its own fleet of trucks in the United States but in other markets may subcontract domestic transportation to independent truckers, which the Group believes can be replaced without undertaking a time-consuming or burdensome process, and without having a material impact to the Group's cost of sales. For its marine transportation needs, apart from one sea vessel owned by the Group (which is managed by a third-party), the Group uses third-party shipping providers at international market rates on a spot rate basis, and, therefore, is not reliant on a single or small number of third party providers as long as the spot market is functioning. In either case, both the costs of third party providers of land and sea transport, as well as the cost of fuel both introduce variability into the cost of transportation over time. In the years ended December 31, 2018 and 2017, distribution expenses represented, 15.8 per cent and 15.2 per cent, respectively, of the Group's consolidated cost of sales.

As a result of the above, the Group's overall cost of sales, comprising principally of electrical and thermal energy, raw materials and supplies, and staff costs, in the year ended December 31, 2018 increased to €1,089.5 million compared to €1,070.3 million in the year ended December 31, 2017 mostly due to increased energy costs in the markets in which the Group operates, mainly Egypt, Greece and Southeastern Europe, partially offset by lower costs related to raw material and consumables used due to lower production levels and changes in the product mix. In the year ended December 31, 2017 the Group's cost of sales slightly decreased compared to the same period in the year 2016, primarily due to an increase in distribution expenses which was offset by lower cost of trading goods.

The Group has been engaging in a series of actions to reduce energy costs and the Group's environmental footprint. In 2017, investments in the Group's Greek plants were focused on cost improvements, as well as safety and environmental conditions. More than 1.3 million tons of alternative raw materials and more than 200,000 tons of alternative fuels were used, substituting for primary raw materials and fossil fuels, respectively. Moreover, investments included the installation of a new SAP/ERP system.

#### **2.4 Investment Program and Production Capacity**

The Group's cement production capacity was 27 million tons as at December 31, 2018. See "*Part III: Business—Description of the Group—Business Overview—Products*". The Group has a well-invested, low-cost, modern asset base, with most plants either newly built or upgraded within the last decade, providing flexibility on capital expenditure management during times of economic downturn. The Group accelerated its capital investment over the course of a two-year period, 2015 and 2016, and implemented a €324.0 million capital expenditure program, which was primarily focused on technology competitiveness, revenue growth, cost efficiencies and environmental protection in United States and Egypt. Looking forward, having completed these major upgrades, the Group expects the level of capital expenditure to revert to lower levels with a primary focus

on maintenance and normal course of business improvements. As a result, the Group's net capital expenditures amounted to €122.5 million in the year ended December 31, 2017, to enable the Group to maintain production capacity and to secure competitiveness. Similarly, the Group's net capital expenditures amounted to €118.5 million in the year ended December 31, 2018, primarily on maintenance and modernization projects, in particular in connection with the Group's plants in the United States. For a discussion of historical capital expenditures of the Group in the periods under review, please see "*Liquidity and Capital Resources—Capital Expenditures.*"

The Group expects to invest up to €120.0 million in 2019 for its capital expenditure projects, primarily on maintenance and modernization project. The timing of the incurrence of these capital expenditures will depend on the Group's results of operations, the Group's compliance with the leverage ratios contained in its financing agreements, available financing and market conditions.

## **2.5 Acquisitions and Investments of the Group**

Historically the Group has experienced substantial growth over time as a result of acquisitions, investing over €1.7 billion in acquisitions since January 1, 2000, of which €187.8 million was invested in the three-year period from 2016 to 2018.

Since January 1, 2015, the Group:

- has acquired 20.0 per cent of the share capital of Antea, with operations in Albania, from EBRD in February 2015, increasing the Group's overall holding to 80.0 per cent of Antea's share capital (with the remaining 20.0 per cent being held by the IFC);
- has acquired an equity stake in Cimento Apodi, Brazil (47.0 per cent in September 2016 and a further 3.0 per cent in September 2017);
- has acquired the remaining 50.0 per cent of Adocim Marmara in Turkey in August 2016, increasing the Group's overall holding to 100.0 per cent of Adocim Marmara's share capital; and
- acquired an additional 25.0 per cent in Adocim Cimento in October 2018 from its joint venture partner, increasing the Group's overall holding to 75.0 per cent of Adocim Cimento's share capital.

## **2.6 Seasonality**

Demand for cement, aggregates and other construction materials and related services is subject to seasonal fluctuations because climate and weather conditions affect the level of activity in the construction sector. Businesses in the construction sector, including the Group, typically experience a decrease in sales in the first and fourth quarters, reflecting the effect of the winter season mostly in the northern hemisphere, including Southeastern Europe, Greece and the United States, and the rainy season in tropical climates in Latin America and Florida, and an increase in sales in the second and third quarters, reflecting the effect of the summer season. During the low seasons there is typically lower activity in the construction sector, especially where meteorological conditions make large-scale construction projects difficult, resulting in lower demand for building materials. These seasonal fluctuations can have a material effect on the Group's business, results of operations and financial condition, especially during harsh winters. In addition, heavy rainfall can adversely affect operations. For example, record wet weather in the U.S. Mid-Atlantic region in the first half of 2018 delayed construction activity in markets such as Virginia where the Group sells its products, thereby lowering volumes sold. Similarly, in the second half of 2017, Hurricane Irma impacted Titan America's performance in Florida and temporarily offset the underlying growth trends of the local market, leading to a loss in turnover. Conversely, an extended period of mild weather could see construction activity accelerating, which would result in additional volumes sold.

## **2.7 Pricing and Product Mix**

The Group's results of operations are affected by its product mix and the prices and margins for its products, given that profit margins may vary between products and between different periods. Since 1992, the Group has selectively employed a vertical integration strategy, diversifying its product offering to include an increasing proportion of non-cement products (ready-mix, aggregates, dry mortars and building blocks) in addition to cement products (including cementitious materials). Such vertical integration business model enables the Group to channel its aggregates and fly-ash production to its customers, mainly through its ready-mix concrete and cement channels, and better adjust to fluctuating market conditions that affect pricing for the Group's products such as production costs, energy costs, transportation costs, and competitors' prices. In the year ended December 31, 2018, cement turnover represented 56.9 per cent of the Group's total turnover, compared to 79.0 per cent in 1992, whereas turnover from other products amounted to 43.1 per cent for the year ended December 31, 2018 compared to 21.0 per cent in 1992. The variety of products and services the Group offers are the result of its research and development efforts, and its increasingly diversified product offering.

## **2.8 Currency Exchange Rates**

The functional and presentation currency of the Group, in which the consolidated financial statements are presented, is the Euro. The Group operates in 14 countries, eight of which present their financial statements in currencies other than the Euro. Consequently, the Group's results of operations have been, and will continue to be, affected by the rate of depreciation or appreciation of the Euro against foreign currencies. In the year ended December 31, 2018, only 20.8 per cent of the Group's turnover was recorded by legal entities using the Euro as their reporting currency, while 57.7 per cent was reported in U.S. dollars, 9.1 per cent in Egyptian Pounds, 3.7 per cent in Macedonian Dinars, 3.6 per cent in Serbian Dinars and 5.2 per cent in other currencies. In terms of EBITDA, 7.9 per cent of the Group's EBITDA was generated by legal entities using the Euro as their reporting currency, while 69.0 per cent was reported in U.S. dollars, 4.2 per cent in Egyptian Pounds, 8.1 per cent in Macedonian Dinars, 6.2 per cent in Serbian Dinars and 4.7 per cent in other currencies.

Thus, the Group is exposed to foreign exchange effects from the translation of income statements of its subsidiaries that are denominated in foreign currencies into Euros upon consolidation. The higher the contribution of non-Euro turnover and EBITDA to consolidated turnover and EBITDA, the more susceptible consolidated results are to foreign exchange fluctuations. Such translation effects are in particular relevant to the Group's United States and Egyptian operations. For example, because of the Euro's strengthening against other currencies (primarily the U.S. dollar and the Egyptian Pound) in the year ended December 31, 2017, the Group's turnover and EBITDA was €148.4 million and €17.9 million lower than what they would have been if these exchange rates had remained stable at 2016 levels. Similarly, the Group's turnover and EBITDA for the year ended December 31, 2018, were €51.5 million and €7.9 million, respectively, lower than what they would have been if these exchange rates had remained stable at 2017 levels. Moreover, the Group exports a substantial part of its Greek production to the U.S. and elsewhere through U.S. dollar denominated contracts, resulting in the turnover of the Group being affected by fluctuations in the U.S. dollar – Euro exchange rate. A weaker U.S. dollar leads to a decrease in effective export prices and puts downward pressure to the Greek and Western Europe segment's turnover and profit margins in Euros.

In addition, the Group's statement of financial position is only partially hedged by debt in foreign currencies, and therefore a significant decrease in the aggregate value of such local currencies against the Euro may have a material effect on the Group's shareholders' equity. Further, such foreign exchange losses affecting the Group's equity could be also recognized as loss on the Group's income statement, should the Group dispose the relevant subsidiary.

The Group's statement of comprehensive income is also affected by foreign exchange variations, mainly deriving from the translation of the statement of financial position as well as the income statement and the statement of other comprehensive income of the Group's subsidiaries that are denominated in foreign currencies, when these are translated to Euro. For example, the Group recorded foreign exchange losses in its statement of comprehensive income of €110.2 million and €200.5 million in the years ended December 31, 2017

and 2016, respectively, resulting from fluctuations in foreign exchange rates against the Euro. More specifically, the U.S. dollar's weakening of approximately 13.8 per cent against the Euro in 2017 compared to 2016 resulted in foreign exchange losses of €68.9 million. Conversely, in the year ended December 31, 2018, the Group recorded foreign exchange gains in its statement of comprehensive income of €17.6 million, resulting mainly from the translation of net asset balances denominated in U.S. dollars at year end.

For the year ended December 31, 2016, the Group's results were affected by the major devaluation of the Egyptian Pound against the Euro of approximately 50.0 per cent, which resulted in foreign exchange losses; however, such devaluation also led to a significant benefit for the Group due to the reduction in the value of loans denominated in Egyptian Pound.

For the year ended December 31, 2017, the Group's results were affected by a weaker U.S. dollar against the Euro, which had a negative impact on the translation of the Group's results in the U.S. to its consolidated financial statements. Moreover, the weaker dollar also affected the Group's U.S. dollar denominated exports from Greece by decreasing the Group's effective export prices. The Group was also affected by a decrease of the Turkish Lira and a further decrease of the Egyptian Pound against the Euro.

For the year ended December 31, 2018, the Group's results were affected by the strengthening of the U.S. dollar and the Albanian LEK against the Euro, as well as the significant drop of the Turkish Lira.

The Group seeks to reduce the overall exposure by netting purchases and sales in each currency on a global basis where feasible, and then covers its net position in the market. The Group often hedges transaction exposure by using derivative instruments, including, among others, foreign exchange forward contracts and currency swaps, besides using natural hedging to match liabilities in the same currency as the cash flow generated from operating activities. To the extent that such hedges are not effective in terms of accounting classification, they will have a direct impact on the Group's income statement. Similarly, a significant decrease in the aggregate value of such local currencies against the Euro may have a material effect on the Group's shareholders' equity. For a sensitivity analysis of our foreign exchange risk see Note 33 of the 2018 Consolidated Financial Statements.

### 3. Alternative Performance Measures and Operating Data

The Group uses APMs to provide additional information to investors and to enhance their understanding of its results and to measure the performance of its business. The Group presents the below APMs because it believes that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The APMs may not be comparable to similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of Titan's operating results as reported under IFRS.

Although these measures are derived from the Annual Consolidated Financial Statements, they are not a measure of financial performance under IFRS, nor have these measures been reviewed by an independent auditor, consultant or expert. As these terms are defined by the Group's management, they may not be comparable to similar terms used by other companies. (For more information relating to the use of non-IFRS financial measures, please see "*Presentation of Financial and Other Information—Non-IFRS Financial Measures*").

The table below shows certain APMs on a Group level as at and for the periods indicated:

	As at December 31,		
	2018	2017	2016
	<i>(€ million, except if indicated otherwise)</i>		
EBITDA <sup>(1)</sup> .....	259.7	273.4	278.6
Operating Free Cash Flow <sup>(2)</sup> .....	148.2	118.4	124.5
Gross Debt <sup>(3)</sup> .....	942.9	877.2	840.5
Net Debt <sup>(4)</sup> .....	771.9	723.0	660.8

	As at December 31,		
	2018	2017	2016
	(€ million, except if indicated otherwise)		
Leverage Ratio <sup>(5)</sup> .....	3.0x	2.5x	2.3x

- (1) Corresponds to the Group's profit before interest, taxes, depreciation, amortization and impairment, excluding the impact of the share of profit/(losses) of associates and joint ventures.
- (2) Corresponds to the Group's EBITDA minus non-cash items, capital expenditures and changes in working capital.
- (3) Corresponds to the Group's short-term borrowings plus long-term borrowings (excluding the Group's joint venture in Brazil).
- (4) Corresponds to the Group's short-term borrowings plus long-term borrowings minus cash and cash equivalents (excluding the Group's joint venture in Brazil).
- (5) Corresponds to the Group's Net Debt, minus the impact of certain cash held at banks, divided by EBITDA for the last twelve months ended at each period end, after excluding certain exceptional items, which include restructuring costs, results from discontinued operations and other one-off items.

The table below shows the Group's turnover by product for the year ended December 31, 2018:

Product	Turnover (€ million)	Percentage of the Group's turnover (%)
Cement <sup>(1)(2)</sup> .....	847.7	56.9
Non-Cement <sup>(2)(3)</sup> .....	642.4	43.1
<b>Total</b> .....	<b>1,490.1</b>	<b>100.0</b>

- (1) Cement sales include clinker and cementitious materials.
- (2) Includes the Group's joint venture in Brazil, but does not include associates.
- (3) Non-cement sales include ready-mix concrete, aggregates, building blocks, and other products.

The table below shows the Group's turnover by product for the year ended December 31, 2017:

Product	Turnover (€ million)	Percentage of the Group's turnover (%)
Cement <sup>(1)(2)</sup> .....	845.0	56.1
Non-Cement <sup>(2)(3)</sup> .....	660.8	43.9
<b>Total</b> .....	<b>1,505.8</b>	<b>100.0</b>

- (1) Cement sales include clinker and cementitious materials.
- (2) Includes the Group's joint venture in Brazil, but does not include associates.
- (3) Non-cement sales include ready-mix concrete, aggregates, building blocks, and other products.

The table below shows the Group's turnover by product for the year ended December 31, 2016:

Product	Turnover (€ million)	Percentage of the Group's turnover (%)
Cement <sup>(1)(2)</sup> .....	907.5	60.1
Non-Cement <sup>(2)(3)</sup> .....	601.7	39.9
<b>Total</b> .....	<b>1,509.2</b>	<b>100.0</b>

- (1) Cement sales include clinker and cementitious materials.
- (2) Includes the Group's joint venture in Brazil, but does not include associates.
- (3) Non-cement sales include ready-mix concrete, aggregates, building blocks, and other products.

The table below shows the Group's sales volumes by product for the periods indicated:

Sales Volumes	For the Year Ended December 31,		
	2018	2017	2016
Cement <sup>(1)(2)</sup> (in million tons) .....	18.2	19.3	17.5

Sales Volumes	For the Year Ended December 31,		
	2018	2017	2016
Aggregates <sup>(2)</sup> (in million tons) .....	17.1	16.0	15.9
Ready-mix <sup>(2)</sup> (in million cubic meters) .....	5.3	5.6	4.9

(1) Cement sales include clinker and cementitious materials.

(2) Includes the Group's joint venture in Brazil, but does not include associates.

#### **4. Description of Key Income Statement Line Items**

##### **4.1 Turnover**

Turnover primarily comprises sales to external customers of cement, ready-mix concrete, aggregates and building blocks, as well as other products, excluding inter-segment sales.

##### **4.2 Cost of sales**

Cost of sales primarily consists of the production cost of goods sold, including electrical and thermal energy, raw materials and supplies, alternative fuels, personnel expenses, expenses related to storage in producing plants and distribution expenses.

##### **4.3 Other income**

Other income primarily consists of rental income, scrap sales, income from services and gains from the sale of tangible and intangible assets.

##### **4.4 Administrative expenses**

Administrative expenses consist of staff costs and related expenses, third-party fees, IT costs and other administrative expenses.

##### **4.5 Selling and marketing expenses**

Selling and marketing expenses consist of staff costs and related expenses, travelling costs, third-party fees and other selling expenses.

##### **4.6 Other expense**

Other expense primarily consists of losses from the sale of tangible and intangible assets, provisions for bad debt, inventory obsolescence and others, restructuring costs related to voluntary retirement incentive programs and exceptional items that are related to one-off events such as costs incurred to address the effects of Hurricane Irma in the Group's U.S. segment.

##### **4.7 Profit before interest, taxes, depreciation, amortization and impairment (EBITDA) and EBITDA Margin**

EBITDA consists of profit before interest, taxes, depreciation, amortization and impairment, excluding the impact of the share of profit/losses of associates and joint ventures. EBITDA Margin corresponds to EBITDA divided by turnover.

##### **4.8 Depreciation, amortization and impairment**

Depreciation, amortization and impairment primarily consist of depreciation of property, plant and equipment, amortization of intangible assets, and impairment of assets.



#### 4.9 *Net finance income/(expense)*

Net finance income/(expenses) consists of income from interest on deposits, interest expenses and charges in connection with the Group's long- and short-term borrowings and gains or losses from financial instruments.

#### 4.10 *Gains/(losses) from foreign exchange differences*

Gains/(losses) from foreign exchange differences consists of foreign exchange gains and losses in connection with the effects of foreign exchange fluctuations on the Group's assets and liabilities denominated in currencies other than its reporting currency, the Euro. Foreign currency transactions are translated into the functional currency using the exchange rates (i.e. spot rates) prevailing at the dates of the transactions or valuation where items are re-evaluated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying net investment hedges.

#### 4.11 *Share of profit/(loss) of associates and joint ventures*

Share of profit/(loss) of associates and joint ventures mainly consists of the share of profits or losses of the Group's joint venture in Brazil (Cimento Apodi) and its former joint venture in Turkey (Adocim Cimento) and its associates in Bulgaria, the United States and Greece, that are attributable to the Group. The Group incorporates the results of its associates and joint ventures using the equity method of consolidation.

#### 4.12 *Income tax*

Income tax comprises current income taxes, deferred income taxes, non-deductible taxes and differences from tax audits, in addition to provision for other taxes, and the effects of the changes in the U.S. federal tax rate. The Group's effective tax rate, based on the Group's consolidated income tax divided by consolidated profits before tax, was 32.2 per cent for the year ended December 31, 2018, compared to 29.9 per cent for the year ended December 31, 2017, due to an increase in deferred tax charges.

### 5. Results of Operations

#### 5.1 *Comparison of the Results of Operations for the Financial Year Ended December 31, 2018 and the Financial Year Ended December 31, 2017*

	Year Ended December 31,		
	2018	2017	Change (%)
	<i>(€ million, except if indicated otherwise)</i>		
Turnover.....	1,490.1	1,505.8	(1.0)
Cost of sales .....	(1,089.5)	(1,070.3)	1.8
<b>Gross profit before depreciation, amortization and impairment</b>	<b>400.6</b>	<b>435.5</b>	<b>(8.0)</b>
Other income.....	15.4	10.6	45.3
Administrative expenses.....	(125.0)	(125.5)	(0.4)
Selling and marketing expenses .....	(22.3)	(22.6)	(1.3)
Other expenses <sup>(1)</sup> .....	(9.0)	(24.6)	(63.4)
<b>Profit before interest, taxes, depreciation, amortization and impairment (EBITDA).....</b>	<b>259.7</b>	<b>273.4</b>	<b>(5.0)</b>
Depreciation, amortization and impairment <sup>(2)</sup> .....	(115.8)	(116.4)	(0.5)
<b>Profit/(loss) before interest and taxes.....</b>	<b>143.9</b>	<b>157.0</b>	<b>(8.3)</b>
Finance expense, net <sup>(3)</sup> .....	(63.8)	(64.1)	(0.5)
Losses of obtaining control in joint venture .....	(3.1)	-	NM

	Year Ended December 31,		
	2018	2017	Change (%)
	(€ million, except if indicated otherwise)		
Gains/(losses) from foreign exchange differences .....	9.3	(22.3)	NM
Share of loss of associates and joint ventures .....	(3.7)	(7.5)	(50.7)
<b>Profit before taxes</b> .....	<b>82.6</b>	<b>63.2</b>	<b>30.7</b>
(Less)/plus: Income tax (expense)/gain .....	(26.6)	(18.9)	40.7
<b>Profit after taxes</b> .....	<b>56.0</b>	<b>44.3</b>	<b>26.4</b>
<b>Attributable to:</b>			
Equity holders of the Parent .....	53.8	42.7	26.0
Non-controlling interests .....	2.1	1.6	31.3

(1) *Includes net impairment losses on financial assets.*

(2) *Includes depreciation and amortization related to cost of sales, depreciation and amortization related to administrative and selling expenses and impairment of tangible and intangible assets related to cost of sales.*

(3) *Corresponds to finance income minus finance expenses.*

## 5.1.1 Group Results

### 5.1.1.1 Turnover

The Group's turnover for the year ended December 31, 2018 was €1,490.1 million, a decrease of €15.7 million (or 1.0 per cent) compared to €1,505.8 million for the year ended December 31, 2017, mostly due to foreign exchange translation impact, as the Euro strengthened against the U.S. dollar and the Egyptian Pound. In addition, poor weather and prolonged maintenance projects adversely affected sales of the United States segment during the first half of 2018. Also contributing to the decrease were lower sales volumes in Greece for the first half of the year, and the entrance of new supply in Egypt which reduced the volumes sold by the Group. This was partially offset by higher sales volumes in the United States and the Southeastern Europe segments, in which overall performance improved in the second half of 2018, compensating for the lower sales in the first half of 2018 compared to sales in the first half of 2017. Excluding negative foreign exchange translation impact, the Group's turnover would have increased by 2.4 per cent in the year ended December 31, 2018 compared to turnover for the year ended December 31, 2017. For a discussion of the Group's revenue per operating segment, please see “—Operating Segment Results for the Year ended December 31, 2018 and the year ended December 31, 2017” below.

### 5.1.1.2 Cost of Sales

The Group's cost of sales for the year ended December 31, 2018 was €1,089.5 million, an increase of €19.2 million (or 1.8 per cent) compared to €1,070.3 million for the year ended December 31, 2017, primarily due to higher energy costs, both in connection with thermal energy and electrical energy, mainly in Greece, Egypt and Southeastern Europe, partially offset by lower costs related to raw material and consumables used due to lower production levels and changes in the Group's plants product mix.

### 5.1.1.3 Other income

The Group's other income for the year ended December 31, 2018 amounted to €15.4 million, compared to €10.6 million, an increase of €4.8 million (or 45.3 per cent) for the year ended December 31, 2017, primarily driven by the receipt of claim settlements in the United States related to insurance payments.

### 5.1.1.4 Administrative Expenses

The Group's administrative expense for the year ended December 31, 2018 was €125.0 million, a decrease of €0.5 million (or 0.4 per cent) compared to €125.5 million for the year ended December 31, 2017, mainly as a

result of lower staff costs and related expenses in the year ended December 31, 2018, following the implementation of voluntary staff reduction programs in Greece and Egypt 2017 that reduced the Group's headcount and the relevant staff costs in 2018.

#### *5.1.1.5 Selling and Marketing Expenses*

The Group's selling and marketing expenses for the year ended December 31, 2018 was €22.3 million, a decrease of €0.3 million (or 1.3 per cent) compared to €22.6 million for the year ended December 31, 2017, reflecting the stronger Euro that favorably affected the translation impact of expenses incurred in the U.S.

#### *5.1.1.6 Other expenses*

The Group's other expenses for the year ended December 31, 2018 were €9.0 million, a decrease of €15.6 million (or 63.4 per cent) compared to €24.6 million for the year ended December 31, 2017, primarily driven by the one-off effects of a voluntary staff reduction program charge in Egypt and Greece in 2017.

#### *5.1.1.7 Profit before interest, taxes, depreciation, amortization and impairment (EBITDA) and EBITDA Margin*

The Group's EBITDA for the year ended December 31, 2018 was €259.7 million, a decrease of €13.7 million (or 5.0 per cent) compared to €273.4 million for the year ended December 31, 2017. The decrease was due to the foreign exchange translation impact of a strengthening Euro, mainly arising from the Group's operations in the U.S. and Egypt, as well as increased energy costs, particularly in Greece, Egypt and Southeastern Europe, and a decrease in demand in Greece. These factors were partially offset by an increase in EBITDA in Southeastern Europe due to higher turnover and the increased use of alternative fuels, which allowed the Group to mitigate the negative effects of increasing energy costs. The Group's EBITDA Margin decreased by 0.8 percentage points to 17.4 per cent in the year ended December 31, 2018, compared to 18.2 per cent for the year ended December 31, 2017.

#### *5.1.1.8 Depreciation, Amortization and Impairment*

The Group's depreciation, amortization and impairment for the year ended December 31, 2018 was €115.8 million, a decrease of €0.6 million (or 0.5 per cent) compared to €116.4 million for the year ended December 31, 2017, mainly as a result of impairment losses recognized in Greece and Western Europe in 2017.

#### *5.1.1.9 Finance Expense, net*

The Group's net finance expense for the year ended December 31, 2018 was €63.8 million, a marginal decrease of €0.3 million (or 0.5 per cent) compared to €64.1 million for the year ended December 31, 2017, primarily due to interest charged in 2018 as a result of the license fee agreement between Beni Suef and the Egyptian Trading and Industrial Authority. For additional information on the license fee agreement please see "*Part III: Business—Description of the Group—Legal Proceedings—Other cases.*"

#### *5.1.1.10 Gains/(losses) from Foreign Exchange Differences*

The Group's gains from foreign exchange differences for the year ended December 31, 2018 was €9.3 million, compared to losses of €22.3 million for the year ended December 31, 2017, mostly associated with foreign exchange variances in the valuation of loans and other liabilities (including intercompany loans) in Euro, recorded by the Group's subsidiaries operating in Egypt and the U.S., which have as functional currency the Egyptian Pound or the U.S. dollar, respectively.

#### 5.1.1.11 Share of Loss of Associates and Joint Ventures

The Group's share of loss of associates and joint ventures for the year ended December 31, 2018 was €3.7 million, a decrease of €3.8 million (or 50.7 per cent), compared to €7.5 million for the year ended December 31, 2017. The Group's sales in Turkey decreased due to a decline in construction activity during the second half of 2018 associated with the significant recession of the Turkish economy and the significant decline of the Turkish Lira against the Euro and increased energy prices, all of which negatively affected Adocim Cimento's performance. The net result attributable to the Group from Adocim Cimento for the period from January 1, 2018 to September 30, 2018, was a loss of €2.9 million compared to a €0.5 million profit in the same period in 2017. Similarly, Cimento Apodi benefitted from a stabilization in market conditions, which improved results in 2018. The lower losses in 2018 compared to 2017 were due to higher sales volumes and improved prices for Cimento Apodi in Brazil, despite the temporary decline in sales associated with the elections held in October 2018.

#### 5.1.1.12 Income Tax (Expense)/Gain

The Group's income tax expense for the year ended December 31, 2018 was €26.6 million compared to €18.9 million, an increase of €7.7 million (or 40.7 per cent) for the year ended December 31, 2017, primarily due to an increase in the Group's deferred income taxes charge.

#### 5.1.1.13 Net Profit Attributable to Equity Holders of the Parent

The Group's net profit for the year ended December 31, 2018, after taxes and non-controlling interests, was €53.8 million, compared to €42.7 million in the year ended December 31, 2017, an increase of €11.1 million (or 26.0 per cent), mainly due to foreign exchange gains.

### 5.1.2 Operating Segment Results for the Year ended December 31, 2018 and the year ended December 31, 2017

The Group is structured in four operating segments: United States, Greece and Western Europe, Southeastern Europe and Eastern Mediterranean. The Group's management monitors the operating results of each geographical segment separately in order to make resource allocation decisions and assess performance. The performance of each segment is evaluated based on turnover and EBITDA, and is measured in a manner that is consistent with the method used in the Group's consolidated financial statements. For additional information on the Group's operating segments, see Note 3 to the Group's Annual Consolidated Financial Statements incorporated by reference in this Prospectus. Segmental operating and financial data presented in this Prospectus refer to results from external customers and do not include intra-Group results, unless indicated otherwise.

The following table sets forth the turnover, EBITDA and EBITDA Margin for each of the Group's operating segments for the years ended December 31, 2018 and 2017:

	Year Ended December 31,		
	2018	2017	Change (%)
	<i>(€ million, except if indicated otherwise)</i>		
<b>Turnover</b>			
United States .....	860.1	873.2	(1.5)
Greece and Western Europe .....	237.1	248.7	(4.7)
Southeastern Europe.....	238.6	225.7	5.7
Eastern Mediterranean <sup>(1)</sup> .....	154.3	158.2	(2.5)
<b>Group</b> .....	<b>1,490.1</b>	<b>1,505.8</b>	<b>(1.0)</b>
<b>EBITDA</b>			
United States .....	177.9	185.1	(3.9)

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>Change (%)</u>
	<i>(€ million, except if indicated otherwise)</i>		
Greece and Western Europe .....	10.9	18.3	(40.4)
Southeastern Europe.....	59.6	56.9	4.7
Eastern Mediterranean <sup>(1)</sup> .....	11.3	13.2	(14.4)
<b>Group</b> .....	<b>259.7</b>	<b>273.4</b>	<b>(5.0)</b>
<b>EBITDA Margin<sup>(2)</sup> (%)</b>			
United States .....	20.7	21.2	(0.5)
Greece and Western Europe .....	4.6	7.4	(2.8)
Southeastern Europe.....	25.0	25.2	(0.2)
Eastern Mediterranean <sup>(1)</sup> .....	7.3	8.3	(1.0)
<b>Group</b> .....	<b>17.4</b>	<b>18.2</b>	<b>(0.8)</b>

(1) *The results of Adocim Cimento are consolidated as from October 1, 2018.*

(2) *EBITDA Margin is defined as EBITDA divided by turnover.*

#### 5.1.2.1 Turnover and EBITDA

##### 5.1.2.1.1 United States

The Group's U.S. segment had turnover of €860.1 million for the year ended December 31, 2018, a decrease of €13.1 million (or 1.5 per cent) compared to €873.2 million for the year ended December 31, 2017, primarily driven by foreign exchange translation impact caused by the weakening of the U.S. dollar against the Euro, the wet weather that prevailed in the East Coast in the first half of the year which reduced construction activity, as well as by the effects of Hurricane Florence which struck the Southeastern and Mid-Atlantic regions in September 2018 negatively affecting the Group's sales (albeit at lower levels compared to the effects of Hurricane Irma in 2017), which were partially offset by increased sales in Florida and a positive pricing environment across the Group's products and markets in which it operates. In addition, the introduction of new supply in the New York and New Jersey areas decreased sales volumes for the Group's import terminal. Despite the above, in U.S. dollars, turnover was higher year-on-year due to high demand, healthy construction activity, higher housing starts and a growing projects backlog for the Group's operations in the U.S.

The Group's U.S. segment recorded EBITDA of €177.9 million for the year ended December 31, 2018, a decrease of €7.2 million (or 3.9 per cent) compared to €185.1 million for the year ended December 31, 2017, primarily affected by foreign exchange translation impact, changes in the product sales mix and wet weather, in particular in the Mid-Atlantic regions in 2018. The Group's production in Florida faced operational challenges for the first half of 2018 related to maintenance programs that affected the Group's production for longer than expected, and in order to meet its sales commitments, the Group had to import and sell cement through its Tampa import terminal, resulting in lower EBITDA and margins compared to sales of cement produced locally. The decrease in EBITDA was mitigated by the return of the Group's production in Florida to full capacity during the second half of 2018 and the improved results recorded in Florida. The Group's EBITDA Margin for the U.S. segment decreased by 0.5 percentage points at 20.7 per cent in the year ended December 31, 2018, compared to 21.2 per cent for the year ended December 31, 2017.

##### 5.1.2.1.2 Greece and Western Europe

The Group's Greece and Western Europe segment had turnover of €237.1 million for the year ended December 31, 2018, a decrease of €11.6 million (or 4.7 per cent) compared to €248.7 million for the year ended December 31, 2017, due to lower clinker exports and pressure on cement prices, as domestic building activity remained at low levels, with the Group's exports to the U.S. absorbing the majority of the Group's production in Greece. The launch of new major infrastructure projects was further postponed beyond 2018, while domestic demand

was supported by growth in building activity in the tourism sector and the modest domestic sales growth in the second half of 2018 compared to the second half of 2017.

The Group's Greece and Western Europe segment had EBITDA of €10.9 million for the year ended December 31, 2018, a decrease of €7.4 million (or 40.4 per cent), compared to €18.3 million for the year ended December 31, 2017, mainly as a result of lower turnover and increased energy costs, due to higher pet-coke prices and electricity charges, that could not be passed on to the Group's customers through higher pricing. The Group's EBITDA Margin for the Greece and Western Europe segment decreased by 2.8 percentage points at 4.6 per cent in the year ended December 31, 2018, compared to 7.4 per cent for the year ended December 31, 2017.

#### 5.1.2.1.3 Southeastern Europe

The Group's Southeastern Europe segment had turnover of €238.6 million for the year ended December 31, 2018, an increase of €12.9 million (or 5.7 per cent) compared to €225.7 million for the year ended December 31, 2017, primarily as a result of increased demand and increased construction activity and higher volumes sold, in addition to the positive effects of economic growth that the region has experienced recently and a stable pricing environment.

The Group's Southeastern Europe segment had EBITDA of €59.6 million for the year ended December 31, 2018, an increase of €2.7 million (or 4.7 per cent), compared to €56.9 million for the year ended December 31, 2017, due to higher sales which were partially offset by increased energy costs, contained by the Group's investments for the expansion and use of alternative fuel usage. The Group's EBITDA Margin for Southeastern Europe decreased by 0.2 percentage points at 25.0 per cent in the year ended December 31, 2018, compared to 25.2 per cent for the year ended December 31, 2017.

#### 5.1.2.1.4 Eastern Mediterranean

The Group's Eastern Mediterranean segment had turnover of €154.3 million for the year ended December 31, 2018, a decrease of €3.9 million (or 2.5 per cent) compared to €158.2 million for the year ended December 31, 2017, due to a decrease in cement demand in Egypt which amounted to approximately 6.0 per cent according to Group estimates compared to 2017 and the increased competition in Egypt following the introduction of increased supply in the market in the second quarter of 2018, which resulted to a decrease in the Group's capacity utilization rates. The Group's Eastern Mediterranean segment revenue was also affected by the decline in construction activity in Turkey, which decreased demand for cement.

The Group's Eastern Mediterranean segment had EBITDA of €11.3 million for the year ended December 31, 2018, a decrease of €1.9 million (or 14.4 per cent), compared to €13.2 million for the year ended December 31, 2017, due to an increase in clay tax (by EGP20.0 per cement ton) and higher electricity costs as a result of a reduction in government subsidies by 43.0 per cent in Egypt. The Group's Eastern Mediterranean segment EBITDA was also adversely affected by the sharp decline of the Turkish Lira against the euro and increased energy costs in Turkey. The Group's EBITDA Margin for the Eastern Mediterranean segment decreased by 1.0 percentage points at 7.3 per cent in the year ended December 31, 2018, compared to 8.3 per cent for the year ended December 31, 2017.

## 5.2 ***Comparison of the Results of Operations for the Financial Year Ended December 31, 2017 and the Financial Year Ended December 31, 2016***

	Year ended December 31,		
	2017	2016	Change (%)
	<i>(€ million, except if indicated otherwise)</i>		
Turnover.....	1,505.8	1,509.2	(0.2)
Cost of sales .....	(1,070.3)	(1,072.1)	(0.2)
<b>Gross profit before depreciation, amortization and impairment</b>	<b>435.5</b>	<b>437.0</b>	<b>(0.3)</b>
Other income.....	10.6	9.0	17.8
Administrative expenses.....	(125.5)	(122.1)	2.8

	Year ended December 31,		
	2017	2016	Change (%)
	(€ million, except if indicated otherwise)		
Selling and marketing expenses .....	(22.6)	(21.6)	4.6
Other expense.....	(24.6)	(23.7)	3.8
<b>Profit before interest, taxes, depreciation, amortization and impairment (EBITDA).....</b>	<b>273.4</b>	<b>278.6</b>	<b>(1.9)</b>
Depreciation, amortization and impairment <sup>(1)</sup> .....	(116.4)	(127.1)	(8.4)
<b>Profit/(loss) before interest and taxes.....</b>	<b>157.0</b>	<b>151.5</b>	<b>3.6</b>
Finance expense, net <sup>(2)</sup> .....	(64.1)	(64.4)	(0.5)
Losses from foreign exchange differences .....	(22.3)	(26.0)	(14.2)
Share of profit/(loss) of associates and joint ventures.....	(7.5)	0.5	N/M
<b>Profit before taxes .....</b>	<b>63.2</b>	<b>63.5</b>	<b>(0.5)</b>
(Less)/plus: Income tax (expense)/gain .....	(18.9)	63.8	(129.6)
<b>Profit after taxes.....</b>	<b>44.3</b>	<b>127.3</b>	<b>(65.2)</b>
<b>Attributable to:</b>			
Equity holders of the Parent .....	42.7	127.4	(66.5)
Non-controlling interests.....	1.6	(0.1)	N/M

(1) Includes depreciation and amortization related to cost of sales, depreciation and amortization related to administrative and selling expenses and impairment of tangible and intangible assets related to cost of sales.

(2) Corresponds to finance income minus finance expenses.

## 5.2.1 Group Results

### 5.2.1.1 Turnover

The Group's turnover for the year ended December 31, 2017 was €1,505.8 million, a marginal decrease of €3.4 million (or 0.2 per cent) compared to €1,509.2 million for the year ended December 31, 2016, mainly due to a decrease of the Group's turnover in Egypt, affected by weak cement prices and high inflation, the depreciation of the Egyptian Pound and the U.S. dollar against the Euro that affected the Group's consolidated results as well as the continued decline in Greece, due to weak domestic market conditions, which was partially offset by the continued growth and increased cement sales volumes in the United States, which was nevertheless temporarily interrupted in the third quarter by Hurricane Irma, and higher cement sales volumes in Southeastern Europe. For a discussion of the Group's revenue per operating segment, please see "—Operating Segment Results for the Financial Year Ended December 31, 2017 and the Financial Year Ended December 31, 2016" below.

### 5.2.1.2 Cost of Sales

The Group's cost of sales for the year ended December 31, 2017 was €1,070.3 million, a decrease of €1.8 million (or 0.2 per cent) compared to €1,072.1 million for the year ended December 31, 2016, primarily due to an increase in distribution expenses which was offset by lower cost of trading goods.

### 5.2.1.3 Other income

The Group's other income for the year ended December 31, 2017 was €10.6 million, an increase of €1.6 million (or 17.8 per cent) compared to €9.0 million for the year ended December 31, 2016, primarily driven by a small profit from the sale of tangible assets in Greece in 2017 compared to a loss from the disposal of machineries in Beni Suef in Egypt in 2016.

### 5.2.1.4 Administrative Expenses

The Group's administrative expenses for the year ended December 31, 2017 amounted to €125.5 million, an increase of €3.4 million (or 2.8 per cent) compared to €122.1 million for the year ended December 31, 2016, mainly as a result of the Group's initiatives on procurement and IT infrastructure.

#### 5.2.1.5 Selling and Marketing Expenses

The Group's selling and marketing expenses for the year ended December 31, 2017 amounted to €22.6 million, an increase of €1.0 million (or 4.6 per cent) compared to €21.6 million for the year ended December 31, 2016, primarily driven by the expansion of the Group's U.S. operations.

#### 5.2.1.6 Other Expense

The Group's other expense for the year ended December 31, 2017 amounted to €24.6 million, an increase of €0.9 million (or 3.8 per cent) compared to €23.7 million for the year ended December 31, 2016, mainly due to increased restructuring costs related to a voluntary staff reduction program in Greece and a staff reduction program in Egypt.

#### 5.2.1.7 Profit before interest, taxes, depreciation, amortization and impairment (EBITDA) and EBITDA Margin

The Group's EBITDA for the year ended December 31, 2017 was €273.4 million, a decrease of €5.2 million (or 1.9 per cent) compared to €278.6 million for the year ended December 31, 2016, due to one-off staff reduction programs in Greece and Egypt, and the effects of Hurricane Irma in the Group's operations in the United States, partially offset by continued growing demand in the United States. The Group's EBITDA Margin decreased by 0.3 percentage points at 18.2 per cent in the year ended December 31, 2017, compared to 18.5 per cent for the year ended December 31, 2016.

#### 5.2.1.8 Depreciation, Amortization and Impairment

The Group's depreciation, amortization and impairment for the year ended December 31, 2017 amounted to €116.4 million, a decrease of €10.7 million (or 8.4 per cent) compared to €127.1 million for the year ended December 31, 2016, mainly as a result of lower impairment losses compared to 2016 when the Group incurred losses related to goodwill and asset impairments of one of the Group's subsidiaries in Greece and Western Europe.

#### 5.2.1.9 Finance Expense, net

The Group's net finance expense for the year ended December 31, 2017 amounted to €64.1 million, a decrease of €0.3 million (or 0.5 per cent) compared to €64.4 million for the year ended December 31, 2016, primarily attributable to lower interest expenses following the Group's repayment of Titan Global Finance's then existing notes bearing interest at 8.75 per cent per year, partially offset by an increase in the Group's interest rate expenses in connection with its loans denominated in Egyptian Pounds.

#### 5.2.1.10 Losses from Foreign Exchange Differences

The Group's losses from foreign exchange differences for the year ended December 31, 2017 amounted to €22.3 million, a decrease of €3.7 million (or 14.2 per cent), compared to €26.0 million for the year ended December 31, 2016, mostly as a result of a weaker U.S. dollar against the Euro. Such losses were lower than the Group's 2016 losses that were related to the devaluation of the Egyptian Pound.

#### 5.2.1.11 Share of Profit/(Loss) of Associates and Joint Ventures

The Group's share of loss of associates and joint ventures for the year ended December 31, 2017 was €7.5 million compared to a profit of €0.5 million for the year ended December 31, 2016, mainly due to Cimento Apodi's net losses that were consolidated with the Group's results for the year ended December 31, 2017 and a decrease in Adocim Cimento's net profit.



### 5.2.1.12 Income Tax (Expense)/Gain

The Group's income tax expense for the year ended December 31, 2017 was €18.9 million compared to a gain of €63.8 million for the year ended December 31, 2016, largely because of a deferred income tax benefit and the related deferred tax asset, which had amounted to €89.6 million as at December 31, 2015, that Titan American recognized in 2016 following the utilization of the Group's unrecognized net operating losses carry-forward that the Group generated in periods prior to 2016 from its operations in the U.S.

### 5.2.1.13 Net Profit Attributable to Equity Holders of the Parent

Group net profit for the year ended December 31, 2017, after taxes and non-controlling interests, was €42.7 million, compared to €127.4 million profit in the year ended December 31, 2016, a decrease of €84.7 million (or 66.5 per cent), mainly due to the deferred income tax benefit and the related deferred tax asset that Titan America recognized in 2016 following the utilization of the Group's unrecognized net operating losses carry-forward that the Group generated in periods prior to 2016 from its operations in the U.S.

## 5.2.2 Operating Segment Results for the Financial Year Ended December 31, 2017 and the Financial Year Ended December 31, 2016

The following table sets forth the turnover, EBITDA and EBITDA Margin for each of the Group's operating segments for the financial years ended December 31, 2017 and 2016:

	Year ended December 31,		
	2017	2016	Change (%)
	<i>(€ million, except if indicated otherwise)</i>		
<b>Turnover</b>			
United States .....	873.2	794.4	9.9
Greece and Western Europe .....	248.7	261.3	(4.8)
Southeastern Europe.....	225.7	204.3	10.5
Eastern Mediterranean.....	158.2	249.2	(36.5)
<b>Group</b> .....	<b>1,505.8</b>	<b>1,509.2</b>	<b>(0.2)</b>
<b>EBITDA</b>			
United States .....	185.1	145.2	27.5
Greece and Western Europe .....	18.3	36.4	(49.7)
Southeastern Europe.....	56.9	56.2	1.2
Eastern Mediterranean.....	13.2	40.8	(67.6)
<b>Group</b> .....	<b>273.4</b>	<b>278.6</b>	<b>(1.9)</b>
<b>EBITDA Margin<sup>(1)</sup> (%)</b>			
United States .....	21.2	18.3	2.9 p.p.
Greece and Western Europe .....	7.4	13.9	(6.5) p.p.
Southeastern Europe.....	25.2	27.5	(2.3) p.p.
Eastern Mediterranean.....	8.3	16.4	(8.1) p.p.
<b>Group</b> .....	<b>18.2</b>	<b>18.5</b>	<b>(0.3) p.p.</b>

(1) EBITDA Margin is defined as EBITDA divided by turnover.

### 5.2.2.1 Turnover and EBITDA

#### 5.2.2.1.1 United States

The Group's U.S. segment had turnover of €873.2 million for the year ended December 31, 2017, an increase of €78.8 million (or 9.9 per cent) compared to €794.4 million for the year ended December 31, 2016, mostly driven by price increases, higher volumes and the benefits accrued from the extensive investments that were made particularly in the vertically integrated activities in the last three years. Despite the temporary disruption by Hurricane Irma which struck Florida in September 2017, as well as unfavorable weather conditions in the final quarter of the year, Titan America posted higher volumes year-on-year, supported by the expanded capacity and flexibility through the operations of the Norfolk and Tampa terminals and the growing volumes and capabilities in the vertically integrated activities. Economic growth and the increase of employment continued to support the

recovery in the housing market, whereas housing starts in Florida were positively impacted by population growth, improved economic conditions and relatively low mortgage rates.

The Group's U.S. segment had EBITDA of €185.1 million for the year ended December 31, 2017, an increase of €39.9 million (or 27.5 per cent) compared to €145.2 million for the year ended December 31, 2016, primarily driven by higher turnover, a better sales mix and improved operational performance. The Group's EBITDA Margin for the U.S. segment increased by 2.9 percentage points at 21.2 per cent in the year ended December 31, 2017, compared to 18.3 per cent for the year ended December 31, 2016.

#### 5.2.2.1.2 Greece and Western Europe

The Group's Greece and Western Europe segment had turnover of €248.7 million for the year ended December 31, 2017, a decrease of €12.6 million (or 4.8 per cent) compared to €261.3 million for the year ended December 31, 2016, mainly attributable to the completion, in the first half of the year, of the highway construction projects and the delay in the launch of new major infrastructure projects. Despite a positive trend in tourism-related projects in some specific areas of the country, private construction remained muted overall.

The Group's Greece and Western Europe segment had EBITDA of €18.3 million for the year ended December 31, 2017, a decrease of €18.1 million (or 49.7 per cent), compared to €36.4 million for the year ended December 31, 2016, mainly due to the decline in domestic volumes, the reduction of export margins coupled with an increase in energy costs and a staff reduction restructuring charge in the last quarter of the year. The Group's EBITDA Margin for the Greece and Western Europe segment decreased by 6.5 percentage points at 7.4 per cent in the year ended December 31, 2017, compared to 13.9 per cent for the year ended December 31, 2016.

#### 5.2.2.1.3 Southeastern Europe

The Group's Southeastern Europe segment had turnover of €225.7 million for the year ended December 31, 2017, an increase of €21.4 million (or 10.5 per cent) compared to €204.3 million for the year ended December 31, 2016, associated with the election cycles in the region and the underlying steady growth of GDP. Volume sales growth came from both public and private construction projects, particularly in the central and western Balkans, while building permits increased and private housing construction appeared to be on the rise. Offsetting this volumes growth, competition and imports in local markets continued to put pressure on the Group's pricing, which, combined with higher energy costs, negatively impacted profitability.

The Group's Southeastern Europe segment had EBITDA of €56.9 million for the year ended December 31, 2017, an increase of €0.7 million (or 1.2 per cent), compared to €56.2 million for the year ended December 31, 2016, as pricing remained broadly flat year-on-year and competition and imports in our markets continued to apply pressure. Higher energy costs had a negative impact on margins. The Group's EBITDA Margin for Southeastern Europe decreased by 2.3 percentage points at 25.2 per cent in the year ended December 31, 2017, compared to 27.5 per cent for the year ended December 31, 2016.

#### 5.2.2.1.4 Eastern Mediterranean

The Group's Eastern Mediterranean segment had turnover of €158.2 million for the year ended December 31, 2017, a decrease of €91.0 million compared to €249.2 million for the year ended December 31, 2016 (a decrease of 36.5 per cent in Euro terms and an increase of 14.7 per cent in local currency terms), suffering from the consequences of the sharp devaluation of the Egyptian Pound at the end of 2016. The high inflation rate in Egypt in 2017 also significantly impacted turnover and EBITDA from the Group's operations in Egypt in Euro terms. Partly offsetting these challenges, the Group's profitability moderately benefited from improved efficiency as a result of conversion to solid fuels and organizational restructuring, which led to the Group becoming one of the most cost-competitive producers in the country. Despite the efficient operation of the Group's plants with solid fuels, the prevailing low prices combined with high inflation and the fragile economic environment negatively affected financial performance. On the back of a weakening demand, cement consumption in Egypt declined by 4.7 per cent in 2017.

The Group's Eastern Mediterranean segment had EBITDA of €13.2 million for the year ended December 31, 2017, a decrease of €27.6 million (or 67.6 per cent), compared to €40.8 million for the year ended December 31, 2016, affected by the low prices, higher electricity costs and the implementation of a staff reduction program in the third quarter of 2017. The Group's EBITDA Margin for the Eastern Mediterranean segment decreased by 8.1 percentage points at 8.3 per cent in the year ended December 31, 2017, compared to 16.4 per cent for the year ended December 31, 2016.

## 6. Liquidity and Capital Resources

The Group's principal liquidity requirements are its operating expenses, capital expenditures relating to acquisitions and to the maintenance of its facilities, servicing of its indebtedness, dividend payments and tax payments.

The Group's principal sources of liquidity have been cash flow from operating activities, loans and financings and issuance of debt securities in the international capital markets.

During the year ended December 31, 2018, the Group used cash flow generated by its operations primarily for capital expenditures and servicing its debt. As at December 31, 2018, the Group's consolidated cash and cash equivalents were €171.0 million and the Group's consolidated working capital (defined as receivables, prepayments and other current assets, plus inventories, less trade income tax and other payables, less current provisions) was €199.6 million. As at December 31, 2018, the Group had 324.0 million of long-term committed and undrawn bank facilities available to draw at that date.

The Group believes that its cash and cash equivalents on hand, cash from operations, overdraft checking accounts and borrowings available to it will be adequate to meet its operational requirements and liquidity needs for the foreseeable future. The Group may require additional funding to meet its longer-term liquidity and future growth requirements. Although the Group believes that it has adequate sources of liquidity, weaker economic conditions could materially adversely affect its ability to obtain additional capital to grow its business.

The table below shows the various locations where the Group held its cash and cash equivalents as at December 31, 2018:

	<b>As at December 31,</b>
	<b>2018</b>
	<i>(€ million)</i>
<b>Location</b>	
Various European Jurisdictions <sup>(1)</sup> .....	65.8
Greece .....	20.3
United States .....	12.1
Southeastern Europe .....	38.9
Eastern Mediterranean .....	33.9
<b>Group cash and cash equivalents</b> .....	<b>171.0</b>

*(1) Includes the United Kingdom, France, Italy and Cyprus.*

### 6.1 Cash Flows

The table below sets forth the Group's cash flows from operating activities, investing activities and financing activities for the years ended December 31, 2018, 2017 and 2016:

<b>For the Year Ended December 31,</b>		
<b>2018</b>	<b>2017</b>	<b>2016</b>
<i>(€ million)</i>		
<i>(audited)</i>		

	<b>For the Year Ended December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
		<i>(€ million)</i>	
		<i>(audited)</i>	
Net cash flows from/used in operating activities .....	261.3	226.1	269.2
Net cash flows used in/from investing activities.....	(139.2)	(165.3)	(240.0)
Net cash flows used in/from financing activities .....	(108.4)	(82.6)	42.7
<b>Net increase/(decrease) in cash and cash equivalents .....</b>	<b>13.7</b>	<b>(21.8)</b>	<b>71.8</b>
Cash and cash equivalents at the end of the period.....	171.0	154.2	179.7

### **6.1.1** *Net Cash Flows from Operating Activities*

Net cash flows from operating activities consists of the Group's cash flows from operating activities, minus cash income tax paid.

Net cash flows from operating activities increased by €35.2 million (or 15.6 per cent) to €261.3 million in the year ended December 31, 2018, compared to €226.1 million in the year ended December 31, 2017, predominantly due to lower working capital needs following the increase in trade and other payables partly offset by higher inventory levels.

Net cash flows from operating activities decreased by €43.1 million (or 16.0 per cent) to €226.1 million in the year ended December 31, 2017, compared to €269.2 million in the year ended December 31, 2016, primarily because of higher working capital needs associated with increased level of inventories and the timing of fuel payments.

### **6.1.2** *Net Cash Flows used in Investing Activities*

Net cash flows from investing activities consists of the Group's cash flows from investing activities, minus cash income tax paid.

Net cash flows used in investing activities decreased by €26.1 million (or 15.8 per cent) to €139.2 million in the year ended December 31, 2018, compared to €165.3 million in the year ended December 31, 2017, as a result of lower capital expenditures in the Group's joint ventures.

Net cash flows used in investing activities decreased by €74.7 million (or 31.1 per cent) to €165.3 million in the year ended December 31, 2017, compared to €240.0 million in the year ended December 31, 2016, primarily because of lower payments for investing in associates and joint ventures compared to the year 2016 when the Group acquired its share in Cimento Apodi and Adocim Cimento, as well as lower capital expenditures.

### **6.1.3** *Net Cash Flows used in/from Financing Activities*

Net cash flows used in/from financing activities consists primarily of the Group's proceeds from issuance of shares and borrowings, offset by payments of principal and interest on those borrowed amounts and dividends paid to shareholders.

Net cash flows used in financing activities increased by €25.8 million (or 31.2 per cent) to €108.4 million in the year ended December 31, 2018, compared to €82.6 million in the year ended December 31, 2017, mainly due to lower net inflows from borrowings.

Net cash flows used in financing activities amounted to €82.6 million in the year ended December 31, 2017, compared to net cash flows from financing activities of €42.7 million in the year ended December 31, 2016, an increase of €125.3 million, primarily because of payments related to Titan's share capital decrease.

## 6.2 Capital Expenditures

Since 2000, with a view to growing and diversifying the Group's business, the Group has invested approximately €2.5 billion on capital expenditure, in addition to approximately €1.7 billion in acquisitions. Following the economic downturn between 2011 and 2014, during which capital expenditures were broadly stable and comprised principally maintenance capital expenditures, the Group completed over the course of a two-year period, 2015 and 2016, a €324.0 million capital expenditure program, focusing on profitability enhancements and environmental improvement programs, focusing mostly on the expansion of activities in the United States and investments to attain energy self-sufficiency in Egypt. The Group's capital expenditures in the United States and in Egypt under the above two-year investment program amounted to €169.5 million and €80.9 million, respectively. In the most recent period, the Group's net capital expenditures decreased to €118.5 million in the year ended December 31, 2018, primarily on maintenance and modernization projects, in particular in connection with the Group's plants in the United States.

In addition to its capital expenditure program, the Group also allocated €97.0 million to acquisitions, net of any disposals, in the two-year period of 2016-2017, the majority of which was used for the acquisition of Cimento Apodi. In the year ended December 31, 2018, the Group allocated €32.7 million to acquisitions, net of any disposals, the majority of which was used to acquire a further 25.0 per cent stake in Adocim Cimento from the Group's joint venture partner.

	For the Year Ended December 31,		
	2018	2017	2016
	(€ million)		
Capital Expenditures <sup>(1)</sup> .....	118.5	122.5	150.6

(1) Consists of payments for property, plant and equipment, and payments for intangible assets.

### 6.2.1 Historical Capital Expenditure

Capital expenditure for the year ended December 31, 2018 was €118.5 million, a decrease of €4.0 million (or 3.3 per cent), compared to €122.5 million for the year ended December 31, 2017, as the Group's expansion capital expenditure programs had been finally completed during 2017, resulting in Group capital expenditure in 2018 which has been largely focused on low cost maintenance programs and normal course of business improvements, and including €28.8 million in capital expenditures relating to environmental matters, see "Business—Description of the Group—Health, Safety and Environment—Environmental Matters."

Capital expenditure for the year ended December 31, 2017 was €122.5 million, a decrease of €28.1 million (or 18.7 per cent), compared to €150.6 million for the year ended December 31, 2016, mainly associated with investments in connection with the utilization of solid fuels at the Group's plants in Egypt, which were completed in 2017, and including €27.5 million in capital expenditures relating to environmental improvements, see "Part III: Business—Description of the Group—Health, Safety and Environment—Environmental Matters." During the year ended December 31, 2016, and also in previous periods, Group capital expenditures were substantially higher compared to most recent periods and focused mostly on the expansion of activities in the United States and investments to attain energy self-sufficiency in Egypt.

### 6.2.2 Ongoing Capital Expenditure

The three projects in progress to further improve the Group's operational performance are:

- UnITe, a global information technology program, the main objective of which is to unify the Group's systems, data and processes;
- Group Procurement, which is targeted at centralizing all procurement activities and minimizing costs; and

- Group Maintenance, which focuses on sustaining the business, reducing maintenance costs and improving performance.

The Group expects to invest approximately up to €120.0 million in 2019 for its capital expenditure projects primarily on maintenance and modernization projects. The timing of the incurrence of these capital expenditures will depend on the Group's results of operations, the Group's compliance with the leverage ratios contained in its financing agreements, available financing and market conditions.

The Group expects to meet these capital expenditure needs from its operating cash flow and cash on hand. The Group may also incur indebtedness to finance a portion of these expenditures, including from banks, leases, equipment suppliers and development banks, particularly if financing is available on attractive terms.

The Group's actual capital expenditures may vary from the related amounts the Group has budgeted, both in terms of the aggregate capital expenditures the Group incurs and when it incurs them.

### 6.3 *Indebtedness*

The Group currently conducts its external funding through its wholly owned subsidiary, Titan Global Finance PLC ("TGF") and selected local borrowings, when such borrowings are advantageous for the Group. TGF acts as the international financing company for the Group, and raises funds with international banks and in the capital markets. TGF then on-lends funds through intercompany loans to the companies globally. Other than funds on-lent to the Group's Greek operations, these funds flows typically do not pass through Greece, thereby limiting the impact of the sovereign risk of the Group's financing structure. As of the date of this Prospectus, TGF has a BB+ credit rating from Standard and Poor's.

The Group has followed a deleveraging strategy since 2008, and has reduced its Net Debt from a peak of €1.1 billion as at 31 March 2009 to a low of €508.5 million as at December 31, 2013. As at December 31, 2018, the Group's Net Debt was €771.9 million.

In April 2017, TGF entered into the €300.0 Multicurrency Facility due 2022 with a syndicate of banks including, among others, HSBC Bank plc, and guaranteed by Titan. The Group is subject to certain financial covenants set out in the Multicurrency Facility. In particular, the Group has to comply with a leverage ratio test (Net Debt, minus the impact of certain cash held at banks, divided by EBITDA for the last twelve months ended at each period end, after excluding certain exceptional items, which include restructuring costs, results from discontinued operations and other one-off items) of 4.0x for any quarterly reporting period and a Net Debt to equity ratio test. These covenants only apply to the Group during periods when it has amounts drawn and outstanding under the Multicurrency Facility. As of this date of the Prospectus, the Group has not drawn any amount of the Multicurrency Facility and is in compliance with both covenants.

The Company and HBSBC are expected to enter into a Statutory Squeeze-out Facility on or about the date of this Prospectus. Please see a summary of the Statutory Squeeze-out Facility in "Part VII: Information on the Share Exchange Offer, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out—Source of Funds".

The table below sets the Group's Gross Debt and Net Debt as at the dates indicated below:

	<b>As at December 31,</b>		
	<i>(€ million)</i>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
Long-term borrowings.....	745.2	820.4	711.0
Short-term borrowings .....	197.7	56.8	129.5
<b>Gross Debt<sup>(1)</sup></b> .....	<b>942.9</b>	<b>877.2</b>	<b>840.5</b>
Less and cash equivalents.....	171.0	154.2	179.7
<b>Net Debt<sup>(1)</sup></b> .....	<b>771.9</b>	<b>723.0</b>	<b>660.8</b>

(1) Excludes the Group's joint venture in Brazil.

The following table sets forth selected information with respect to the Group's outstanding material indebtedness as at December 31, 2018:

Borrowings	Interest Rate p.a. (%)	Maturity Date	Currency	Amount outstanding including un-amortized fees (million)	Credit Rating (S&P)
€350 million Euro Bond issued by TGF and guaranteed by Titan S.A.	2.375	November 2024	€	347.1	BB+
€300 million Euro Bond issued by TGF and guaranteed by Titan S.A.	3.500	June 2021	€	298.4	BB+
€300 million Euro Bond issued by TGF and guaranteed by Titan S.A.	4.250	July 2019	€	160.3	BB+
Total utilized bank debt	Various	Various	Various	137.2	N/A

The following table sets a breakdown of the Group's debt classifications for the periods indicated below:

	As at December 31,		
	2018	2017	2016
	<i>(€ million, except if indicated otherwise)</i>		
<b>Debt Breakdown</b>			
<b>Bank debt</b> .....	<b>699.9</b>	<b>662.1</b>	<b>662.4</b>
Of which committed .....	<b>480.5</b>	481.3	485.8
Of which utilized .....	<b>113.0</b>	137.6	143.9
Of which unutilized .....	<b>367.5</b>	343.7	341.9
Of which uncommitted .....	<b>219.4</b>	180.8	176.6
Of which utilized .....	<b>24.2</b>	17.0	6.5
Of which unutilized .....	<b>195.2</b>	163.8	170.1
<b>Total utilized bank debt (a)</b> .....	<b>137.2</b>	<b>154.6</b>	<b>150.6</b>
<b>Bond debt (b)</b> .....	<b>805.7</b>	722.6	689.9
<b>Total debt outstanding (a)+(b)<sup>(1)</sup></b> .....	<b>942.9</b>	<b>877.2</b>	<b>840.5</b>

(1) Excludes the Group's joint venture in Brazil.

### 6.3.1 Short-Term Indebtedness

The Group's consolidated short-term indebtedness, including the current portion of long-term debt, was €197.7 million as at December 31, 2018. The Group's material short-term lines of credit in terms by principal amounts amount to €233.4 million as at December 31, 2018.

The Group uses these lines of credit to finance fuel purchases and working capital requirements. The Group believes that it will be able to continue to obtain sufficient credit to finance its working capital needs and service its indebtedness.

The following is a brief summary of the Group's material existing loans and short-term credit facilities, all of which are guaranteed by Titan:

- (a) a Euro Bond issue of a nominal amount of €300.0 million (on December 31, 2018, €160.3 million outstanding), issued by TGF, maturing July, 2019;
- (b) a revolving committed facility agreement up to \$25.0 million (which as at December 31, 2018 had not been drawn) entered into among Titan America and Wells Fargo;

- (c) a revolving facility agreement up to \$50.0 million (which as at December 31, 2018, had not been drawn) entered into among Titan America and HSBC (the “**HSBC U.S. Facility**”); and
- (d) a committed facility agreement up to EGP150.0 million (which as at December 31, 2018, had not been drawn) entered into among Alexandria Portland and HSBC Egypt (the “**HSBC Egypt Facility A**”).

### 6.3.2 Long-Term Indebtedness

The Group successfully deleveraged and reduced its Net Debt from a peak of €1.1 billion as at March 31, 2009 to a low of €508.5 million as at December 31, 2013. In order to support the Group’s operational excellence initiatives, as well as new acquisitions and distributions to its shareholders, Net Debt increased from its low as at December 31, 2013 to €771.9 million. As at December 31, 2018, total long-term committed lines (including bonds and fully drawn loans) were approximately €1.1 billion, out of which approximately €324.0 million (excluding unamortized loan fees) were unutilized. Total available cash and cash equivalents as at December 31, 2018 were €171.0 million.

The following is a brief summary of the Group’s existing loans and long-term credit facilities, all of which are guaranteed by Titan:

- (a) the €300.0 million Multicurrency Facility (which as at December 31, 2018 had not been drawn);
- (b) a Euro Bond issue of a nominal amount of €350.0 million (on December 31, 2018, €347.1 million outstanding), issued by TGF, maturing November 2024, and consisting of an initial issuance of €250.0 million notes in November 2017 and a tap issuance of €100.0 notes in January 2018;
- (c) a Euro Bond issue of a nominal amount of €300.0 million (on December 31, 2018, €298.4 million outstanding), issued by TGF;
- (d) a revolving committed facility agreement up to EGP500.0 million (on December 31, 2018, EGP485.8 million outstanding) entered into among Beni Suef and Audi Bank Egypt;
- (e) a revolving committed facility agreement up to EGP200.0 million (on December 31, 2018, EGP100.5 million outstanding) entered into among Alexandria Portland and HSBC Egypt (the “**HSBC Egypt Facility B**”);
- (f) a revolving committed facility agreement up to EGP270.0 million (on December 31, 2018, EGP117.1 million outstanding) entered into among Beni Suef and HSBC Egypt (the “**HSBC Egypt Facility C**”);
- (g) a revolving committed facility agreement up to EGP400.0 million (on December 31, 2018, EGP398.7 million outstanding) entered into among Alexandria Portland and Ahli United Bank Egypt;
- (h) a revolving committed facility agreement up to EGP250.0 million (on December 31, 2018, EGP101.9 million outstanding) entered into among Alexandria Portland and Qatar National Bank; and
- (i) a committed bank loan up to €18.9 million (on December 31, 2018, €18.9 million outstanding) entered into among Antea and IFC.

### 6.3.3 Debt Maturity Profile

The following table presents information relating to the Group’s debt maturity profile as at December 31, 2018:

As at December 31, 2018				
Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total



			<i>(€ million)</i>		
<b>Borrowings and finance leases.....</b>	<b>197.7</b>	<b>21.0</b>	<b>375.1</b>	<b>349.1</b>	<b>942.9</b>

#### **6.3.4**      *Off Balance Sheet Commitments and Arrangements*

As at December 31, 2018, Titan and other Group companies have extended guarantees to third parties on behalf of Group subsidiaries in relation to certain obligations by those subsidiaries and have also incurred contingent liabilities in relation to bank guarantee letters as well as contingent liabilities in connection with other collateral used against trade or other receivables, as described in Note 30 to the 2018 Consolidated Financial Statements.

### **7.            Quantitative and Qualitative Disclosure about Market Risk**

The Group is exposed to financial and credit risks due to the nature of its business and its geographical positioning. The Group's overall financial risk is managed by its Group Finance and Treasury units, which aim to mitigate the potential unfavorable impact of market fluctuations on its financial performance. The Group does not engage in speculative transactions or transactions which are not related to its commercial and business activities.

For information on the Group's financial risk management, see Note 33 of the 2018 Consolidated Financial Statements incorporated by reference in this Prospectus.

#### **7.1**            *Foreign Exchange Risk*

The Group companies are exposed to exchange rate risk with respect to their operating cash flows and financing, when these are not denominated in local currency.

At a consolidated level, the Group's financial statements, when expressed in Euro (its reporting currency), are also subject to foreign exchange fluctuations. The higher the contribution of non-Euro turnover and EBITDA to consolidated turnover and EBITDA, the more susceptible consolidated results are to foreign exchange fluctuations. As a policy, to attempt to mitigate its exposure to such risks, in addition to using foreign exchange derivatives entered into with banks, the Group uses natural hedges. In accordance with the Group's policy, the Group seeks to match liabilities in the same currency as the cash flow generated from operating activities. The assets that generate the cash flow, except in exceptional circumstances, are also denominated in the same currency.

In markets in which the Group has a presence, the relevant borrowing needs of each subsidiary are evaluated and, if possible and economically reasonable, the funding takes place in the currency corresponding to the asset which is being funded or is to be funded. However, the Group's investments in Turkey, Egypt, Albania and Brazil are shown in Turkish Lira, Egyptian Pound, Albanian Lek and Brazilian Real, respectively, and part of the corresponding funding is expressed in Euro and U.S. dollars in Turkey, in Euro in Egypt, in Euro in Albania and in U.S. dollars in Brazil.

The Group often hedges transaction exposure by using derivative instruments, including, among others, foreign exchange forward contracts and currency swaps. The Group enters into such transactions to protect the foreign currency component of its production costs or turnover. To the extent that such hedges are not effective in terms of accounting classification, they will have a direct impact on the Group's income statements. For a sensitivity analysis of our foreign exchange risk see Note 33 of the 2018 Consolidated Financial Statements.

#### **7.2**            *Interest Rate Risk*

The level of interest rates impacts net finance expense, profits, net debt and cash flow. The Group manages interest rate risk with the aim of reducing the cost of the Group's net indebtedness and its exposure to that risk. However, both the income and cash flow statements are impacted by any adverse movements in interest rates.

The ratio of fixed to floating rates of the Group's net borrowings is determined by market conditions, the Group's strategy and financing requirements. Occasionally, interest rate derivatives may also be used, but solely to ameliorate the relevant risk and to shift the ratio of fixed/floating rates, if that is considered necessary.

As at December 31, 2018, taking into account outstanding cross currency swaps and interest rate swaps, 88.7 per cent of the Group's total consolidated gross debt was based on fixed interest rates, and 11.3 per cent on floating interest rates. As at December 31, 2017, following the repayment of €88.0 million 8.75 per cent notes due in January 2017, and the issuance of €250 million notes due in November 2024, which was used to repay €287 million of the Group's fixed rate notes of 4.25 per cent coupon rate which were refinanced prior to their maturity, taking into account outstanding cross currency swaps and interest rate swaps, the ratio of fixed to floating interest rates stood at 82.0 per cent to 18.0 per cent.

As a portion of the Group's total debt is linked to floating rates, any rise in short-term interest rates exposes the Group to increased borrowing costs. No assurance can be given that the measures the Group takes to manage interest rate risk will be effective in protecting the Group against interest rate risk and a failure to manage this risk could have an adverse effect on the Group's business, results of operations and financial condition. For a sensitivity analysis of our interest rate risk, see Note 33 of the 2018 Consolidated Financial Statements.

### **7.3**            *Counterparty Risk*

The Group has no significant concentrations of counterparty risk. Trade accounts receivable consist mainly of a large, widespread customer base. To mitigate exposure to counterparty risk, the Group monitors the financial standing of its counterparties on an on-going basis and tries, to the extent possible, to ensure that it has a client base which is extensive and diverse. Additional security cover may sometimes be requested as credit protection. Provisions for impairment losses are made in the case of deteriorating credit risks. As at December 31, 2018, management considered that there were no outstanding doubtful significant credit risks which are not already covered by a provision for doubtful receivables. However, there can be no assurance that this will continue to be the case in the future.

A potential credit risk also exists in bank deposits, in investments and in derivative contracts. In these cases, the risk may arise from the counterparty's inability to fulfill its obligations towards the Group. The Group attempts to mitigate such risks by using financial institutions of increased creditworthiness and/or diversifying the number of such counterparties and/or by pre-setting limits on the degree of exposure to each individual financial institution or by entering into derivative transactions (mainly under CSA agreements) only with investment grade financial institutions. As at December 31, 2018, the Group's majority financial assets and derivative financial instruments were held with investment grade financial institutions, and the Group's cash and cash equivalents were held at time deposits and current accounts in highly rated financial institutions.

### **7.4**            *Liquidity risk*

The Group, in addition to its operating cash flows, maintains sufficient cash and other liquid assets, as well as extensive committed credit lines with several international banks to ensure the fulfillment of its financial obligations. Group Treasury controls Group funding as well as the management of liquid assets. The Group's objective is to secure competitive financing and ensure a balance between average maturity of funding, flexibility and diversification of financing sources. A lack of adequate liquidity could potentially result in the failure of the Group to meet its operational, investment and financing obligations or plans.

As at December 31, 2018, the Group estimated that it had sufficient cash and cash equivalents and available undrawn long-term committed credit facilities (€495.0 million in total) to service its short-term liabilities (€197.7 million).

As at December 31, 2017, the Group's committed long-term unutilized credit facilities and available cash and cash equivalents amounted to €464.3 million in total, while outstanding short-term debt was equal to €56.8 million.

## 8. Critical Accounting Policies

Critical accounting policies are those that are important to the presentation of the Group's financial condition and results of operations and that require the Group's management to make difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgments become even more subjective and complex. In order to provide an understanding of how the Group's management forms its judgments about future events, including the variables and assumptions underlying the estimates, and the sensitivity of those judgments to different circumstances, the Group has identified the following critical accounting policies:

- goodwill impairment reviews, undertaken annually or more frequently if there are indications for potential impairment;
- impairment tests of non-financial assets (other than goodwill), undertaken annually, or whenever there are indications that the carrying amount of a non-financial asset may not be recoverable;
- provision estimates, which represent liabilities of uncertain timing or amount, such as provisions for rehabilitation of quarries, site restoration, restructuring or onerous contracts; and
- depreciation and amortization of assets, which involves estimating residual values and useful lives, undertaking reviews at each reporting date and making adjustments, if needed.

For information on the Group's significant accounting policies, see Note 1 of the 2018 Consolidated Financial Statements incorporated by reference in this Prospectus.

## 9. Significant Accounting Pronouncements

For a description of new standards, amendments to standards and interpretations of IFRS that are applicable to the Group beginning on or after January 1, 2018, see Note 1.1.1 of the 2018 Consolidated Financial Statements incorporated by reference in this Prospectus. Other than the impact of changes in IFRS 15 and IFRS 9 discussed in Note 1.1.1 of the 2018 Consolidated Financial Statements, the other changes discussed in Note 1.1.1 did not have a material impact on the Group's consolidated financial statements or its results of operations.

For a description of new standards, amendments to standards and interpretations of IFRS that will be applicable to the Group beginning on or after January 1, 2019, see Note 1.1.2 of the 2018 Consolidated Financial Statements. The IASB issued IFRS 16, "Leases" ("**IFRS 16**") a new standard on lease accounting in 2016 that replaces IAS 17, "Leases," with an effective date for annual periods beginning on or after 1 January 2019 and therefore, will be effective in the Group's financial statements for the year ending December 31, 2019. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize a right of use asset and a corresponding liability on the balance sheet for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 will primarily affect the accounting for the Group's operating leases.

As at December 31, 2018, the Group had a non-cancellable operating lease commitment of €51.3 million. The Group estimates that as at January 1, 2019, and after transitioning to IFRS 16, the right of use assets will amount to approximately €53.6 million, lease liabilities to approximately €59.3 million (after adjustments for prepayments and accrued lease payments recognized as at December 31, 2018) and deferred tax liabilities to approximately €1.5 million. Similarly, the Group estimates that its overall net assets will decrease by €7.2 million. Further, the Group estimates that the application of IFRS 16 will result in an increase of its EBITDA by approximately €13.3 million (excluding the amortization of the right of use assets and interest on the lease liabilities). The Group estimates that the application of IFRS 16 will result in an increase in its operating cash flows whereas its financing cash flows will decrease by approximately €15.1 million as the repayment of the principal portion of the lease liabilities is classified as cash flows from financing activities. The Group's

management does not expect that such changes will have a material effect on the Group's consolidated financial statements or its results of operations.

**10. Significant Change**

Other than as set out in "*Part X: Capitalization and Indebtedness—Capitalization of the Company*" there has been no significant change in the financial or trading position of the Company since July 11, 2018, the day of its incorporation.

Other than as set out above, there has been no significant change in the financial or trading position of the Group since December 31, 2018, the date to which the historical financial information of the Group has been prepared.

## PART VI: EXPECTED TIMETABLE

Initiation of the Share Exchange Offer pursuant to Law 3461 and submission of the draft Information Circular to the HCMC	April 16, 2019
Announcement of the Share Exchange Offer	April 16, 2019
Approval of the Information Circular by the HCMC	May 23, 2019
Publication of the Information Circular and commencement of the Acceptance Period of the Share Exchange Offer	On or around May 24, 2019
End of the Acceptance Period of the Share Exchange Offer and final time for satisfaction of the conditions to the Share Exchange Offer	On or around June 21, 2019
Announcement of the results of the Share Exchange Offer	On or around June 24, 2019
Registration of the transfer of the Transferred Shares with the Securities Account of the Company at the DSS	On or around June 24, 2019
Issue and creation of New Shares	On or around June 25, 2019
Delivery of New Shares to Accepting Existing Shareholders	On or around June 26, 2019
Admission and expected commencement of trading in the Shares on Euronext Brussels, ATHEX and Euronext Paris	On or around June 27, 2019
Latest date for the Company to exercise the Greek Statutory Squeeze-out right <sup>1</sup>	On or around September 23, 2019
Final date for the exercise of the Greek Statutory Sell-out right <sup>2</sup>	On or around September 24, 2019

Each of the times and dates in the above timetable is subject to change without further notice.

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<sup>1</sup> If the Share Exchange Offer is successful and if, at the end of the Acceptance Period, the Relevant Threshold is reached with respect to a class and/or both classes of the Existing Shares, the Company intends to initiate the Greek Statutory Squeeze-out to acquire such class or classes of the Existing Shares as soon as practicable after the announcement of the results of the Share Exchange Offer and to request that the effective date for the Greek Statutory Squeeze-out be set at least ten Greek business days after the date of the HCMC approval. The Company expects that the Greek Statutory Squeeze-out will be completed within four to eight weeks after the completion of the Share Exchange Offer. The Company intends to apply for commencement of unconditional dealings on Euronext Brussels, ATHEX and Euronext Paris of any New Shares issued as consideration in the Greek Statutory Squeeze-out as soon as practicable following completion of the Greek Statutory Squeeze-out.

<sup>2</sup> The Greek Statutory Sell-out will automatically terminate upon completion of the Greek Statutory Squeeze-out. As a result, the Company expects that the settlement of Existing Shares in the Greek Statutory Sell-out will, in practice, be pre-empted by the Greek Statutory Squeeze-out. If settlement of the Greek Statutory Sell-Out is not pre-empted by the Greek Statutory Squeeze-Out, the Company intends to apply for commencement of unconditional dealings on Euronext Brussels, ATHEX and Euronext Paris of any New Shares issued as consideration in the Statutory Sell-out as soon as practicable following completion of the Greek Statutory Sell-out.

## **PART VII: INFORMATION ON THE SHARE EXCHANGE OFFER, THE GREEK STATUTORY SQUEEZE-OUT AND THE GREEK STATUTORY SELL-OUT**

### **1. Reasons for the Share Exchange Offer**

On April 16, 2019 (the “**Initiation Date**”), pursuant to Law 3461, the Company informed the HCMC and the board of directors of Titan of the initiation of the Share Exchange Offer and submitted to them a draft of the Information Circular. The Company has applied for all of the Shares to be primarily listed and admitted to trading on the regulated market of the Euronext Brussels (the “**Euronext Admission**”). The Company has also applied for a secondary listing and admission to trading of the Shares on the securities market of the ATHEX and Euronext Paris. As at the date of this Prospectus, the approvals required to be obtained by Euronext Brussels, ATHEX and Euronext Paris for the listing and admission to trading of the Shares on each of these regulated markets are pending.

The purpose of the Share Exchange Offer is to facilitate the listing of the Titan Group on Euronext Brussels, through the Euronext Admission. Pursuant to the Share Exchange Offer, the Company seeks to become the direct parent company of Titan and the ultimate parent company of the Titan Group with a shareholding structure where all Titan shareholders will become shareholders of the Company. As at the date of this Prospectus, the Company has no operations and no material assets or liabilities other than in connection with the Share Exchange Offer.

The principal objectives of the Share Exchange Offer are to:

- enhance the international nature of the Group’s business activities;
- link the 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 the Group’s funding sources, improving its access to both the international debt capital markets and international banking institutions, to achieve more competitive financing costs.

### **2. Overview of the Share Exchange Offer**

The Share Exchange Offer consists of an offer made by the Company to holders of Titan Ordinary Shares and Titan Preference Shares (the “**Existing Shares**”) who are located outside of the United States and in the United States, to qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act (“**QIBs**”), and persons subscribing for the New Shares pursuant to another exemption from or transaction not subject to the registration requirements under the U.S. Securities Act (collectively, “**Eligible U.S. Holders**”), to exchange their Existing Shares for New Shares at a ratio of one Titan Ordinary Share for one New Share and one Titan Preference Share for one New Share, on the terms and conditions set out in this Prospectus and the Information Circular, and subject to local laws and regulations. Holders in the United States who are not Eligible U.S. Holders may not participate in the Share Exchange Offer but will receive, pursuant to the Greek Statutory Squeeze-Out, alternative cash consideration, subject to and as described further below under “—*Greek Statutory Squeeze-out and Greek Statutory Sell-out—Triggering Event; consideration.*”

The Share Exchange Offer is for any and all the Existing Shares, including the Treasury Shares, which the Company and/or the Founders did not hold, directly or indirectly, as at the Initiation Date, namely (i) 59,730,373 Titan Ordinary Shares representing approximately 77.51 per cent of the ordinary share capital and voting rights of Titan, and (ii) 7,541,344 Titan Preference Shares, representing approximately 99.64 per cent of the total preference share capital of Titan as at that date. As a result of a shareholders’ agreement entered into among the Founders on April 16, 2019, the Founders became “persons acting in concert” (as defined in article 2, paragraph (e) of Law 3461) among themselves and with the Company for the purposes of the Share Exchange Offer and in relation to the Company. As at the Initiation Date and the date of this Prospectus, the Founders hold

(i) 17,333,195 Titan Ordinary Shares corresponding to approximately 22.49% of Titan's ordinary share capital and voting rights, and (ii) 27,616 non-voting Titan Preference Shares corresponding to approximately 0.36% of Titan's preference share capital, that is in aggregate they hold 17,360,811 Existing Shares, representing approximately 20.51% per cent of the total share capital of Titan.

The Founders have stated that they will tender in the Share Exchange Offer all of their Existing Shares on the same terms and conditions as the other Existing Shareholders such that all Existing Shares tendered are directly held by the Company.

Accepting Existing Shareholders will have the option to elect to receive: (i) New Shares held in book-entry form through Euroclear Belgium or (ii) New Shares held in book-entry form at the DSS through the HCSD. When admitted to trading on Euronext Brussels, the Shares will be registered with international security identification number ("ISIN") BE0974338700 and will trade under the symbol "TITC." If the secondary listings for which the Company has also applied on the ATHEX and Euronext Paris, are approved, the Shares will trade thereon under the symbols "TITC" and "TITC," respectively.

Except in limited circumstances to holders in the United States who make the relevant representations as to eligibility, this Prospectus does not relate to any part of the Share Exchange Offer made to any Existing Shareholders located in the United States. Existing Shareholders located in the United States should consult the restrictions that apply to the Share Exchange Offer set out in the sections entitled "*Part XVI: Plan of Distribution—Selling Restrictions—United States*" and "*Part XVII: Transfer Restrictions*."

### **3. Conditions to the Share Exchange Offer**

The completion of the Share Exchange Offer is dependent upon the following conditions being satisfied on or prior to the end of the Acceptance Period:

- no later than the end of the Acceptance Period, (i) at least 57,797,676 Titan Ordinary Shares, corresponding to 75.0 per cent of Titan's ordinary share capital and voting rights, and (ii) at least 5,676,720 Titan Preference Shares, corresponding to 75.0 per cent of Titan's preference share capital shall have been lawfully and validly tendered and not withdrawn as at the end of the Acceptance Period (the "**Acceptance Condition**"); and
- on or prior to the end of the Acceptance Period, Euronext Brussels shall have approved the application for the Euronext Admission upon terms and conditions acceptable to the Company (the "**Admission Condition**" and together with the Acceptance Condition, the "**Conditions**").

The Conditions are for the Company's sole benefit and may only be waived in whole or in part with the approval of the HCMC. The Company does not have any obligation nor does it expect to waive any of the Conditions not satisfied on or prior to the end of the Acceptance Period. If the Company does not waive, or the HCMC does not consent to the waiver of, an unsatisfied Condition, the Share Exchange Offer will lapse and all tendered Existing Shares will be returned to their holders. Upon lapsing of the Share Exchange Offer, the New Shares shall not be issued, and therefore there would be no admission to trading of the Shares.

The Share Exchange Offer may be revoked if there has been a tender offer made by a third party to acquire Titan Ordinary Shares and, as the case may be, Titan Preference Shares, in accordance with article 26 of Law 3461. The Share Exchange Offer may also be revoked by the Company, as contemplated by Law 3461, following approval of the HCMC if there is an unforeseen change of circumstances which is beyond the Company's control and which renders continuation of the Share Exchange Offer particularly onerous. The scope of this revocation right is not yet clearly defined under Law 3461. However, the Company does not intend to assert this revocation right with respect to the Share Exchange Offer unless, prior to the end of the Acceptance Period, there is a material adverse change in circumstances that would be reasonably expected to deprive the Company, Titan or the holders of Existing Shares of the material expected benefits of the Share Exchange Offer.

Other than as a result of a failure to satisfy any of the Conditions or as otherwise described above with the approval of the HCMC, the Share Exchange Offer may not be revoked or impeded.

The Share Exchange Offer by the Company follows a first attempt of voluntary share exchange offer by the Company which was initiated on October 18, 2018 and the results of which were announced on January 28, 2019. That first offer was subject to a 90 per cent acceptance threshold relating to each class of the Existing Shares. In spite of the support of Titan's core shareholders and its board of directors, as well as by the majority of all shareholders, the prerequisite regarding the minimum number (90 per cent) of Titan Ordinary Shares which had to be tendered was not met, at a time of negative headwinds in the international stock markets. The acceptance period for the previous offer ended on 25 January 2019, during which 66,974,317 Titan Ordinary Shares, representing approximately 87 per cent of the ordinary share capital and voting rights of Titan, and 6,953,047 of Titan Preference Shares, representing approximately 92 per cent of the preference share capital of Titan, were tendered.

#### **4. Shareholder Support**

The Company has received confirmations from the Founders that they support the Share Exchange Offer and intend to tender their Existing Shares in the Share Exchange Offer. Such confirmations represent approximately (i) 22.49 per cent of Titan's total ordinary share capital and voting rights and (ii) 0.36 per cent of Titan's total preference share capital.

The Company has received confirmation from E.D.Y.V.E.M. that it supports the Share Exchange Offer, provided that the board of directors of Titan publicly expresses its positive view on the Share Exchange Offer and, in that case, it will tender its Existing Shares in the Share Exchange Offer. Such confirmation represents approximately 14.91% of the Existing Shares (and 10.79% of the voting rights in Titan).

#### **5. Titan support**

The Share Exchange Offer was initially considered by the board of directors of Titan in a meeting held on April 16, 2019. Following discussion, the board of directors of Titan reached the preliminary conclusion that the Share Exchange Offer is positive and that it supports the Share Exchange Offer. The board of directors of Titan is expected to issue its formal opinion on the Share Exchange Offer on or about June 3, 2019, in accordance with Law 3461. The action of the board of directors of Titan was taken by a unanimous vote of those directors present and voting. Nellos Panagiotis Canellopoulos, Takis Panagiotis Canellopoulos, Dimitri Papalexopoulos and Alexandra Papalexopoulou, who are also Founders, recused themselves from this meeting after an initial information session.

#### **6. Announcement of Results and Acceptance for Exchange**

The Company and Titan will each announce the results of the Share Exchange Offer by means of a public announcement to be issued within two business days after the end of the Acceptance Period, as may be extended from time to time. The announcement will be made by publication on the website of the ATHEX and the Daily Official List Announcements section of the ATHEX. In addition, notice will be posted on Titan's website at [www.titan.gr](http://www.titan.gr). No information posted on Titan's website (or any other website) is incorporated into, or forms part of, this Prospectus and investors should not rely on it, except for the documents specifically incorporated by reference into this Prospectus in "*Part XIX: Documents Incorporated by Reference.*"

#### **7. Greek Statutory Squeeze-out and Greek Statutory Sell-out**

##### **7.1 Triggering Event; consideration**

If, at the end of the Acceptance Period, the Company has received valid tenders for, or otherwise holds, (i) in relation to Titan Ordinary Shares, at least 69,357,212 Titan Ordinary Shares, corresponding to 90.0 per cent of the Titan's ordinary share capital and voting rights, and/or (ii) in relation to Titan Preference Shares, at least



6,812,064 Titan Preference Shares, corresponding to 90.0 per cent of Titan’s preference share capital (together the “**Relevant Threshold**”), holders of each class of the Existing Shares in respect of which the Relevant Threshold is reached that were not acquired in the Share Exchange Offer will be entitled to sell or exchange each such class of their Existing Shares to the Company pursuant to the Greek Statutory Sell-out at any time during the three calendar months after the publication of the results of the Share Exchange Offer, and the Company will be entitled to initiate a procedure to compulsorily acquire each class of the Existing Shares in respect of which the Relevant Threshold is reached and which are held by any remaining minority shareholders in the Greek Statutory Squeeze-out within three calendar months after the end of the Acceptance Period. If, at the end of the Acceptance Period, the Relevant Threshold is reached with respect to a class and/or both classes of the Existing Shares, the Company intends to initiate the Greek Statutory Squeeze-out to acquire such class or classes of the Existing Shares as soon as practicable after settlement of the Share Exchange Offer. Holders in the United States who did not participate in the Share Exchange Offer (including those who are not Eligible U.S. Holders) will receive the alternative cash consideration mandated under the Greek Statutory Squeeze-Out, to the extent that the Acceptance Condition has been satisfied.

The consideration payable pursuant to Law 3461 for each Existing Share acquired in the Greek Statutory Squeeze-out and/or the Greek Statutory Sell-out, as the case may be, is, at the election of the holder, either one New Share for any Existing Share or (i) the Ordinary Share Cash Consideration in respect of the Titan Ordinary Shares, or (ii) the Preference Share Cash Consideration in respect of the Titan Preference Shares. The Cash Consideration alternative is mandatorily required under Law 3461 and has been determined also taking into account the valuation of the Existing Shares made pursuant to the Independent Valuation.

The Cash Consideration will be received by Existing Shareholders after the deduction of an applicable Greek transaction tax of 0.2 per cent, calculated on such cash consideration. As derived from the letter of the Greek Independent Authority for Public Revenue dated November 19, 2018, this transaction tax should not be payable by holders of Existing Shares who elect to receive New Shares rather than the Cash Consideration in the Greek Statutory Squeeze-out or Greek Statutory Sell-out. See further below “—*Payment of Duties and Greek Transaction Tax.*”

If an Existing Shareholder either does not make an election to receive New Shares or Cash Consideration, or fails to make an election to receive New Shares in book-entry through Euroclear Belgium or elected to receive New Shares in book-entry through Euroclear Belgium but failed to provide the information or documents required to be able to do so, or if such information or documents are erroneous or incomplete, such shareholder will receive New Shares in book-entry form at the DSS through the HSCD which will be delivered by means of registration with such shareholder’s Securities Account with which the Existing Shares tendered were registered.

## **7.2** *Greek Statutory Sell-out Procedure*

If, at the end of the Acceptance Period, the Relevant Threshold with respect to a class and/or both classes of the Existing Shares is reached, holders of each class of the Existing Shares in respect of which such threshold is reached who will be entitled to sell or exchange their Existing Shares in the Greek Statutory Sell-out and who wish to receive Cash Consideration, may sell their shares in the market following the announcement of the results of the Share Exchange Offer and before the expiration of the Greek Statutory Sell-out period. During that period, the Company will maintain a standing bid on the ATHEX to purchase, as applicable, (i) Titan Ordinary Shares at the Ordinary Shares Cash Consideration, and (ii) Titan Preference Shares at the Titan Preference Shares Cash Consideration. Holders of Existing Shares who sell those shares to the Company in such manner in those circumstances will receive the relevant Cash Consideration, reduced by the Greek transaction tax as described above, in accordance with the standard settlement cycle for trades on the ATHEX, which is two Greek business days after the relevant trade date.

Holders of the relevant class of the Existing Shares entitled to exchange their Existing Shares of such class in the Greek Statutory Sell-out and who wish to receive New Shares will be entitled to deliver through their custodians or nominees an election form to the HSCD at any time after the announcement of the results of the

Share Exchange Offer and prior to the expiration of the Greek Statutory Sell-out period three calendar months following such announcement. If the Relevant Threshold with respect to a class and/or both classes of the Existing Shares is reached, the Company currently expects the Greek Statutory Sell-out period to expire on or about September 24, 2019. Such holders should note, however, that they will receive such share consideration approximately eight Greek business days following the end of the three-month sell-out period in accordance with the Sell-out Decision. As a result, the Company expects that settlement for the transfer of the relevant class of the Existing Shares in the Greek Statutory Sell-out will, in practice, be pre-empted by the Greek Statutory Squeeze-out, which is expected to be completed within four to eight weeks after the completion of the Share Exchange Offer.

### **7.3** *Greek Statutory Squeeze-Out Procedure*

The Greek Statutory Squeeze-out is a procedure initiated by the Company by filing a request with the HCMC within three calendar months after the end of the Acceptance Period. Once the HCMC has completed its review (which has generally taken approximately two weeks in previous transactions) and approves the request, the HCMC will fix the date for cessation of trading of the Existing Shares on the ATHEX, which will be at least ten Greek business days following the date of the HCMC approval. If the Share Exchange Offer is successful and if, at the end of the Acceptance Period, the Relevant Threshold is reached with respect to a class and/or both classes of the Existing Shares, the Company intends to initiate the Greek Statutory Squeeze-out to acquire such class or classes of the Existing Shares as soon as practicable after settlement of the Share Exchange Offer and to request that the effective date for the Greek Statutory Squeeze-out be set at ten Greek business days after the date of the HCMC approval. As a result, the Company currently expects to acquire each class of the remaining Existing Shares in respect of which the Relevant Threshold will have been reached within four to eight weeks after completion of the Share Exchange Offer.

If the Relevant Threshold is reached with respect to a class and/or both classes of the Existing Shares, the exact procedure for the Greek Statutory Squeeze-out, including the effective date of the Greek Statutory Squeeze-out and the applicable election forms, will be communicated by the Company by way of a regulatory announcement as soon as practicable following the decision of the HCMC to approve the Company's request to exercise the Greek Statutory Squeeze-out.

If the Relevant Threshold is reached with respect to both classes of the Existing Shares and the Greek Statutory Squeeze-out is completed, there will no longer be any minority shareholders in Titan and the Greek Statutory Sell-out will terminate. The Company will make a further regulatory announcement on completion of the earlier of the Greek Statutory Squeeze-out or the Greek Statutory Sell-out processes.

## **8. Source of Funds**

Funding for the payment of any cash consideration to be offered pursuant to any of the Greek Statutory Squeeze-out and Greek Statutory Sell-out, together with the funding of certain costs and other expenses related to the Share Exchange Offer and to the Greek Statutory Squeeze-out and Greek Statutory Sell-out, as well as certain costs and expenses relating to the Statutory Squeeze-out Facility, as the case may be, is expected to come from the Statutory Squeeze-out Facility, to be entered into between the Company and HSBC, as lender, which is available to the Company specifically for these purposes. The maximum cash expenditure associated with the Share Exchange Offer, the Greek Statutory Squeeze-out and Greek Statutory Sell-out, as the case may be, is expected to be no more than €185 million. The Statutory Squeeze-out Facility is expected to be entered into on or about the date of this Prospectus and will be terminated on the earlier of the date that falls: (i) 180 days after the first utilisation of the Statutory Squeeze-out Facility, (ii) 30 days after the Share Exchange Offer has been annulled or withdrawn, (iii) 150 days after the successful settlement of the Greek Statutory Squeeze-out or the Greek Statutory Sell-out, (iv) 9 months after the date of the Statutory Squeeze-out Facility and (v) on the date on which the Company gives written notice to HSBC to terminate the Statutory Squeeze-out Facility. The Statutory Squeeze-out Facility will be secured on a share pledge over 51% of the Titan Ordinary Shares to be held by the Company and granted by it in favour of HSBC.

## **9. Payment of Duties and Greek Transaction Tax**

Existing Shareholders who tender their Existing Shares for New Shares pursuant to the Share Exchange Offer will not be obligated to pay any charges or expenses of the Tender Agent or the Share Exchange Agent. The Company will assume payment of the 0.08 per cent duties levied in favor of the HCSD on the registration of the off-exchange transfer of the Existing Shares tendered and transferred to the Company by Accepting Existing Shareholders in accordance with article 7 of the Codified Decision 1/223/28.1.2014, as in force, of the board of directors of the HCSD.

Holders of Existing Shares whose Existing Shares are tendered for New Shares pursuant to the Share Exchange Offer by a broker, dealer, commercial bank, trust company or other nominee will be responsible for any fees or commissions such nominees may charge in connection with such tender. Holders of Existing Shares who tender their Existing Shares pursuant to the Share Exchange Offer will also be responsible for all governmental charges and taxes payable in connection with such tender. The transfer of Existing Shares tendered in the Share Exchange Offer (except when transferred in exchange for the Cash Consideration pursuant to any of the Greek Statutory Squeeze-out or Greek Statutory Sell-out, see further above “—*Greek Statutory Squeeze-out and Greek Statutory Sell-out*”), will not be subject to the 0.2 per cent Greek transaction tax which would otherwise be levied pursuant to Article 9 of Greek Law 2579/1998, as the transfer of Existing Shares in consideration for New Shares does not qualify as a sale under such law. Investors are advised to consult their own tax advisors as to Greek or other tax consequences of the Share Exchange Offer (see also “*Part XV: Taxation—Greek Taxation*”).

## **10. Delisting of the Existing Securities**

Following Closing or upon completion of the Greek Statutory Squeeze-out and/or Greek Statutory Sell-out, as the case may be, the Company, holding 100.0 per cent of the ordinary and/or preference share capital of Titan, intends to convene a general meeting of the relevant class of Titan’s shareholders to resolve upon the delisting of the relevant class of the Existing Shares from the ATHEX, in accordance with Article 17, paragraph 5 of Greek Law 3371/2005, at which (general meetings) the Company will exercise its voting rights in favor of such resolution. The delisting of any class of the Existing Shares from ATHEX requires and is subject to HCMC approval.

## **11. Share Capital of the Company**

Upon the Share Exchange Offer becoming or being declared wholly unconditional:

- if valid acceptances are received in respect of all the Existing Shares representing the entire (i.e. ordinary and preference) share capital of Titan and the maximum number of 84,632,528 Existing Shares are contributed in kind to the Company, the Company will effect a capital increase and issue 84,632,528 New Shares on a one-to-one basis and deliver such shares to each Accepting Existing Shareholder and the enlarged issued share capital of the Company will be 84,632,528 New Shares plus the Initial Shares held by the Founders as incorporators of the Company; and
- if valid acceptances are received in respect of Existing Shares representing at least 75.0 per cent of the entire (i.e. ordinary and preference) share capital of Titan in satisfaction of the Acceptance Condition and the minimum number of at least 63,474,396 Existing Shares are contributed in kind to the Company, the Company will effect a capital increase and issue at least 63,474,396 New Shares on a one-to-one basis and deliver such shares to the Accepting Existing Shareholders and the enlarged issued share capital of the Company will be at least 63,474,396 New Shares plus the Initial Shares held by the Founders as incorporators of the Company.

If the Relevant Threshold is reached with respect to a class and/or both classes of the Existing Shares, the share capital of the Company after the completion of any Greek Statutory Squeeze-out and Greek Statutory Sell-out

will depend on the number of Existing Shares in relation to which minority shareholders elect to receive New Shares as consideration for the Greek Statutory Squeeze-out and/or Greek Statutory Sell-out.

In accordance with the Belgian Companies Code the capital contribution value of the contributed Existing Shares will be determined on the basis of the weighted average stock price of the Existing Shares on ATHEX during the three months preceding the date of the actual contribution.

## **12. Interest of natural and legal persons involved in the Share Exchange Offer**

HSBC and its affiliates have or are currently engaged in, or may, in the future, from time to time, engage in, commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company, the Group or any parties related to it, in respect of which they have and may in the future, receive customary fees and commissions. As a result of these transactions, these parties may have interests that are not being aligned, or could possibly conflict with, the interests of investors.

In particular, HSBC, which is the Financial Advisor and Listing Agent, will be the lender under the Statutory Squeeze-out Facility. HSBC Egypt, an affiliate of HSBC, is a lender under three committed facility agreements for up to a total amount of EGP620 million to the Group (consisting of HSBC Egypt Facilities A, B and C). HSBC Bank plc is also a lender to the Group under the Multicurrency Facility, with HSBC Bank plc's commitment amounting up to an amount of €40.0 million. Another affiliate of HSBC, HSBC Bank USA N.A., is a lender to the Group under the HSBC U.S. Facility for an amount up to \$50.0 million. See "Part V: *Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness—Long-Term Indebtedness.*"

## **13. Effects of the Share Exchange Offer, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out on the historical financial information of the Company**

Subject to completion of the Share Exchange Offer and the Relevant Threshold being reached with respect to both classes of the Existing Shares, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out the Company will own 100.0 per cent of Titan. The consolidated financial statements of the Company and its subsidiaries will be presented using the values from the consolidated financial statements of the Group and will be prepared in accordance with IFRS. The reporting currency of the Company and its subsidiaries will be the Euro. The currency of the Shares will also be the Euro.

The Company is a newly incorporated company and does not fall within the definition of a business under IFRS 3, and, therefore, the Share Exchange Offer is out of the scope of IFRS 3. At the completion of the Share Exchange Offer, the Group's management expects to refer to paragraph 10 of IAS 8 and use judgment to develop an appropriate accounting policy on how to account for the effects of the Share Exchange Offer. Although IFRS 3 is not applicable, the Share Exchange Offer will in substance be a reverse acquisition of the Company by the Group. Upon completion of the Share Exchange Offer, the consolidated financial statements of the Group will be issued under the Company's name, as the legal acquirer, but as a continuation of the Group's financial statements for the prior accounting periods and, as such, will present the Group's prior year consolidated figures as comparative information.

The Group's management considers that the proposed Share Exchange Offer is a mere internal restructuring with no accounting impact, except in connection with the reorganization of equity. At the completion of the Share Exchange Offer and on the date that the Company becomes the new ultimate parent company of the Group, the statutory amounts of the share capital, share premium and treasury shares of Titan will be adjusted to reflect the new legal structure and their respective value will be determined based on the total consideration paid in connection with the Share Exchange Offer.

If the Share Exchange Offer, and, if applicable, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out had taken place at the date of the Group's latest statement of financial position, being December 31, 2018, the total assets and liabilities of the Group would have been combined with those of the Company.

Any cash consideration paid to Existing Shareholders funded by the Statutory Squeeze-out Facility would have had the effect of increasing the Company's indebtedness and reducing net assets by the amount of such consideration. The interest charge in the income statement for the period would have increased as a result of the increased indebtedness. Furthermore, the net assets of the Company and its subsidiaries would have been reduced by a cash amount equal to the costs and expenses of the Share Exchange Offer, and, if applicable, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out.

### **PART VIII: USE OF PROCEEDS**

There is no use of proceeds and no net amount of proceeds as the Company is not offering New Shares for cash and will therefore not be receiving any cash proceeds.

## PART IX: DIVIDENDS AND DIVIDEND POLICY

### 1. Dividends

The Shares carry the right to participate in dividends, if any, in respect of the Company's first financial year ended December 31, 2019 and future years. The Shares also carry the rights to participate in any capital returns, distributions from distributable reserves or other distributions made by the Company after the Closing Date. All Shares participate equally in the Company's profits, if any. In general, the Company may only pay dividends with the approval of the Shareholders' Meeting, although pursuant to the Company's Articles of Association, the Board of Directors may declare interim dividends without shareholder approval. The right to pay such interim dividends is, however, subject to certain legal restrictions.

The maximum amount of the dividend that can be paid is determined by reference to the Company's stand-alone statutory accounts prepared in accordance with Belgian GAAP.

In addition, under Belgian law and the Articles of Association, before it can pay dividends, the Company must allocate an amount of 5.0 per cent of its Belgian GAAP annual net profit to a legal reserve in its stand-alone statutory accounts until the reserve equals 10.0 per cent of the Company's share capital. The Company currently has no legal reserve. Accordingly, 5.0 per cent of the Company's Belgian GAAP annual net profit during future years will need to be allocated to the legal reserve, limiting the Company's ability to pay out dividends to its shareholders until such reserve reaches 10.0 per cent of the Company's share capital.

On May 13, 2019, the Shareholders' Meeting decided, subject to the effective completion of the Company's capital increase by means of a contribution in kind of Existing Shares and with effect immediately upon the closing of the Share Exchange Offer:

- (a) to reduce the Company's capital by an amount of € 150 million; this will result in a repayment of capital contributions to the shareholders, in one or more tranches, at a time to be decided by the Board of Directors. Such capital reduction will occur without cancellation of shares;
- (b) to further reduce the Company's capital to create distributable reserves in the amount of (i) the issuance price of the New Shares issued in exchange for the Treasury Shares tendered by Titan, being the weighted average stock price of the Existing Shares on ATHEX during the three months preceding the date of the actual contribution, multiplied by (ii) the number of New Shares issued as a result of the tender by Titan of its Treasury Shares; during the same Shareholders' Meeting, the shareholders resolved to convert such distributable reserves to non-distributable reserves to the extent that and for as long as these New Shares will be held by Titan; and
- (c) to further reduce the Company's capital by an amount of € 50 million to create a distributable reserve.

See "*Part XIV: Description of Share Capital and Articles of Association*" for further information on such shareholders' resolutions.

### 2. Dividend Policy

No dividends have been paid by the Company prior to the Share Exchange Offer.

The Group's dividend and distribution policy is driven by the aim of ensuring the soundness of the Group's statement of financial position and the maintenance of its financial ratios in line with the targets set by the Group.

The amount of any dividends and the determination of whether to pay dividends in any year may be affected by a number of factors, including the Company's business prospects, cash requirements, including related to any

material external growth opportunities, and financial performance, the condition of the market and the general economic climate and other factors, including tax and other regulatory considerations. See “*Part I: Risk Factors—Risks Relating to an Investment in Shares—There can be no assurance that the Company will make dividend payments in the future.*” As a consequence of these factors, there can be no assurance as to whether dividends or similar payments will be paid in the future or, if they are paid, their amount.

### **3. Dividend Payments**

The Board of Directors of Titan has decided to propose to the annual general meeting of Titan's shareholders, scheduled for June 7, 2019, and in connection with the year ended December 31, 2018, to approve the distribution of a dividend of €0.15 per share. Such amount will be proportionally increased by the dividend corresponding to the Existing Shares held by Titan in treasury.

In the year ended December 31, 2018 and in connection to the year ended December 31, 2017, the Group distributed dividends of €4,231,626 (€0.05 per share) and a cash return of capital of a total amount of €42,316,264 (€0.50 per share).

In the year ended December 31, 2017 and in connection to the year ended December 31, 2016, the Group distributed dividends of €8,463,253 (€0.10 per share) and a cash return of capital of a total amount of €84,632,528 (€1.00 per share).

In the year ended December 31, 2016 and in connection to the year ended December 31, 2015, the Group distributed dividends of €25,390,758 (€0.30 per share, ordinary or preference). This amount was proportionally increased by the dividend corresponding to the treasury stock held by Titan and became €0.30989 per share.



## PART X: CAPITALIZATION AND INDEBTEDNESS

### 1. Capitalization of the Group

The following tables set forth the cash and cash equivalents, the capitalization and the indebtedness of the Group as at December 31, 2018.

This table should be read in conjunction with “Part IV: Selected Historical Financial Information and Other Data” and “Part V: Operating and Financial Review and Prospects” and the Annual Consolidated Financial Statements and related notes incorporated by reference in this Prospectus.

	<b>As at December 31, 2018</b>
	<i>(€ thousands)</i>
<b>Current debt</b> .....	<b>197,637</b>
Guaranteed .....	178,348
Secured .....	17,339
Unguaranteed/unsecured .....	1,950
<b>Non-current debt</b> .....	<b>745,222</b>
Guaranteed .....	727,506
Secured .....	6,870
Unguaranteed/unsecured .....	10,846
<b>Total indebtedness</b> .....	<b>942,859</b>
	<b>As at December 31, 2018</b>
	<i>(€ thousands)</i>
<b>Shareholders' equity</b>	
Share capital .....	291,982
Share premium .....	22,826
Share options .....	3,742
Treasury shares .....	(112,884)
Other reserves .....	738,487
Retained earnings .....	449,980
<b>Total shareholders' equity</b> .....	<b>1,394,133</b>
Non-controlling interest .....	77,157
<b>Total capitalization</b> .....	<b>1,471,290</b>
	<b>As at December 31, 2018</b>
	<i>(€ thousands)</i>
<b>Net Indebtedness of the Group</b>	
Cash and cash equivalents .....	171,000
<b>Liquidity</b> .....	<b>171,000</b>
Current bank debt .....	(34,460)
Bonds issued .....	(160,298)
Other current financial debt .....	(2,879)
<b>Current financial debt</b> .....	<b>(197,637)</b>
<b>Net current financial indebtedness</b> .....	<b>(26,637)</b>
Non-current bank debt .....	(90,863)
Bonds issued .....	(645,365)
Other non-current financial debt .....	(8,994)
<b>Non-current financial indebtedness</b> .....	<b>(745,222)</b>
<b>Net financial indebtedness</b> .....	<b>(771,859)</b>

### 2. Capitalization of the Company

The Company's capitalization as at July 11, 2018, being the date of its incorporation, was €100,000, represented by 4,000 shares without nominal value. On December 3, 2018, the extraordinary Shareholders' Meeting of the Company decided to proceed with a stock split, whereby each shareholder of the Company received 7 additional shares for each 18 shares that it held. As a consequence, each shareholder who previously held eighteen (18)

shares held, after the stock split, twenty-five (25) shares. As a result of the stock split, the capital of the Company amounts to € 100,000 and is represented by 5,555 shares without nominal value.

Any cash consideration paid to Existing Shareholders funded by the Statutory Squeeze-out Facility would have had the effect of increasing the Company's indebtedness and reducing net assets by the amount of such consideration. The interest charge in the income statement for the period would have increased as a result of the increased indebtedness. Furthermore, the net assets of the Company and its subsidiaries would have been reduced by a cash amount equal to the costs and expenses of the Share Exchange Offer, and, if applicable, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out.

After the completion of the Share Exchange Offer, the Company's share capital will be increased by a contribution in kind of the contributed Existing Shares. In accordance with the Belgian Companies Code the capital contribution value of the contributed Existing Shares will be determined on the basis of the weighted average stock price of the Existing Shares on ATHEX during the three months preceding the date of the actual contribution.

Upon completion of the Share Exchange Offer, the Company will reduce its share capital by an amount of € 150 million, with effect immediately upon the closing of the Share Exchange Offer, which will result in a repayment of capital contributions to the shareholders in the amount of € 150 million, in one or more tranches, at a time to be decided by the Board of Directors. Such capital reduction will occur without cancellation of shares.

Upon completion of the Share Exchange Offer the Company will also reduce its share capital to establish a distributable reserve as a result of the tender by Titan of its Treasury Shares in exchange for New Shares in the Company in the context of the Share Exchange Offer. This distributable reserve shall immediately be converted into a non-distributable reserve for as long as Titan holds such New Shares in the Company.

Upon Completion of the Share Exchange Offer, the Company will also reduce its share capital by an amount of €50.0 million to establish a distributable reserve.

The Company's capitalization as at July 11, 2018, being the date of its incorporation, was €100,000. As at March 31, 2019, the Company had €52,036.47 of cash and €300,000.00 of indebtedness.

## **WORKING CAPITAL STATEMENT**

In the Company's opinion, the working capital available is sufficient for its present requirements, that is, for the next 12 months following the date of this Prospectus.

## PART XI: MANAGEMENT AND CORPORATE GOVERNANCE

### 1. Overview

This section summarizes the rules and principles governing the Company's corporate governance structure, in accordance with the Belgian Companies Code, other relevant legislation, the Articles of Association and the Corporate Governance Charter.

The Company is committed to high standards of corporate governance and relies on the Belgian Code on Corporate Governance of March 12, 2009 (the "**Corporate Governance Code**") as a reference code. The Corporate Governance Code is based on a "comply or explain" approach. Belgian listed companies should follow the Corporate Governance Code, but may deviate from those of its provisions which are not otherwise contained in the Belgian Companies Code, provided they disclose the justification for any such deviation in the annual corporate governance statement included in the annual report.

The Board of Directors intends to comply with the Corporate Governance Code.

In accordance with the Corporate Governance Code, the Company has adopted a corporate governance charter (the "**Corporate Governance Charter**"), conditional upon and with effect as of Closing. The Company will review the Company's corporate governance at regular intervals and adopt any changes deemed necessary and appropriate.

The Company adopted certain changes to its Articles of Association at the extraordinary Shareholders' Meeting held on May 13, 2019), conditional upon and with effect as of Closing (see "*Part XIV: Description of Share Capital and Articles of Association*"). In this context, the Company opted-in and amended certain provisions of the Articles of Association in line with the provisions of the law of March 23, 2019 introducing the new Belgian code of companies and associations, published in the Belgian Official Gazette on April 4, 2019 (the "**Belgian Companies Code**").

The Articles of Association and the Corporate Governance Charter will be made available on the Company's website ([www.titan-cement.com](http://www.titan-cement.com)) and can be obtained free of charge at the Company's registered office after Closing.

### 2. Board of Directors

#### 2.1 Powers and Responsibilities of the Board

The Board of Directors is the Company's supreme administrative body. The Board of Directors is vested with the power to perform all acts that are necessary or useful for the realization of the Company's purpose, except for those actions that are specifically reserved by law or the Articles of Association for the Shareholders' Meeting or other management bodies.

In particular, the Board of Directors is responsible for:

- defining general policy strategy of the Company and its subsidiaries;
- deciding on all major strategic, financial and operational matters of the Company;
- providing entrepreneurial leadership and setting the Company's values and standards;
- ensuring the establishment and operation of effective internal control and risk management systems;

- monitoring and resolving any conflicts of interest of members of the Board of Directors and senior officers vis-à-vis the interests of the Company;
- determining the remuneration of Directors and senior executives;
- ensuring satisfactory dialogue with shareholders;
- overseeing the management by the Managing Director and other members of the Management Committee; and
- all other matters reserved to and obligations imposed (including disclosure obligations) on the Board of Directors by law or the Articles of Association.

Within certain limits, the Board of Directors is entitled to delegate special clearly-defined powers to the Managing Director.

## **2.2** *Composition of the Board of Directors*

Pursuant to the Articles of Association, the Board of Directors must comprise at least three and maximum 15 members.

As of the date of this Prospectus, the Board of Directors comprises 5 members.

Pursuant to the Corporate Governance Code, at least half of the directors should be non-executive and at least three directors should be independent in accordance with the independence criteria set out in the Corporate Governance Code. The composition of the Board of Directors effective as of Closing will comply with these recommendations.

As at January 1, 2025, at least one-third of the directors must be of the opposite gender.

## **2.3** *Functioning of the Board of Directors*

In principle, the Board of Directors meets at least six times a year. Additional meetings may be called with appropriate notice at any time to address specific needs of the business. The Board of Directors is convened by the chairman or the Managing Director whenever the interest of the Company so requires or at the request of two directors.

### **2.3.1** *Quorum*

The Board of Directors can only deliberate and decide validly if more than half of the directors are present or represented and the number of present directors is not less than three.

### **2.3.2** *Deliberation and Voting*

The decisions of the Board of Directors are taken by a simple majority of votes.

## **2.4** *Board of Directors*

As of the date of this Prospectus, the Board of Directors of the Company is composed as follows:

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Director since<sup>(1)</sup></b>	<b>Mandate expires</b>
Kyriakos Riris	69	Chairman	2018	2021
Nikolaos Birakis	48	Director	2018	2021
Komninos Alexios Comninos	53	Director	2018	2021

Name	Age	Position	Director since <sup>(1)</sup>	Mandate expires
Spyridon Hadjinicolaou	49	Director	2018	2021
Stylios Triantafyllides	58	Vice-Chairman	2018	2021

The extraordinary Shareholders' Meeting of May 13, 2019 resolved to elect to acknowledge the resignation of the following persons as directors: Nikolaos Birakis, Komninos Alexios Comninos and Spyridon Hadjinicolaou; and to appoint the following persons to the Board of Directors subject to and with effect as from the completion of the Share Exchange Offer: Efstratios -Georgios Arapoglou, Andreas Artemis, Dimitri Papalexopoulos, Alexandra Papalexopoulou, Michael Colakides, Takis- Panagiotis Canellopoulos, Leonidas Kanellopoulos, Vassilios Zarkalis, Petros Sabatacakis, Mona Zulficar, Maria Vassalou, William Antholis and Haralambos (Harry) George David, i.e. six executive members (Dimitri Papalexopoulos, Alexandra Papalexopoulou, Takis - Panagiotis Canellopoulos, Leonidas Kanellopoulos, Michael Colakides and Vassilios Zarkalis) and nine non-executive members (Kyriakos Riris, Stylios Triantafyllides, Efstratios -Georgios Arapoglou, Andreas Artemis, Petros Sabatacakis, Mona Zulficar, Maria Vassalou, William Antholis and Haralambos (Harry) George David) eight of whom will be independent (Kyriakos Riris, Stylios Triantafyllides, Andreas Artemis, Petros Sabatacakis, Mona Zulficar, Maria Vassalou, William Antholis and Haralambos (Harry) George David).

As of the date of this Prospectus, the Board of Directors of Titan is composed as follows:

Name	Age	Position	Director since <sup>(1)</sup>	Mandate expires
Efstratios-Georgios Arapoglou .....	68	Non-Executive Director and Chairman	2016	2019
Nellos Panagiotis Canellopoulos .....	55	Executive Director and Vice-Chairman	2016	2019
Dimitri Papalexopoulos .....	57	Executive Director and CEO	2016	2019
Michael Colakides .....	65	Executive Director and CFO	2016	2019
Doros Constantinou .....	69	Independent Non-Executive Director	2016	2019
Hiro Athanassiou .....	59	Independent Non-Executive Director	2016	2019
Takis Panagiotis Canellopoulos .....	51	Executive Director	2016	2019
Alexander Macridis .....	57	Independent Non-Executive Director	2016	2019
Domna Mirasyesi-Bernitsa .....	58	Independent Non-Executive Director	2016	2019
Ioanna Papadopoulou .....	67	Independent Non-Executive Director	2016	2019
Alexandra Papalexopoulou .....	52	Executive Director	2016	2019
Petros Sabatacakis .....	72	Independent Non-Executive Director	2016	2019
Plutarchos Sakellaris.....	55	Independent Non-Executive Director	2016	2019
Efthymios Vidalis .....	65	Non-Executive Director	2016	2019
Vassilios Zarkalis .....	57	Executive Director	2016	2019

(1) Being the most recent (re)appointment date.

The summary of the résumés of the current directors of the Company are set out below.

**Kyriakos Riris** – Kyriacos was born in Cyprus in 1949. He completed his high-school education in Cyprus, before continuing his higher education and professional qualifications at Birmingham City University. Kyriacos completed his professional exams with the Association of Certified Chartered Accountants (ACCA) in the UK in 1975, becoming a Fellow of the Association of Certified Accountants in 1985. Since 1976 his work experience has largely taken place in Greece, including promotion to Partner in 1984. During his professional career in Greece, Kyriacos has been a member of the Executive Committee of the Greek Firm of PwC. In the role of Senior Partner of PwC, his responsibilities have successively included that of Managing Partner of the Audit and the Advisory/Consulting Lines of Service respectively, and later Deputy Territory Senior Partner for a period in excess of 5 years. As Partner responsible for the Audit Line of Service of PwC, he undertook and

presented sustainability studies, reorganization and redesigning of internal functions and internal control methodologies for a large number of Greek and Multinational companies. Moreover, this experience included the valuation of companies for the purpose of mergers & acquisitions. In 2009, Kyriacos was voted Chairman of the Board of PwC in Greece, and it is in this position that his career with the Firm ended on June 30, 2014. With a career spanning some 40 years, Kyriacos has accumulated vast experience with both Domestic and Multinational entities in a variety of sectors and industries, including Manufacturing, Shipping, Commerce, Food & Beverages, Construction, Pharmaceuticals, Financial Services, and Information Systems, to name a few. Additionally, he gained extensive experience in the Hospitality & Leisure industry, with emphasis in large luxury resorts and city hotels, has been gained.

**Nikolaos Birakis** – Nikos was born in Athens in 1970. He holds a Degree in Economics from the University of Athens and an MBA with a finance Specialization from Cass Business School in the UK. He joined the Titan Group in 2017 and holds since the Finance-Business Initiatives Director position, reporting to the Group CFO. Before Titan, he served as Group CFO of Raycap International Holdings.

**Komninos Alexios Comninos** – Alexis was born in Athens in 1965. He holds a B.A. degree in Business Economics and in Organizational Behavior & Management from Brown University, an M.Sc. degree in Real Estate Development & Investment from New York University and an MBA degree from IMD. He has worked for Merrill Lynch International Private Banking Group (1994-1998), has set up the Private Banking Division for the National Bank of Greece and has headed the department until 2002. He joined Marfin Bank in 2002 as Group Director of Wealth Management & Private Banking and remained in this position until July of 2008. From July of 2008 until September of 2011 he was an executive member of the B.o.D. of HYGEIA Group, C.E.O. of MITERA S.A., and president of the B.O.D. of various medical and commercial subsidiaries in Greece and abroad. From September of 2011 until May of 2012 he was an executive officer of Marfin Investment Group. He currently works for Titan Cement S.A. as a special advisor to the management team

**Spyridon Hadjinicolaou** – Spyros was born in 1969. He holds a Degree from the National and Kapodestrian University of Athens –School of Law and obtained and LL.M. in International commercial and E.U. Law from the University of Kent at Canterbury, UK. From January 1999 until today he is working as lawyer in the Law Firm of Antis Triantafyllides & Sons, Nicosia. From 1997 until 1999 he worked in the Law Firm of L.Papaphilippou & Co, Nicosia specializing on Shipping and Finance). Since 1997, he is a member of the Cyprus and Nicosia Bar Association.

**Stylianios Triantafyllides** – born in 1960, Stelios studied in Oxford University, Worcester College (M.A. (Jurisprudence) and in the University of California at Berkeley (LL.M.). He is member of the Cyprus Bar Association – Admitted 1984; Committee on Offshore Business of the Cyprus Bar Council, 1988 -; Committee on the Cyprus Stock Exchange of the Cyprus Bar Council, 2000 -, Board of Directors of the Cyprus Investment Promotion Agency (CIPA) 2006 – 2012. His practice areas are: Banking and Finance, Capital markets, M&A and Joint Venture, General Corporate and Commercial, Corporate Restructuring, Tax, Financial Services and Securities Regulation. Stelios Triantafyllides has been working with and been a partner of the law firm of Antis Triantafyllides & Sons LLC since 1983. His practice focuses specifically on international business transactions. He is the legal adviser to the Cyprus Securities and Exchange Commission. He regularly advises the IFC, the EBRD, Deutsche Bank and other major banks, such as UBS, Renaissance and other investment banks.

The summary of the résumés of the directors of the Company appointed by the extraordinary Shareholders' Meeting of May 13, 2019, subject to and with effect as from the completion of the Share Exchange Offer are set out below:

**Efstratios-Georgios Arapoglou** – Born in 1951 in Alexandria, Egypt, Mr. Arapoglou has held a number of senior positions in international investment banks in London (1977-1991) and management positions in Greek banks and subsidiaries of international banks in Greece (1991-2000). He has served as Managing Director and Global Head of the Banks and Securities Industry of Citigroup in London (1999-2004) and Chairman and Managing Director of the National Bank of Greece (2004-2009). He was elected to the position of Chairman of the Hellenic Bank Association (2005-2009) and has served as Managing Director of commercial banking and

executive member of the Board of Directors of the investment group EFG — Hermes Holding SAE (2010-2013). He is Chairman and Non-Executive Director of the Board of Directors of Tsakos Energy Navigation (TEN) LIMITED, a company listed on the New York Stock Exchange, Non-Executive Director of EFG Hermes Holding SAE, listed on the stock exchanges of Cairo and London, and Non-Executive Director of Credit Libanais SAL and of Bank Alfalah, listed on the Stock Exchange of Karachi, representing IFC on the Bank's Board. He holds degrees in Mathematics, Naval Architecture and Business Administration from Greek and British universities.

**Andreas Artemis** – Born in 1954 in Limassol - Cyprus. He studied Civil Engineering at the Queen Mary and Imperial Colleges of London University and holds a B.Sc. (Engineering) and a M.Sc. degree. Since 1985 he is an executive member of the Board of Directors of Commercial General Insurance Group and Chairman since 2002. He is also a member of the Board of Directors of the Cyprus Employers and Industrialists Federation and of the Council of the Cyprus Red Cross Society. He has served as member of the Board of Directors of the Bank of Cyprus Group (2000-2005), Vice-Chairman (2005-2012) and Chairman (2012-2013). He has also served as member of the Board of Directors of the Cyprus Telecommunications Authority (1988-1994) and as Honorary Consul General of South Africa in Cyprus (1996-2012).

**Dimitri Papalexopoulos** – Born in 1962 in Athens, Greece, Mr. Papalexopoulos started his career as a business consultant of McKinsey & Company Inc. in USA and Germany. Subsequently, he joined Titan in 1989. He is Vice Chairman of the Board of the Hellenic Federation of Enterprises (SEV), and a member of the Board of the Foundation for Economic and Industrial Research (IOBE), the Hellenic Foundation for European and Foreign Policy (ELIAMEP) and the European Round Table for Industrialists (ERT). He holds an M.Sc. in Electrical Engineering from the Swiss Federal Institute of Technology (ETHZ-1985) and an M.B.A. from Harvard Business School (1987).

**Alexandra Papalexopoulou** – Born in 1966 in Athens, Greece, Mrs. Papalexopoulou has been employed by the Group since 1992. Previously, she had worked for the OECD and the consultancy firm Booz, Allen & Hamilton in Paris. She has served as a member of the Board of Directors of the National Bank of Greece (from 2010 until July 2015), Frigoglass (from 2003 to February 2015) and Emporiki Bank (from 2007 to 2009). She is an independent non-executive director of Coca-Cola HBC AG. She is also treasurer and member of the Board of Directors of the Paul and Alexandra Canellopoulos Foundation and a member of the Board of Directors of the ALBA Graduate Business School. She is also a member of the Board of Trustees of the American College of Greece. She holds a B.A. in Economics at the Swarthmore College, USA, and Business Administration (M.B.A.) from INSEAD, Fontainebleau, France.

**Michael Colakides** – Born in 1954 Executive Director of the Board of Directors, Group CFO. Started his career in banking at Citibank Greece where he held the positions of Head of FIG, Head of Corporate Finance and Local Corporate Banking (1979 – 1993). In 1993 was appointed executive Vice Chairman at the National Bank of Greece, Vice Chairman of ETEBA Bank S.A. and member of the Board of Directors of other affiliates of NBG. In the period 1994 – 2000 worked at TITAN Cement Co. S.A. as Group CFO and member of the Board. He was also responsible for a number of acquisitions in SE Europe and the U.S. During 2000 – 2007 served as Vice Chairman and Managing Director of Piraeus Bank S.A. overseeing the domestic Wholesale and Retail Banking business as well as the group's International network and activities. Joined EFG Eurobank Ergasias S.A. in 2007 assuming the position of Deputy CFO – Group Risk Executive (2007 – 2013) overseeing the Risk Management functions of the Group. He is also member of the Board of Directors of EUROBANK CYPRUS Ltd. Has a B.Sc. degree in Economics from the London School of Economics and an MBA from the London Business School.

**Takis Panagiotis Canellopoulos** – Born in 1968 in Athens, Greece, Mr. Canellopoulos was Investor Relations Director of the Group from 2001 to May 2016. From 1995 to 2001, he worked in various positions in the Finance Department of the Group. Previously he had worked as a financial analyst in AIG and in the Financing Division of EFG Eurobank. He is a member of the Board of Directors of Canellopoulos Adamantiadis S.A. and Grivalia Properties REIC. He is also a member of the Board of Directors of the Union of Listed Companies



(ENEISET). He studied Economics (B.A.) at Brown University and Business Administration (M.B.A.) at New York University/Stern School of Business.

**Leonidas Kanellopoulos** – Born in 1988 in Athens, Greece, he is Cement Operations Director of TITAN Cement Group’s Greek Region. Since 2012, he has covered various roles within the Group’s Finance and Strategic Planning functions. Prior to that, he worked for Separation Technologies LLC. He is a member of the Board of Directors of SEN/Junior Achievement Greece. He holds a BA in Economics with Honors from Harvard University and an MBA from INSEAD, where he received the Henry Ford II Prize.

**Vassilios Zarkalis** – Born in 1961 in Athens, Greece, Mr. Zarkalis served as CFO of the Group from 2010 until May 2014 and as Executive Director for Business Development and Strategic Planning from 2008 until 2010. Mr. Zarkalis is the CEO of Titan America. For 19 years, he held a number of global business leadership positions in the U.S. and Switzerland with The Dow Chemical Co. Among others, he served as Vice President of Dow Automotive, Global Business Director for Dow Specialty Plastics & Elastomers, Global Business Director for Dow Synthetic Latex, etc. He holds a Bachelor’s degree in Chemical Engineering from the National Technical University of Athens and a Master’s degree (M.Sc.) from Pennsylvania State University.

**Petros Sabatacakis** – Born in 1946 in Athens, Greece, Mr. Sabatacakis held (from 1999 to 2004) the position of Chief Risk Manager in Citigroup Inc. He was also a member of the Management Committee and Director of Citicorp and Citibank, N.A. From 1992 to 1997, he was in charge of the financial services subsidiaries of the American International Group, its treasury operations, and the market and credit risk activities. He was a member of the executive committee and partner of C.V. STARR. He has also worked at Chemical Bank (now J.P. Morgan Chase). He has served as Chairman of Plan International and Childreach International (Non-profit Organization), as trustee of the Athens College in Greece, and as member of the Board of Directors of the Gennadius Library. He was a member of the Board of Directors of National Bank of Greece from 2010 until 2018 and also a member of its audit committee, from 2010 to 2016. He has earned three degrees from Columbia University: a Bachelor’s degree (B.Sc.), a master’s degree in Business Administration (M.B.A.) and a Ph.D in Economics.

**Mona Zulficar** – Born in 1948, Ms. Zulficar is one of the founding partners of Zulficar & Partners Law Firm, a specialized law firm of nine partners and more than 49 associates, which was established in June 2009 and grew into one of the best ranked law firms in Egypt. She was previously senior partner at Shalakany Law Firm and Chair of its Executive Committee for many years. Ms. Zulficar is recognized in local and international legal circles as a precedents setter and one of Egypt’s most prominent corporate, banking and project finance attorneys. As an M&A and capital markets transactions specialist, she has led negotiations on some of Egypt’s and the Middle East’s largest and most complex successful transactions over the past three decades. Ms. Zulficar has also played an instrumental role in modernizing and reforming economic and banking laws and regulations as a former member of the board of the Central Bank of Egypt and as a prominent member of national drafting committees. She is also a leading human rights activist, recognized locally and internationally and has initiated several successful campaigns for new legislation including women’s rights, freedom of opinion and family courts. She served as VP of the Constitutional Committee of 50 and played a key role in drafting the 2014 Egyptian Constitution, and is currently member of the National Council for Human Rights. Ms. Zulficar has served as Non-Executive Chairperson of EFG Hermes since 2008. She has recently been elected President of the Egyptian Microfinance Federation and has been chairing several NGOs active in social development and microfinance to poor women. Internationally, she has served as elected member of the international Advisory Committee of the United Nations Human Rights Council for two terms, ending in 2011. She holds a Bachelor of Science in Economics and Political Science from Cairo University and an LLM from Mansoura University as well as an honorary doctorate degree in law from the University of Zurich.

**Maria Vassalou** – Born in 1966, Dr. Vassalou is a Partner in Perella Weinberg Partners’ Asset Management business. In this role, Dr. Vassalou is responsible for leading the PWP Global Macro business which manages volatility-targeting, multi-asset class systematic strategies on behalf of primarily institutional investors. Dr. Vassalou has more than 10 years of investment experience. Prior to joining Perella Weinberg Partners in July of 2013, Dr. Vassalou was at MIO Partners, a subsidiary of McKinsey & Company, where she served as a

Portfolio Manager and Head of Asset Allocation. She was previously a Global Macro Portfolio Manager of SAC Capital Advisors. Prior to that, Dr. Vassalou she was responsible for global quantitative research, as well as the development and management of global quantitative trading strategies at Soros Fund Management. Dr. Vassalou began her career in academia and she was an Associate Professor of Finance at Columbia Business School which she joined in 1995. Dr. Vassalou is a Past President of the European Finance Association and was the Chair of the 2008 European Finance Association Meetings. A Research Affiliate of the Centre for Economic Policy Research (CEPR) in London for many years, Dr. Vassalou is a past member of the Academic Advisory Board of the Vienna-based Guttmann Center of Competence in Portfolio Management. Dr. Vassalou earned a B.A. in Economics from the University of Athens, and holds a Ph.D. in Financial Economics from London Business School. Dr. Vassalou is the recipient of several professional awards and she was included in the 50 Leading Women in Hedge Funds in 2015. Since 2016, she is a member of the Board of Directors of Tsakos Energy Navigation (NYSE: TNP).

**William Antholis** – Born in 1964, William Antholis is director and CEO of the Miller Center, a nonpartisan affiliate of the University of Virginia that specializes in presidential scholarship, public policy, and political history. From 2004 to 2014, he was managing director at the Brookings Institution. He has also served in government, including at the White House’s National Security Council and National Economic Council, and at the U.S. State Department’s policy planning staff and bureau of economic affairs. He has published two books, as well as dozens of articles, book chapters, and opinion pieces on U.S. politics, U.S. foreign policy, international organizations, the G8, climate change, and trade. He earned his Ph.D. from Yale University in politics (1993) and his B.A. from the University of Virginia in government and foreign affairs (1986).

**Haralambos (Harry) George David** – Born in 1965, Mr. David began his career as a certified investment advisor with Credit Suisse in New York. He then served in several executive positions within Leventis Group Companies in Nigeria, Greece and Ireland. Today he serves as the Chairman of Frigoglass SA and is on the Boards of A.G. Leventis (Nigeria) PLC, the Nigerian Bottling Company, Beta Glass (Nigeria) PLC, Ideal Group and Pikwik (Nigeria) Ltd. (Joint venture with Pick n Pay, South Africa).

The summary of the résumés of directors of Titan are set out below.

**Efstratios-Georgios Arapoglou** – see above.

**Nellos Panagiotis Canellopoulos** – Born in 1964 in Athens, Greece, Mr. Canellopoulos held (from 1996 to 2016) the position of External Relations Director of the Group. He had previously served in the Sales Division of the Group (1990-1996) and in Ionia S.A. (1989 and 1990). Mr. Canellopoulos is the Chairman of the Paul and Alexandra Canellopoulos Foundation. He is also serving as Chairman of the Board of Directors of the Hellenic Cement Industry Association and of the N. Canellopoulos C. Adamantiadis S.A.

**Dimitri Papalexopoulos** – see above.

**Michael Colakides** – see above.

**Doros Constantinou** – Born in 1950 in Larnaka, Cyprus, Mr. Constantinou started his career in Price-Waterhouse (1975-1985). Thereafter, he joined the management team of Hellenic Bottling Company (3E), where he was appointed as Finance Director of the Industrial Division of the Group (1992-1995) and later as Deputy Chief Financial Officer of the Group (1995-1996) and Chief Financial Officer (1996-2000). He served as Managing Director in Frigoglass S.A.I.C. from 2001 to 2003 and as Managing Director in Coca-Cola Hellenic Group from 2003 to 2011. He studied economics in the University of Piraeus, from where he graduated in 1974, specializing in Business **Administration**.

**Hiro Athanassiou** – Born in 1960 in Athens, Greece, Mrs. Athanassiou had a long career in Unilever where, among others, she held the position of Executive Vice-Chairman and CEO for Greece and Cyprus, from 2010 until 2018. She was also Executive Vice President of Unilever Food Solutions for Latin America, South and East Europe, Russia, Turkey and Israel. She is independent non-executive director of the Hellenic Corporation

of Assets and Participations S.A. (HCAP S.A.), Co- Chairman of the Global Alumni Board of the American College of Greece and Mentor for matters of female entrepreneurship. She holds an M.Sc. in International Relations and Personnel Management from the Department of Economics of the London School of Economics and Political Science, and a B.A. (Hons) in Marketing and Management from Deree College (ACG).

**Takis Panagiotis Canellopoulos** – see above.

**Alexander Macridis** – Born in 1962 in Athens, Greece, Mr. Macridis is the Chairman and CEO of Chryssafidis S.A., a construction materials distribution company founded in 1882 and operating in the Balkans and Africa. He is an independent non-executive director of Aegean Airlines S.A. and a member of the Board of Directors of IOBE, The American College of Greece and Alba. He is currently the General Secretary of the Federation of Greek Industries (SEV) and serves on the Yale President’s Council on International Activities. He holds a B.A. in Economics and Political Science from Yale College, a J.D. from Yale Law School and an M.B.A. from Harvard Business School.

**Domna Mirasyesi-Bernitsa** – Born in 1960 in Athens, Greece, Mrs. Mirasyesi-Bernitsa is a qualified lawyer, and member of the Athens Bar Association. She is also a Partner at Bernitsas Law Firm. She has worked as a legal advisor at the Special Legal Service of the Ministry for Foreign Affairs (1986-1987) and at the Department of Political Science and Public Administration of the University of Athens (1985-1990). She has also served as a member of the Board of Directors of St. Catherine’s British School (2009-2017). She holds a Bachelor’s degree from the Law School of the University of Athens and has obtained a master’s degree (L.L.M.) in European Law from the London School of Economics.

**Ioanna Papadopoulou** – Born in 1952 in Athens, Greece, Mrs. Papadopoulou is the Chairman and CEO of E.J. Papadopoulou S.A., Biscuit & Food Products Manufacturing Company, which was founded in 1922. She also holds the position of Chairman and Managing Director of Greek Food Products S.A. and IKE Akinita S.A. She studied Food Chemistry in England.

**Alexandra Papalexopoulou** – see above.

**Petros Sabatacakis** – see above.

**Plutarchos Sakellaris** – Born in 1964 in Thessaloniki, Greece, Mr. Sakellaris is Professor of Economics and Finance at Athens University of Economics and Business. He was Vice President of the European Investment Bank (2008-2012). Prior to joining the EIB, he held the position of Chairman of the Council of Economic Advisers at the Greek Ministry of Economy and Finance and was representing Greece in the Economic and Financial Committee of the European Union and acted as Deputy to the Finance Minister at the Eurogroup and ECOFIN Councils, as well as Alternate Governor for Greece at the World Bank. He has also been a member of the Board of Directors of the National Bank of Greece and of the Greek Public Debt Management Agency. He has taught at the Department of Economics at the University of Maryland, USA and other Universities and he has worked as Economist at the Federal Reserve Board and as Visiting Expert at the European Central Bank (ECB). He serves as Non-Executive Director on the Board of Hellas Capital Leasing S.A and CEPAL Hellas S.A. He graduated from Brandeis University with a B.A. in Economics and Computer Science and holds a Ph.D. in Economics from Yale University.

**Efthymios Vidalis** – Born in 1954, in Washington D.C., U.S.A., Mr. Vidalis served as an Independent Non-Executive director of Titan from 2004 until 2011. Mr. Vidalis worked for Owens Corning in the Middle East, Europe and the United States from 1981 until 1998. His two last leadership positions were President of the Global Composites Business and then President of the Insulation Business. He was the Chief Executive Director (2001-2011) and Chief Operating Officer (COO) (1998-2001) of S&B Industrial Minerals S.A and a member of the company’s Board of Directors for 15 years. He is a member of the Board of Directors of Alpha Bank, of Future Pipe Industries in Dubai and Fairfield-Maxell Ltd. in New York. He has served as Vice Chairman of the Hellenic Federation of Enterprises (SEV) from 2010 until 2014 and as General Secretary of SEV from 2014 until June 2016. He was a founding member of SEV’s Business Council for Sustainable Development and

served as its Chairman from 2008 until June 2016. From 2005 to 2009, he served as Chairman of the Greek Mining Enterprises Association (S.M.E.). He studied Government (B.A.) and Business Administration (M.B.A.) at Harvard University.

**Vassilios Zarkalis** – see above.

The business address for all of the directors of the Company is 2-4 Arch. Makarios III Avenue, Capital Center, 9th Floor, 1065 Nicosia Cyprus, Cyprus.

## **2.5 Share Ownership and Intention of the Directors to Participate in the Share Exchange Offer**

At the date of this Prospectus, Titan’s directors’ share ownership in the Company is as follows:

<b>Name of director</b>	<b>Number of shares owned in the Company</b>	<b>Percentage of ownership</b>
Canellopoulos Nellos-Panagiotis	278	5%
Canellopoulos Takis-Panagiotis	278	5%
Papalexopoulos Dimitri	833	15%
Papalexopoulou Alexandra	833	15%

The Company has received confirmations from Nellos Panagiotis Canellopoulos, Takis Panagiotis Canellopoulos, Dimitri Papalexopoulos and Alexandra Papalexopoulou who are also the Founders that they support the Share Exchange offer and intend to tender their Existing Shares in the Share Exchange Offer (see “Part VII: Information on the Share Exchange Offer, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out” for further information).

## **2.6 General Information on the Directors**

In relation to each of the directors (based on the Closing composition of the Board of Directors), there have been no: (i) convictions in relation to fraudulent offenses during the past five years; (ii) bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships, or partner or senior management positions during the past five years; or (iii) official public incrimination and/or sanctions of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer during the past five years, other than two administrative monetary fines imposed by the Cyprus Capital Markets Committee (“CySEC”) on Mr Andreas Artemis in June 2014 and October 2016 for alleged violations by the Bank of Cyprus plc: (x) an administrative fine of €170.000 for signing (together with the other directors) the six-month and year-end audited financial statements of 2010 and two prospectuses of Bank of Cyprus plc which allegedly did not contain an adequate description of the risks arising out of Bank of Cyprus plc’s investment in Greek government bonds, although the financial statements and the prospectuses were signed by the directors only after the external auditors had approved them (including the description of the risks therein) and after the content of the prospectuses was approved by CySEC itself; and (y) an administrative fine of €70.000 for signing (together with the other directors) the six-month audited financial statements of 2012 which did not include an alleged partial impairment of the goodwill of a subsidiary, although the financial statements were signed by the directors only after the external auditors carried out a specific impairment test and recommended to the board of directors of the Bank of Cyprus plc that an impairment was not required. The administrative fines were imposed on the Bank of Cyprus plc as well as the members of the board of directors of the Bank of Cyprus plc serving from 2010 to 2012 (during which period Mr Andreas Artemis was a non-executive member of the board of directors) and were limited to administrative fines. The administrative fines did not affect Mr Andreas Artemis’ “fit and proper” status or ability to act as a director of other listed companies and are currently being challenged by the Bank of Cyprus plc and all its relevant directors.

None of the directors (based on the Closing composition of the Board of Directors) has a potential conflict of interest between his/her duties to the Company and his/her private interests and/or any other duties he or she may have.

No director (based on Closing composition of the Board of Directors) has a family relationship with any other director or member of executive management, except for Dimitri Papalexopoulos and Alexandra Papalexopoulou who are brother and sister; and Takis-Panagiotis Canellopoulos and Leonidas Kanellopoulos who are cousins with each other and with Dimitri Papalexopoulos and Alexandra Papalexopoulou.

In the five years preceding the date of this Prospectus, the directors or their permanent representatives (based on the Closing composition of the Board of Directors) have held the following directorships or memberships of administrative, management or supervisory bodies and/or partnerships apart from mandates in the Company or its subsidiaries:

Name	Current	Past
<b>Kyriakos Riris</b>	Chairman and CEO of DOVEN LTD (Cyprus)  Non-executive director of Hellenic Value S.A.  Non-executive director of Orilina REIC (Real Estate Investment COMPANY) AEEAII  Non-executive director of Diana Shipping Inc  Non-executive director of DECA MIFID S.A.  Non-executive director of 2Kapital S.A.  Non-Executive director of Nissos Holdings (Cyprus)  Chairman of the Audit Committee of Frigoglass S.A.	Chairman of PwC in Greece until 2014
<b>Michael Colakides</b>	Member of the board of EUROBANK CYPRUS Ltd	Deputy Chief Executive of EFG Eurobank Ergasias S.A.
<b>Efstratios-Georgios Arapoglou</b>	Chairman and non-executive director of Tsakos Energy Navigation (TEN) Limited, a company listed on the new York Stock Exchange  Non-executive director of Hermes Holding SAE listed on the stock exchanged of Cairo and London	/

Name	Current	Past
	<p>Non-executive director of Credit Libanais SAL</p> <p>Non-executive director of bank Alfalah listed on the Stock Exchange of Karachi representing the IFC</p>	
<b>Dimitri Papalexopoulos</b>	<p>Vice-Chairman of the Board of the Hellenic Federation of Enterprises (SEV)</p> <p>Member of the Board of the Foundation for Economic and Industrial Research (IOBE)</p> <p>Member of the board of the Hellenic Foundation for European and Foreign Policy (ELIAMEP)</p> <p>Member of the board of European Round Table for Industrialists (ERT)</p>	<p>Until 2014 non-executive member of the board of EFG Eurobank Ergasias Bank S.A.</p>
<b>Alexandra Papalexopoulou</b>	<p>Non-executive director of Coca-Cola HSC AG,</p> <p>Member of the board of directors of the Paul and Alexandra Canellopoulos Foundation</p> <p>Member of the board of ALBA Graduate Business School.</p> <p>Trustee in The American College of Greece</p>	<p>Non-executive director of the National Bank of Greece from 2010 until July 2015</p> <p>Non-executive directors of Frigoglass S.A. from 2003 to February 2015.</p>
<b>Takis -Panagiotis Canellopoulos</b>	<p>Member of the Board of Directors of Canellopoulos Adamantiadis S.A.</p> <p>Member of the Board of Directors of Grivalia Properties REIC.</p> <p>Member of the Board of Directors of AIG Greece S.A.</p>	/
<b>Leonidas Kanellopoulos</b>	<p>Member of the BoD of SEN/Junior Achievement Greece</p>	/
<b>Mona Zulficar</b>	<p>Founding Partner &amp; Chairperson, Zulficar &amp; Partners Law Firm</p>	<p>VP of the Constitutional Committee of 50 of the 2014 Constitution</p>

Name	Current	Past
	<p>Chairperson EFG Hermes Holding, SAE (2008 – to date)</p> <p>Member, National Council for Human Rights, Egypt (Sept.2013 to date)</p> <p>Chairperson, Egyptian Microfinance Federation (2015 – to date)</p> <p>C Chairperson, Women’s Health Improvement Association, Cairo</p> <p>Chairperson, Al Tadamun Microfinance Foundation</p>	<p>VP &amp; Member, UN Human Rights Council Advisory Committee (2008-2013)</p>
<b>Maria Vassalou</b>	<p>Partner in Perella Weinberg Partners’ Asset Management business.</p> <p>Professional Fellow, Institute of Finance and Financial Regulation</p> <p>Member of the Board of Directors, Tsakos Energy Navigation, (NYSE: TNP)</p> <p>Member of the Editorial Board, Financial Analysts Journal</p> <p>Member of the Board of Overseers, Gennadius Library at the American School of Classical Studies at Athens</p>	/
<b>Stylianios Triantafyllides</b>	<p>Partner of the law firm of Antis Trinatafyllides and Sons LLC</p> <p>Member of the Committee on the Cyprus Stock Exchange of the Cyprus bar Council</p>	<p>Member of the Board of Directors of the Cyprus Investment Promotion Agency ( CIPA)</p>
<b>William Antholis</b>	<p>Director and CEO of the Miller Center, a nonpartisan affiliate of the University of Virginia.</p>	<p>From 2004 to 2014, Managing Director at the Brookings Institution. He has also served in government, including at the White House’s National Security Council and National Economic Council, and at the State Department’s policy planning staff and bureau of economic affairs.</p>
<b>Petros Sabatacakis</b>	Independent Non -executive	Independent Non -executive

<b>Name</b>	<b>Current</b>	<b>Past</b>
	Director Titan Cement Company SA	Director Titan Cement Company SA
<b>Andreas Artemis</b>	Director of Commercial General Insurance Ltd (Cyprus) Director of J. C. Christophides (Holdings) Ltd (Cyprus) Director of TGA Insurance Agencies Ltd (Cyprus) Director of Aechmi SA (Greece) Director of Midas SA (Greece) Director of Iktinos SA (Greece) Director of Employers & Industrialists Federation (Cyprus) Director of Red Cross Society (Cyprus)	/
<b>Haralambos (Harry) George David</b>	Member of the Organizing Committee of the Athens Classic Marathon Member of the TATE Modern's Africa Acquisitions Committee	Member of the board of Alpha Finance, ΔΕΗ (Hellenic Public Power Corp) Member of the board of Emporiki Bank (Credit Agricole).

## **2.7** *Committees of the Board*

The Board of Directors has established three Board committees, conditional upon and with effect as of Closing, which are responsible for assisting the Board of Directors and making recommendations in specific fields: the Audit Committee, the Remuneration Committee and the Nomination Committee. The terms of reference of these Board committees are primarily set out in the Corporate Governance Charter.

### **2.7.1** *Audit Committee*

The Audit Committee consists of three non-executive directors, two of whom are independent directors, and two of whom have extensive, recent and relevant financial experience. Further, the Audit Committee, as a whole, has competence relevant to the industrial sector.

The main role and responsibilities of the Audit Committee include:

- monitoring the integrity of the financial statements of the Company and of any formal announcement relating to the Company's financial performance;
- monitoring the Company's internal financial controls, and its internal control and risk management systems;
- monitoring and reviewing the effectiveness of the Company's internal audit function;



- monitoring and reviewing the effectiveness of the statutory audit process and the external auditor's independence and objectivity;
- making recommendations to the Board of Directors, for it to submit to the shareholders for their approval in general meeting, in relation to the appointment, reappointment or removal of the external auditor and to approve the remuneration and terms of appointment of the external auditor;
- developing and implementing a policy on the engagement of the external auditor to supply non-audit services and reporting to the Board of Directors;
- reporting to the Board of Directors on how the Audit Committee has discharged its duties; and
- monitoring the existing confidential reporting procedure through which the employees raise concerns about possible improprieties and infringements of the Company's Code of Conduct and ensuring that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

### **2.7.2**      *Remuneration Committee*

The Remuneration Committee consists of three non-executive directors, two of whom are independent directors.

The main tasks of the Remuneration Committee are to recommend:

- the levels of the annual remuneration of executive directors and of senior Group officers on the basis of their performance and importance of position and to review on a regular basis the remuneration policy followed by the Company based on market trends with regard to pay rates and human resources management; and
- the levels of remuneration of non-executive directors on the basis of their time commitment and responsibilities.

### **2.7.3**      *Nomination Committee*

The Nomination Committee will consist of three non-executive directors of the Board of Directors, at least two of whom will be independent. All members of the Committee have extensive experience in business administration and corporate governance.

The main task of this Committee is to:

- lead the process for new Board appointments and make relevant recommendations to the Board of Directors;
- ensure that adequate plans are in place for orderly succession on both the Board of Directors and at senior management level;
- evaluate the balance of skills, experience, independence and knowledge on the Board and to ensure its progressive and appropriate refreshment; and
- review and monitor the corporate governance policies applied by the Board of Directors.

### **2.8**          *Management Committee*

The Management Committee of the Company will be composed of the Managing Director of the Company, who chairs the Management Committee, and such other members appointed (and removed) by the Board of Directors upon advice of the Managing Director and the Nomination Committee.

The Management Committee exercises the duties assigned to it by the Board of Directors.

The Company's Management Committee is expected to consist of the following members upon Closing of the Share Exchange Offer:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Grigoris Dikaios	60	CFO
Michael Colakides	65	Managing Director
Konstantinos Derdemezis	51	Regional Business Director
Christos Panagopoulos	59	Regional Business Director

The Company will be the parent holding company of the Group. A Group Executive Committee will be appointed by the Board for the purpose of facilitating the supervision of Group operations, the cooperation and coordination between Group companies and ensuring the implementation of decisions and related accountability. Mr Dimitri Papalexopoulos will be appointed Chairman of the Group Executive Committee. The committee will be composed of senior management members of the Group, i.e. certain of its members will be employees of the Company and certain other members, including certain executive Board members, will be employees of other Group companies.

### **2.9** *Managing Director*

The Managing Director is responsible for the day-to-day management of the Company. He may be granted additional well-defined powers by the Board of Directors. He has direct operational responsibility for the Company and oversees the organization and day-to-day management. The Managing Director is responsible for the execution and management of the outcome of all Board decisions.

The Managing Director leads and chairs the Management Committee, which reports to him, within the framework established by the Board of Directors and under its ultimate supervision.

The Managing Director is appointed and removed by the Board of Directors and reports directly to it.

### **2.10** *Share Ownership and Intention of the Members of the Management Committee to Participate in the Share Exchange Offer*

The following expected members of the Management Committee are owners of shares of Titan as follows:

- Mr. Dikaios: 7,661 shares;
- Mr. Panagopoulos 15,869 shares;
- Mr. Derdemezis 15,197 shares; and
- Mr. Colakides does not own any shares of Titan Cement Company SA.

### **3. General Information on the Members of the Management Committee**

In relation to each of the members of the Management Committee, there have been no (i) convictions in relation to fraudulent offenses during the past five years; (ii) bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships, or partner or senior management positions during the past five years; or (iii) official public incrimination and/or sanctions of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer during the past five years.

None of the members of the Management Committee has a potential conflict of interests between his/her duties to the Company and his/her private interests and/or any other duties he or she may have, except for any matters in relation to his/her management or employment agreement with the Company or any of its subsidiaries (if any) or with any (indirect) shareholder of the Company. No member of the Management Committee has a family relationship with any director or other member of the Management Committee.

In the five years preceding the date of this Prospectus, the members of the Management Committee have held the following main directorships or memberships of administrative, management or supervisory bodies and/or partnerships apart from mandates in the Company or its subsidiaries:

Name	Current	Past
Michael Colakides	Group CFO	Non-Executive Director of Eurobank Cyprus Ltd

#### **4. Remuneration of Directors and Members of the Management Committee**

##### **4.1 Board of Directors of the Company**

The directors of the Company have not received any remuneration since the incorporation of the Company.

The Shareholders' Meeting will decide whether the office of director will be remunerated through the allocation of fixed compensation. The amount of any such remuneration is determined by the Shareholders' Meeting and will be borne by the Company.

The remuneration of the members of the Board of Directors will be decided by Shareholders' Meeting which will be convened prior to the Closing and conditional upon the successful Closing of the Share Exchange Offer.

##### **4.2 Remuneration Policy for executive directors and senior officers**

The Company intends to align its remuneration policy to the remuneration policy of Titan.

The level of remuneration of the executive directors and senior officers will be decided by the Board following relevant recommendation of the Remuneration Committee.

Such remuneration will consist of: a fixed part, i.e. the salary, which will be determined on the basis of the applicable salaries system and the annual performance assessment; and a variable part, which will be linked with the achievement of individual and corporate goals. The corporate goals will be linked with performance in terms of financial ratios (EBITDA and ROACE) at Group level and at region level, as well as with performance in other areas, such as safety at work. The individual goals will be personal and they will be linked with the position that each officer serves.

Annual bonus awards will vary depending on the importance of the position of the executive director/senior officer, but in no event may the bonus exceed:

- 100.0 per cent of the fixed annual remuneration (i.e. salary), when the targets set have been fully met; or
- 130.0 per cent of the fixed annual remuneration (i.e. salary), if the officer has over-performed on the targets set.

The assessment of the performance of the executive directors and senior executives will be carried out by the Managing Director and the assessment of the performance of the Managing Director will be carried out by the Board of Directors.

The executive directors will not participate in discussions relating to the determination of their individual remuneration.

The Group Human Resources Department will provide, on a yearly basis, to the Remuneration Committee data from the labor market, so that the remuneration level and/or the plans for variable compensation can be adjusted accordingly. The main aim is to attract and keep high-caliber professionals who, with their knowledge, skills and integrity, will add value to Group.

Executive directors and senior officers of the Group will be granted long-term incentives through stock option schemes which will: be linked to Group performance, be approved by the Shareholders' Meeting, have a three-year maturity period and be subject to specific vesting requirements i.e. achievement of certain targets.

Executive directors and senior officers will also benefit from pension savings plans and other additional voluntary allowances, which, may at any time be recalled or amended at the Company's discretion. In 2017, the amount of €1,041,521 was paid by Titan as pension contribution for the six executive directors who provided their services on the basis of employment contracts.

The Company will offer to the executive directors (who will have an employment relationship with the Company) additional rights under pension and benefit plans based on the applicable practices in the relevant markets where the Company is operating, which may at any time be recalled or amended at the Company's discretion.

#### **4.3        *Incentive-based compensation***

Aiming to align the long-term personal goals of its senior executives with the interests of Titan and its shareholders, Titan has adopted and implements since 2000 stock option plans. All relevant plans (2000, 2004, 2007, 2010, 2014 and 2017 Plans) have been approved by Titan's shareholders' meeting, they all provide for a three-year maturity period and the beneficiaries of all plans were solely executive directors and senior Group officers. Non-executive directors have never participated in such plans.

In total, to date under the aforesaid Plans 1,364,854 ordinary shares have been acquired by approximately 120 beneficiaries (executive directors and senior Group officers), representing 1.61 per cent of Titan's paid capital.

It is also worth mentioning that under Plans 2014 and 2017 that are running today, the exercise price is €10 per share while under previous Plans 2004, 2007 and 2010 the exercise price was €4 per share.

Both the 2014 and 2017 Plans, in keeping with previous plans, favor the long-term holding of a significant number of Titan shares by the executive directors and the Group officers; in line with the above principle, the Plans' beneficiaries are encouraged to maintain a reasonable value (corresponding to a percentage of their annual base salary) in Titan shares depending on their hierarchical rank; non-compliance with the above principle, can be considered as an unfavourable factor for the determination of future grants.

Both 2014 and 2017 Plans were designed to prevent high-risk behaviors by the executive directors and the senior officers of Titan, which might impact negatively Titan's share price. For this reason, they have an attractive strike price in relation to the exchange price of the Titan's share at the time that they are granted.

Upon completion of the Share Exchange Offer, the Company intends to have the aforesaid Plans amended to replace the stock options on Titan shares by stock options on Shares, without otherwise amending the terms and conditions of the Plans. This amendment will be subject to approval by Titan's shareholders' meeting.

#### **4.4        *Legal Constraints Applicable as of the Closing***

By law, certain restrictions apply to the remuneration of the Managing Director and the members of the Management Committee. Variable remuneration can only be paid to the Managing Director and the members of

the Management Committee if the performance criteria explicitly mentioned in the contractual or other provisions governing the relationship were met in the relevant period.

Under Belgian law, if the variable remuneration constitutes more than 25.0 per cent of the total annual remuneration package, at least 25.0 per cent of the variable remuneration must relate to pre-determined and objectively measurable performance criteria deferred over a minimum period of two years, and at least another 25.0 per cent must relate to such criteria deferred over a minimum period of three years (except where the Articles of Association provide otherwise or the Shareholders' Meeting expressly approves an exception). The Articles of Association authorize the Company to deviate from such rule, as allowed under the Belgian Companies Code.

Under Belgian law, in respect of share-based remuneration, Shares can only vest and options giving the right to receive Shares or any other rights to acquire Shares can only be exercisable as from three years after the grant (except where the Articles of Association provide otherwise or the Shareholders' Meeting expressly approves an exception). The Articles of Association authorize the Company to deviate from such rule, as allowed under the Belgian Companies Code.

## **5. Conflicts of Interest**

### **5.1 *Directors' Conflicts of Interest***

The Belgian Companies Code provides for a special procedure if a director of the Company, save for certain exempted decisions or transactions, has, directly or indirectly, a personal financial interest that conflicts with a decision or transaction that falls within the Board of Directors' powers. The director concerned must inform the other directors before any decision of the Board of Directors is taken and the statutory auditor must also be notified. For companies that are making or have made a public call on savings (the Company will qualify as such a company after the Closing Date), the director thus conflicted may not participate in the deliberation or vote on the conflicting decision or transaction. The minutes of the meeting of the Board of Directors must set out the director's declaration of the conflict of interest, the nature of relevant decision or transaction, the financial impact of the matter on the Company, and justify the decision taken. An excerpt of the minutes must be published in the Company's annual report. The report of the statutory auditor to the annual accounts must contain a description of the financial impact on the Company of each of the Board's decisions in matters where a conflict arises.

### **5.2 *Intra-group Transactions***

Save for certain exempted decisions or transactions, the Belgian Companies Code provides for a special procedure when the decisions or transactions of a company whose shares have been admitted to trading on a regulated market (the Company will qualify as such a company after the Listing Date) concern relationships between such company on the one hand, and affiliated companies of such company on the other hand, with the exception of relationships between that company and its subsidiaries. The procedure must also be followed for decisions or transactions between such company's subsidiaries on the one hand and affiliated companies of the subsidiaries on the other hand, with the exception of relationships between such company's subsidiaries and such subsidiaries' subsidiaries.

Prior to such decisions or transactions, the Board of Directors must appoint a special committee of three independent directors in accordance with the Belgian Companies Code, supported by one or more independent experts appointed by the special committee. This committee must describe the decision or transaction and determine the commercial advantages and disadvantages of the decision or transaction for the Company and the shareholders. It must also calculate and establish the financial consequences of the decision or transaction, and determine whether or not the decision or transaction is manifestly detrimental in light of the Company's policies. If the committee does not find the decision or transaction to be manifestly detrimental, but believes it will prejudice the Company, it must clarify what benefits the decision or transaction will provide in compensation for the identified prejudices. The committee's recommendation must be submitted in writing,

stating each of the above elements to the Board of Directors. The Board of Directors must then make a decision, taking into account the committee's recommendation.

The minutes of the Board of Directors must mention whether the procedure has been complied with and include a justification of any deviation from the committee's recommendation. The written recommendation of the committee and the decision of the Board of Directors must be communicated to the statutory auditor, who must issue a separate opinion, which must be annexed to the minutes of the Board of Directors, on the accuracy of the data contained in the recommendation of the committee and in the minutes of the Board of Directors. The committee's recommendation, an excerpt from the minutes of the Board of Directors and the opinion of the statutory auditor must be included in the annual report of the Board of Directors. This special procedure is not required for decisions and transactions entered into in the ordinary course of business at usual market conditions or for decisions and transactions in value not exceeding 1.0 per cent of the Company's consolidated net assets.

## **6. Statutory Auditor**

The audit of the unconsolidated and consolidated financial statements of the Company is entrusted to the statutory auditor which has been appointed at the extraordinary Shareholders' Meeting held on May 13, 2019, conditional upon and with effect as of Closing, for renewable terms of three years. The remuneration of the statutory auditor has been determined at the extraordinary Shareholders' Meeting of May 13, 2019.

The statutory auditor currently will be PwC Bedrijfsrevisoren CVBA, with registered office at 1932 Sint-Stevens-Woluwe (Brussels), Woluwedal 18, Woluwe Garden, represented by Marc Daelman (the "**Statutory Auditor**").

The mandate of the Statutory Auditor will expire at the Shareholders' Meeting that will be asked to approve the annual accounts for the financial year ended on December 31, 2021.

Article 3:71 of the Belgian Companies Code and Article 24 of the Law of 7 December 2016 on the organization of the profession of and the public supervision over auditors limit the liability of auditors of listed companies to €12.0 million for, respectively, tasks concerning the legal audit of annual accounts within the meaning of the Belgian Companies Code and other tasks reserved to auditors of listed companies by Belgian law or in accordance with Belgian law, except for liability resulting from the auditor's fraud or other deliberate breach of duty.

## **7. Relocation of the seat of effective management to Cyprus**

On 15 October 2018, the Company decided to transfer its seat of effective management to Cyprus.

The Cyprus office will have a total headcount of around 15 to 25 people and is responsible for managing all direct and indirect subsidiaries of the Company once it has become the ultimate parent company of the Titan Group. The team in the Cyprus offices of the Company includes senior directors who have responsibilities on aspects of business operations and business development for the countries where the group operates. The directors are assisted by the necessary support staff. Additionally, the management team in Cyprus includes the Group CFO, and members of the Finance function assisted by the necessary support staff.

The duties of the few employees of the Company in Brussels include (apart from the tax and compliance work necessary for the proper functioning of the local office) mainly administrative duties stemming from the fact that the Company will be listed on Euronext Brussels.

The Company intends to hold its Board of Directors meetings and Shareholders' Meetings in Cyprus. The Company intends to hold the extraordinary Shareholders' Meetings in the presence of Belgian notary public if required.

Regarding the transfer of the seat of effective management of the Company from Belgium to Cyprus, the Belgian Office for advance rulings in tax matters (*Service des Décisions Anticipées/Dienst Voorafgaande Beslissingen*.) has granted an advance ruling confirming notably that said transfer will not trigger any tax liability under Belgian tax law and that, as a result thereof, the Company will be considered as a foreign-resident company for the purpose of Belgian income tax and as a Cypriot tax resident for the purpose of the Tax Treaty concluded between Belgium and Cyprus.

The Cyprus Tax Department (Ministry of Finance, Republic of Cyprus) also issued a ruling relating to the transfer of tax residency of the Company from Belgium to Cyprus. Such ruling confirmed that from the date of the transfer onwards, (i) the Company will be considered as a Cyprus tax resident company in accordance with Cyprus income tax law; (ii) the Company will be subject to Cyprus tax on its worldwide income in accordance with Cyprus income tax law; and (iii) the Company and its Cyprus tax resident direct and indirect subsidiaries will be exempt from the deemed dividend distribution provisions of Article 3 of the Special Contribution for Defence Law in Cyprus.

Notwithstanding the transfer of its seat of effective management to Cyprus, the Company will continue to be governed by Belgian company law due to the application of the “renvoi” theory in private international law, as stated in article 110 of the Belgian Code of Private International Law. Article 110 states that, if the foreign law refers to the law of the state where the legal entity was incorporated, it is then the law of the latter that will be applicable to the legal entity. Given that Cyprus law applies the incorporation theory whereby a company is subject to the laws of the country where it was incorporated, Belgian law will recognize, as matter of exception to its “real seat doctrine,” Belgian company law as the law governing the Company.

## PART XII: PRINCIPAL SHAREHOLDER AND GROUP STRUCTURE

The Company was incorporated on July 11, 2018 by Kanellopoulos Pavlos, Canellopoulos Nellos Panagiotis, Canellopoulos Takis Panagiotis, Papalexopoulos Dimitri, Papalexopoulou Eleni, Papalexopoulou Alexandra, Canellopoulos Andreas and Kanellopoulos Leonidas (the “**Founders**”) who currently own 100% of the Shares.

Based on Titan’s announcements made on the ATHEX at the date of this Prospectus, the Company is aware of the following persons who, as at such date, directly or indirectly hold 5.0 per cent or more of Titan’s voting rights, including voting rights relating to Titan Ordinary Shares which are co-owned by some of them and are held in a joint securities account, and are expected, subject to completion of the Share Exchange Offer and following the Euronext Admission, to directly or indirectly, hold 5.0 per cent or more of the Company’s total voting rights:

<u>Significant Direct or Indirect Holdings</u>	<u>Percentage (voting rights)</u>
<u>Shareholder</u>	
Titan Cement International SA and the Founders* .....	22.49%
E.D.Y.V.E.M. Hellenic Construction Materials, Industrial, Commercial Transportation Public Company Limited .....	10.79%
The Paul and Alexandra Canellopoulos Foundation.....	10.05%
Titan Cement Company S.A.....	5.98%
FMR LLC.....	5.98%

*Note: Holdings as notified by the above shareholders to and announced by Titan.*

*\* The Company and the Founders are persons acting in concert in relation to the Share Exchange Offer under Law 3461.*

The above table only reflects the voting rights in Titan as set out in the transparency declarations. Certain of the above shareholders hold non-voting Titan Preference Shares. Therefore, the percentage of their shareholding in the Company may exceed the voting rights percentages set out in the table above. For instance, the Founders hold 22.49 per cent of the voting rights in Titan and 20.51 per cent of the Existing Shares and E.D.Y.V.E.M. holds 10.79 per cent of the voting rights in Titan and 14.91 per cent of the Existing Shares.

Based on Titan’s announcements made on the ATHEX as at April 25, 2019, Titan held in treasury 4,814,992 Existing Shares, of which 4,612,182 are Titan Ordinary Shares and 202,810 are Titan Preference Shares. Under Greek law, the exercise of the voting rights deriving from Titan Ordinary Shares held by Titan in treasury is suspended.

Moreover, as at April 16, 2019, 94.02 per cent of the Titan Ordinary Shares were held by a combination of Greek legal entities (15.18 per cent), foreign legal entities (47.22 per cent), and private investors (31.61 per cent). As at the same date, 97.32 per cent of the Titan Preference Shares were held by a combination of Greek legal entities (13.70 per cent), foreign legal entities (60.02 per cent) and private investors (23.60 per cent). So far as management is aware, there are no existing or anticipated arrangements which may at a subsequent date result in a change of control of Titan.

The aforementioned shareholdings are estimates and subject to change.

Pursuant to a shareholders’ agreement dated April 16, 2019, the Founders have agreed to adopt, by concerted exercise of the voting rights they hold from time to time in the Company, including the voting rights that they will hold after Closing, a lasting common policy towards the management and operation of the Company. As a result of this shareholders’ agreement, the Founders are acting in concert in relation to the Share Exchange Offer and their Shares in the Company, and after Closing will continue to act, in concert in relation to their Shares in the Company.

The Company has been informed that if the transaction is successful E.D.Y.V.E.M will accede to the shareholders’ agreement dated April 16, 2019 with the consent of the Founders on or shortly after the Acceptance Condition has been satisfied and before the admission to trading of the New Shares, thus becoming



a person acting in concert with the Founders in relation to the Company. Therefore, subject to the satisfaction of the Conditions and depending on the level of acceptance of the Share Exchange Offer, the Founders and E.D.Y.V.E.M. are expected to hold between 35.43% and 47.23% of the Shares and be able to exercise a significant influence over the Company as of the Closing Date.

An overview of the expected dilution of the Founders' shareholding is set out below:

	Shareholding of the Founders at the Date of this Prospectus		Expected Shareholding of the Founders and persons acting in concert	Expected Shareholding of the Founders and persons acting in concert in case of 75% tender	Expected Shareholding of the Founders and persons acting in concert in case of 100% tender
	Number	%	Number	%	%
Kanellopoulos Pavlos .....	278	5.00	724,301	1.14	0.86
Canellopoulos Nellos Panagiotis .....	278	5.00	763,281	1.20	0.90
Canellopoulos Takis Panagiotis .....	278	5.00	1,104,820	1.74	1.31
Papalexopoulos Dimitri .....	833	15.00	2,429,085	3.83	2.87
Papalexopoulou Eleni .....	833	15.00	1,237,863	1.95	1.46
Papalexopoulou Alexandra .....	833	15.00	2,488,249	3.92	2.94
Canellopoulos Andreas .....	1,111	20.00	6,673,097	10.51	7.88
Kanellopoulos Leonidas .....	1,111	20.00	1,945,670	3.07	2.30
E.D.Y.V.E.M	0	0	12,617,381	19.88	14.91
<b>Total .....</b>	<b>5,555</b>	<b>100.00</b>	<b>29,983,747</b>	<b>47.23</b>	<b>35.43</b>

Moreover, subject to Closing occurring and assuming that, at Closing or, if the Relevant Threshold is reached with respect to both classes of the Existing Shares, on completion of the Greek Statutory Squeeze-out or Greek Statutory Sell-out processes, the Company holds all (100.0 per cent) of the Existing Shares, it is expected that the shareholding structure of the Company shall mirror that of Titan, provided further that all Existing Shareholders have elected to receive New Shares and not cash in the Greek Statutory Squeeze-out or Greek Statutory Sell-out.

The Founders do not have different voting rights. At Closing, all of the Shares, including the New Shares, will have the same voting rights.

### Dilution

Assuming that all existing Titan shareholders exchange all of their Existing Shares for New Shares pursuant to the Share Exchange Offer, they will each have respectively approximately the same proportionate direct or indirect shareholding in the Company as they had in Titan immediately prior to the completion of the Share Exchange Offer; the 5,555 Shares currently issued by the Company and held by the Founders would represent 0.006 per cent of all Shares upon completion of the Share Exchange Offer.

As the 7,568,960 non-voting Titan Preference Shares are exchangeable for an equal number of New Shares with voting rights, the proportionate voting rights of the holders of Titan Ordinary Shares in the Company will be lower than the voting rights the holders of Titan Ordinary Shares currently have in Titan. Assuming that all existing Titan shareholders exchange all of their Existing Shares for New Shares pursuant to the Share Exchange Offer, the holders of Titan Ordinary Shares will have 91.06 per cent of voting rights they had in Titan immediately prior to the completion of the Share Exchange Offer.

### **PART XIII: RELATED PARTY TRANSACTIONS**

Titan is the current parent company of the Group. Titan and its subsidiaries enter into various transactions with related parties during the year. The sales to and purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured and settlement occurs in cash. Intra-Group transactions are eliminated on consolidation. Related party transactions exclusively reflect transactions between the companies of the Group.

For a summary of transactions that were carried out with related parties during the years ended December 31, 2018, 2017 and 2016, please refer to Note 31 of the 2018 Consolidated Financial Statements and Note 32 of the 2017 Consolidated Financial Statements.

## **PART XIV: DESCRIPTION OF SHARE CAPITAL AND ARTICLES OF ASSOCIATION**

### **1. General**

The Company is a public limited liability company (*naamloze vennootschap*) incorporated under Belgian law by the Founders on July 11, 2018, as described in “*Part XII: Principal Shareholder and Group Structure.*”

Pursuant to the provisions of the Belgian Companies Code, the liability of the shareholders of the Company is in principle limited to the amount of their respective committed contribution to the capital of the Company.

The Company is registered with the legal entities register of Brussels, French-speaking division under enterprise number 0699.936.657. The Company’s registered office is located at Rue de la Loi 23, 7th Floor, Box 4, 1040 Brussels, Belgium.

This section summarizes information relating to the Company’s share capital, the Articles of Association, certain material rights of its shareholders under Belgian law and the Company’s group structure following the Euronext Admission. The contents of this section are derived primarily from the Articles of Association, which were adopted by the extraordinary Shareholders’ Meeting held on July 18, 2018. The entry into force of the amendments to the Articles of Association is conditional upon and take effect as of Closing.

The description provided hereafter is only a summary and does not purport to provide a complete overview of the Articles of Association or the relevant provisions of Belgian law.

### **2. Corporate Purpose**

According to the Articles of Association, the Company’s corporate purpose is the following:

The Company’s purpose is, in Belgium and abroad, for own account and/or on behalf of third parties: (a) the acquisition of a direct or indirect interest in shares in any Belgian or foreign commercial, industrial, financial, securities and/ or real estate company or enterprise, (b) the control and management or participation in such enterprises, and (c) the purchase, administration, sale of any securities and real estate, any social right and more generally any portfolio management operations thereby constituted, (d) to carry out, either alone or jointly with others, the business or activity in any industry, manufacture, trade, supply, warehousing, transportation, wholesale, retail, export, import as well as the business or undertaking of traders in general, carriers by any means of transportation, insurance agents or representatives, agents on commission or otherwise, (e) to carry out, either alone or jointly with others, the business or activity of service provision including the areas of general and specialized consulting and business management as well as the provision of IT services and any other business related services, (f) to carry out, either alone or jointly with others, business or activities generally related to immovable property, building materials, the development, purchase, sale, lease or sub-lease of any immovable property as well as the business or activity of construction, and maintenance and to trade, sell on hire purchase, lease, let, assign, mortgage, grant licenses or dispose, in any manner, of all or any of the above or part thereof, (g) to invest in shares, bonds, debentures, financial instruments in general which may be listed or not in regulated markets, (h) to borrow, raise money or secure obligations (whether of the company or any other person) in such manner or upon such terms in order to facilitate the accomplishment of its corporate purpose and (i) to lend and advance money or give credit to any person, firm or company, and (j) to guarantee, give guarantees or indemnities for, undertake or otherwise support or secure, either with or without the company receiving any consideration or advantage and whether by personal covenant or by mortgaging, charging, pledging, assigning or creating any rights or priorities in favor of any person or in any other manner whatsoever, all or part of the undertaking, property, assets, book debts, rights, choses in action, receivables and revenues present and future.

The Company may also have an interest, by way of contribution or merger, in any company or entity, already incorporated or to be incorporated, having an identical corporate purpose, related or connected to its own corporate purpose or which would be likely to favor in any manner the pursuit of its corporate purpose.

The Company may provide for the administration, the supervision and the control of all affiliated companies or companies of which it has shares and any other, and to grant any loans or guarantees to them in any form and for any duration. It may be appointed as a director, manager or liquidator of another company.

The Company may provide a guarantee both for its own and third parties' commitments, including but not limited to giving its assets in mortgage or pledge, including its business assets.

The Company may carry out any activity likely to favor the accomplishment of its corporate purpose and to participate in such activities in any manner.

The Company may carry out on behalf of third parties any financial transactions, such as acquiring, by way of purchase or otherwise, any securities or real estate, receivables, partnership shares and shares in any financial, industrial and commercial companies, any portfolio or capital management action, and any commitment as any kind of guarantee upon acquisition by the company of the authorizations that may be necessary for these operations.

The Company may perform any action and operation that are necessary, useful or directly or indirectly related to the accomplishment of its corporate purpose, or that is such as to make directly the accomplishment of this corporate purpose easier or to favor the development of the Company.

The corporate purpose may be modified by the Shareholders' Meeting in accordance with the provisions of the Belgian Companies Code.

### **3. Share Capital and Shares**

At the time of the Company's incorporation, its share capital amounted to €100,000, represented by 4,000 Shares, each representing an identical fraction of the Company's share capital.

On December 3, 2018, the extraordinary Shareholders' Meeting decided to proceed with a stock split, whereby each shareholder of the Company received 7 additional shares for each 18 shares that it held. As a consequence, each shareholder who previously held eighteen (18) shares held, after the stock split, twenty-five (25) shares. As a result of the stock split, the capital of the Company amounts to € 100,000 and is represented by 5,555 shares without nominal value prior to the contribution in kind.

On May 13, 2019, an extraordinary Shareholders' Meeting resolved, among other things, to increase the share capital of the Company by contribution in kind of up to 84,632,528 Existing Shares in Titan in exchange for an equal number of New Shares, subject to and to the extent of the tendering of such Existing Shares by the Existing Shareholders of Titan in the context of the Share Exchange Offer and, if applicable, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out.

The extraordinary Shareholders' Meeting also resolved on May 13, 2019, subject to the effective completion of the Company's capital increase by means of a contribution in kind of Existing Shares,

- to reduce the Company's share capital by an amount of € 150 million, with effect immediately upon the closing of the Share Exchange Offer, which will result in a repayment of capital contributions to the shareholders in the amount of € 150 million, in one or more tranches, at a time to be decided by the Board of Directors; such capital reduction will occur without cancellation of shares;
- to further reduce the Company's capital to create distributable reserves in the amount of (i) the issuance price of the New Shares issued in exchange for the Treasury Shares tendered by Titan, being the

weighted average stock price of the Existing Shares on ATHEX during the three months preceding the date of the actual contribution, multiplied by (ii) the number of New Shares issued as a result of the tender by Titan of its Treasury Shares. During the same shareholders' meeting, the shareholders resolved to convert such distributable reserves to non-distributable reserves for as long as these New Shares will be held by Titan; and

- to further reduce the Company's capital by an amount of € 50 million to create a distributable reserve.

### **3.1 Form and Transferability of the Shares**

All of the Shares belong to the same class of securities and are in registered or dematerialized form. A register of registered Shares (which may be held in electronic form) is maintained at the Company's registered office. It may be consulted by any holder of Shares. A dematerialized security is represented by an entry on account, in the name of the owner or holder, at a clearing institution or certified accountholder. Holders of Shares may elect, at any time, to have their registered Shares converted into dematerialized Shares, and vice versa, at their own expense.

The Shares are freely transferable, subject to any contractual restrictions or restrictions provided in the Articles of Association.

After their listing and admission to trading on Euronext Brussels, ATHEX and Euronext Paris, the dematerialized Shares will be held in book-entry form through either Euroclear Belgium or the DSS.

### **3.2 Preferential Subscription Rights**

The Belgian Companies Code and the Articles of Association give shareholders preferential subscription rights to subscribe on a pro rata basis by reference to the part in the capital represented by their shares, for any issue of shares to be subscribed in cash, convertible bonds and warrants. The preferential subscription rights may be exercised during a period determined by the Shareholders' Meeting or by the Board of Directors acting within the framework of the Company's authorized capital, with a legal minimum of 15 days from the date on which the subscription is opened.

The Shareholders' Meeting may restrict or cancel the preferential subscription rights for any capital increase or issue of convertible bonds or warrants, subject to the quorum and majority requirements applying to an amendment to the Articles of Association (the presence or representation of at least 50.0 per cent of the Company's share capital and a majority of at least 75.0 per cent of the votes cast), and subject to special reporting requirements described in the Belgian Companies Code. Shareholders may also authorize the Board of Directors to restrict or cancel the preferential subscription rights for any capital increase or issue of convertible bonds or warrants when issuing securities within the framework of the Company's authorized share capital, subject to the same special reporting requirements.

On May 13, 2019, the extraordinary Shareholders' Meeting authorized the Board of Directors, conditional upon and with effect as from Closing, to increase the share capital in one or more transactions by a number of Shares, or by financial instruments giving the right to a number of Shares such as, but not limited to, convertible bonds or warrants, so as to increase the share capital of the Company in one or several times by a (cumulated) amount of maximum 100.0 per cent of the amount of the share capital as such amount is recorded immediately after Closing and taking into account the capital reductions decided by the Shareholders' Meeting on May 13 2019. Within the framework of the authorized capital, the Board of Directors is empowered to proceed with a capital increase in any form, including, but not limited to, a capital increase accompanied by the restriction or suppression of preferential subscription rights. This authorization includes the restriction or suppression of preferential subscription rights for the benefit of one or more specific persons (whether or not employees of the Company or its subsidiaries) and in connection with capital increases in the event of a public tender offer (see "*—Legislation and Jurisdiction—Public Takeover Bids*" below). The authorization is valid for a term of five years as from the date of the publication of the authorization in the annexes to the Belgian State Gazette

(*Belgisch Staatsblad/Moniteur belge*). In connection with capital increases in the event of a public tender offer, the authorization is only valid for a term of three years as from the date of the extraordinary Shareholders' Meeting referred to at the beginning of this paragraph.

### **3.3 Convertible Bonds and Warrants**

The Company may issue convertible bonds or warrants (whether or not attached to bonds) either pursuant to a resolution of the Shareholders' Meeting acting under the required conditions for amending the Articles of Association (the presence or representation of at least 50.0 per cent of the Company's share capital and a majority of at least 75.0 per cent of the votes cast) or pursuant to a resolution of the Board of Directors acting within the scope of the authorized capital.

## **4. Right to Attend and Vote at Shareholders' Meetings**

### **4.1 General Shareholders' Meetings**

The annual Shareholders' Meeting is held on the second Thursday of May at 10.00 am CET. If such day is a legal public holiday in Belgium or Cyprus, the meeting shall take place at the same hour on the following business day. The Shareholders' Meeting takes place at the registered office of the Company or at any other place designated by the notice convening the Shareholders' Meeting. The first annual Shareholders' Meeting will be held on May 14, 2020.

The other Shareholders' Meetings shall be held on the day, at the hour and in the place designated by the convening notice. They may be held at locations other than the registered office. The Company intends to hold the annual Shareholders' Meetings in Cyprus. The Company intends to hold the extraordinary Shareholders' Meetings in the presence of Belgian notary public if required.

The annual, special and extraordinary Shareholders' Meetings may be convened by the Board of Directors or by the statutory auditor and must be convened at the request of shareholders representing one-fifth of the Company's share capital. Annual Shareholders' Meetings are required by law to be held at least once a year on the date and time specified in the articles of association. The Annual Shareholders' meeting takes decisions by a simple majority, and no minimum attendance is required. The Extraordinary Shareholders' meeting convenes if a modification of the articles of association has been proposed. It takes decisions by at least three-quarters of the votes cast by the shareholders whose total shareholding represents at least the half of the share capital. Decisions to modify the corporate purpose are taken by at least four-fifths of the votes cast by the shareholders and profit certificate holders, with a total holding representing at least half of, respectively, the total shares and the total profit certificates. Special Shareholders' Meetings decide on specific measures in order to anticipate a possible takeover bid or to react against a takeover bid that is taking place. The Special Shareholders' meeting is held throughout the year on dates other than those on which the Annual Shareholders' Meeting is held. The Special Shareholders' meeting takes decisions by a simple majority and no minimum attendance is required.

### **4.2 Notices Convening the Shareholders' Meeting**

Holders of registered Shares must receive written notice of the Shareholders' Meeting by regular mail at least 30 days prior to the meeting. The Company must also publish a notice of the meeting in the Belgian State Gazette (*Belgisch Staatsblad/Moniteur belge*), in a newspaper with national distribution (except for those annual Shareholders' Meetings which take place at the location, place, day and hour indicated in the Articles of Association and whose agenda is limited to the approval of the annual accounts, the annual reports of the Board of Directors and the statutory auditor, discharge to be granted to the directors and statutory auditor, the remuneration report and termination provisions) and in media that can be reasonably considered as having effective distribution among the public in the EEA and that is swiftly accessible, and in a non-discriminatory manner. The notices are published at least 30 days prior to the meeting. If a new convocation is required for lack of quorum and the date of the second meeting was mentioned in the first notice, then, in the absence of new agenda items, notices are published at least 17 days in advance of that second meeting.

As from the publication of the notice, the Company shall make the information required by law available on the Company's website ([www.titan-cement.com](http://www.titan-cement.com)) for a period of five years after the relevant Shareholders' Meeting.

#### **4.3            *Formalities to attend the Shareholders' Meeting***

A shareholder wishing to attend and participate in the Shareholders' Meeting must:

- have the ownership of its Shares recorded in its name, as at midnight Central European Time, on the 14th calendar day preceding the date of the meeting (the “**record date**”), either through registration in the shareholders' register in the case of registered Shares or through book-entry in the accounts of an authorized accountholder or clearing institution in the case of dematerialized Shares; and
- notify the Company (or the person designated by the Company) by returning a signed original paper form or, if permitted by the Company in the notice convening the Shareholders' Meeting, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), at the latest on the sixth calendar day preceding the day of the meeting, of its intention to participate in the meeting. In addition, the holders of dematerialized Shares must, at the latest on the same day, provide the Company (or the person designated by the Company), or arrange for the Company (or the person designated by the Company) to be provided, with an original certificate issued by the certified accountholder or clearing institution certifying the number of Shares owned on the record date by the relevant shareholder and for which it has notified its intention to participate in the meeting.

Holders of profit-sharing certificates, non-voting shares, convertible bonds, subscription rights or other securities issued by the Company, as well as holders of certificates issued with the cooperation of the Company and representing securities issued by the latter, if any, may participate in the Shareholders' Meeting insofar as the law or the Articles of Association entitles them to do so and, as the case may be, gives them the right to participate in voting. If they propose to participate, such holders are subject to the same formalities concerning admission and access, and forms and filing of proxies, as those imposed on shareholders.

#### **4.4            *Voting by Proxy***

Any shareholder with the right to vote may either personally participate in the meeting or give a proxy to another person, who need not be a shareholder, to represent him or her at the meeting. A shareholder may designate, for a given meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders. The appointment of a proxy holder may take place in paper form or electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), through a form which shall be made available by the Company. The signed original paper or electronic form must be received by the Company at the latest on the sixth calendar day preceding the day of the meeting. Any appointment of a proxy holder shall comply with relevant requirements of applicable Belgian law in terms of conflicting interests, record keeping and any other applicable requirements.

#### **4.5            *Remote voting in relation to the Shareholders' Meeting***

The notice convening the meeting may allow shareholders to vote remotely in relation to the Shareholders' Meeting, by sending a paper form or, if specifically allowed in the notice convening the meeting, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law). These forms shall be made available by the Company. The original signed paper form must be received by the Company at the latest on the sixth calendar day preceding the date of the meeting. Voting through the signed electronic form may occur until the last calendar day before the meeting.

The Company may also organize a remote vote in relation to the Shareholders' Meeting through other electronic communication methods, such as, among others, through one or several websites. The Company shall specify the practical terms of any such remote vote in the convening notice.

Shareholders voting remotely must, in order for their vote to be taken into account for the calculation of the quorum and voting majority, comply with the admission formalities.

#### **4.6** *Right to request items to be added to the agenda and to ask questions at the Shareholders' Meeting*

One or more shareholders that together hold at least 3.0 per cent of the Company's share capital may request for items to be added to the agenda of any convened meeting and submit proposals for resolutions with regard to existing agenda items or new items to be added to the agenda, provided that (i) they prove ownership of such shareholding as at the date of their request and record their Shares representing such shareholding on the record date; and (ii) the additional items on the agenda and/or proposed resolutions have been received in writing by the Company at the latest on the 22nd day preceding the date of the relevant Shareholders' Meeting. The shareholding must be proven by a certificate evidencing the registration of the relevant Shares in the share register of the Company or by a certificate issued by the certified accountholder or clearing institution certifying the book-entry of the relevant number of dematerialized Shares in the name of the relevant shareholder(s).

As the case may be, the Company shall publish a revised agenda of the Shareholders' Meeting, at the latest on the 15th day preceding the Shareholders' Meeting. The right to request that items be added to the agenda or that proposed resolutions in relation to existing agenda items be submitted does not apply in case of a second Shareholders' Meeting that must be convened because the quorum was not obtained during the first Shareholders' Meeting.

Within the limits of the Belgian Companies Code, the directors and the auditor shall answer, during the Shareholders' Meeting, the questions raised by shareholders. Shareholders can ask questions either during the meeting or prior to the meeting (in writing or electronic form), provided that the Company receives the written question at the latest on the sixth day preceding the Shareholders' Meeting.

#### **4.7** *Quorum and Majorities*

In general, there is no attendance quorum requirement for a general Shareholders' Meeting, except as provided for by law or in the Articles of Association in relation to certain decisions. Decisions are taken by a majority of the votes cast, except where the law or the Articles of Association provide for a special majority.

The Articles of Association impose a quorum of 20.0 per cent of the share capital for all shareholders' meetings. Matters involving special legal quorum and majority requirements include, among others, amendments to the Articles of Association, issues of new Shares, convertible bonds or warrants and decisions regarding mergers and demergers, which require at least 50.0 per cent of the share capital to be present or represented and a majority of at least 75.0 per cent of the votes cast. If the quorum is not reached, a second meeting may be convened at which no quorum shall apply. The special majority requirements, however, remain applicable.

### **5. Dividend Rights**

The Shares carry the right to participate in dividends, if any, in respect of the Company's first financial year ended December 31, 2019 and future years. The Shares also carry the rights to participate in any capital returns, distributions from distributable reserves or other distributions made by the Company after the Closing Date.

In general, the Company may only pay dividends with the approval of the Shareholders' Meeting, although the Board of Directors may declare interim dividends without shareholder approval. The right to pay such interim dividends is, however, subject to certain legal restrictions. The maximum amount of the dividend that can be



paid is determined by reference to the Company's unconsolidated financial statements prepared in accordance with Belgian GAAP.

Under Belgian law and the Articles of Association, the Company must allocate an amount of 5.0 per cent of its Belgian GAAP annual net profit to a legal reserve in its stand-alone statutory accounts until the reserve equals 10.0 per cent of the Company's share capital. The Company's legal reserve currently does not meet this requirement.

For more information on the dividend policy of the Company and other restrictions, see "*Part IX: Dividends and Dividend Policy*" and "*Part I: Risk Factors—Risks Relating to an Investment in Shares—There can be no assurance that the Company will make dividend payments in the future.*"

## **6. Liquidation and Bankruptcy**

The Company can only be dissolved by a resolution of the Shareholders' Meeting passed with a majority of at least 75.0 per cent of the votes cast at an extraordinary Shareholders' Meeting where holders of at least 50.0 per cent of the share capital are present or represented.

If, as a result of losses incurred, the ratio of the Company's net assets (determined in accordance with Belgian legal and accounting rules) to share capital is less than 50.0 per cent, the Board of Directors must convene an extraordinary Shareholders' Meeting within two months of the date upon which the Board of Directors discovered or should have discovered this undercapitalization. At this Shareholders' Meeting, the Board of Directors needs to propose either the dissolution or the continuation of the Company, in which case the Board of Directors must propose measures to restore the Company's financial situation. The Board of Directors must justify its proposals in a special report to the Shareholders. A majority of at least 75.0 per cent of the votes validly cast at this meeting can decide to dissolve the Company, provided that at least 50.0 per cent of the Company's share capital is present or represented at the meeting.

If, as a result of losses incurred, the ratio of the Company's net assets to share capital is less than 25.0 per cent, the same procedure must be followed, it being understood, however, that, in that event, the shareholding representing at least 25.0 per cent of the votes at this meeting can decide to dissolve the Company. If the amount of the Company's net assets has dropped below €61,500 (the minimum amount of share capital of a Belgian public limited liability company), any interested party is entitled to request the competent court to dissolve the Company. The court can order the Company's dissolution or grant a grace period for the Company to remedy the situation.

If the Company is dissolved for any reason, the liquidation must be carried out by one or more liquidators appointed by the Shareholders' Meeting and whose appointment has been ratified by the commercial court. Any balance remaining after discharging all debts, liabilities and liquidation costs must first be applied to reimburse, in cash or in kind, the paid-up capital of the shares not yet reimbursed. Any remaining balance shall be equally distributed amongst all the shareholders.

## **7. Acquisition of Own Shares**

In accordance with the Belgian Companies Code, the Articles of Association permit the Company to acquire, on or outside the stock market, its own Shares, profit-sharing certificates or associated certificates by resolution approved by the Shareholders' Meeting by a majority of at least 75.0 per cent of the votes cast where at least 50 per cent of the share capital and at least 50.0 per cent of the profit certificates, if any, are present or represented. Prior approval by the shareholders is not required if the Company purchases the Shares in order to offer them to the Company's employees.

On May 13, 2019, the extraordinary Shareholders' Meeting authorized the Board of Directors to purchase up to 20% of all outstanding Shares, for a price not lower than 20.0 per cent below the lowest closing price in the last 30 trading days preceding the transaction and not more than 20.0 per cent above the highest closing price during

the last 30 trading days preceding the transaction. This authorization is valid for five years as from the date of publication in the Annexes to the Belgian State Gazette of the amendment to the Articles of Association for the purposes thereof, approved by the extraordinary Shareholders' Meeting of May 13, 2019.

The above authorization is also valid if the acquisition is made by one of the subsidiaries directly controlled by the Company within the meaning of the Belgian Companies Code.

The Board of Directors is also authorized to acquire for the Company's account own Shares, profit-sharing certificates or associated certificates if such acquisition is necessary to prevent serious and imminent harm to the Company. This authorization is valid for three years as from the publication of the deed of incorporation or the amendment to the Articles of Association in the Annexes to the Belgian State Gazette (*Belgisch Staatsblad/Moniteur belge*).

The Board of Directors is authorized to divest all or part of the Shares, profit-sharing certificates or associated certificates at a price it determines, on or outside the stock market or in the framework of its remuneration policy to employees, directors or consultants of the Company or to prevent any serious and imminent harm to the Company. This authorization is valid without any restriction in time, except when the divestment is made to prevent serious and imminent harm to the Company, in which case the authorization is only valid for three years as from the date of the publication of the authorization in the annexes to the Belgian State Gazette (*Belgisch Staatsblad/Moniteur belge*). The authorization covers the divestment of the Shares, profit-sharing certificates or associated certificates by a direct subsidiary of the Company, as set out in the Belgian Companies Code.

The Shares, profit-sharing certificates or associated certificates can only be acquired with funds that would otherwise be available for distribution as dividend. Voting rights attached to Shares held by the Company as treasury shares are suspended.

The Company must notify the FSMA of the transactions described above. The FSMA shall verify whether the repurchase transactions are in accordance with the resolution of the Shareholders' Meeting or, as the case may be, the Board of Directors; if it is of the opinion that these transactions are not in accordance with the resolution, it shall publish its advice.

## **8. Legislation and Jurisdiction**

### **8.1 Notification of Significant Shareholdings**

Pursuant to the Belgian Law of May 2, 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions (the "**Transparency Law**"), a notification to the Company and to the FSMA is required by all natural persons and legal entities on the occurrence of, among other things, any one of the following triggering events, subject to limited exceptions:

- an acquisition or disposal of voting securities, voting rights or financial instruments that are treated as voting securities;
- the reaching of a threshold by persons or legal entities acting in concert;
- the conclusion, modification or termination of an agreement to act in concert;
- the downward reaching of the lowest threshold;
- the passive reaching of a threshold;
- the holding of voting securities in the Company upon the first admission of them to trading on a regulated market;

- where a previous notification concerning financial instruments treated as equivalent to voting securities is updated;
- the acquisition or disposal of the control of an entity that holds voting securities in the Company; and
- where the Company introduces additional notification thresholds in the Articles of Association,

in each case where the percentage of voting rights attached to the securities held by such persons reaches, exceeds or falls below the legal threshold, set at 5.0 per cent of the total voting rights, and 10.0 per cent, 15.0 per cent, 20.0 per cent and so on in increments of 5.0 per cent or, as the case may be, the additional thresholds provided in the Articles of Association.

The notification must be made as soon as possible and at the latest within four trading days following the occurrence of the triggering event. Where the Company receives a notification of information regarding the reaching of a threshold, it has to publish such information within three trading days following receipt of the notification.

No shareholder may cast a greater number of votes at a Shareholders' Meeting than those attached to the rights or securities it has notified in accordance with the Transparency Law at least 20 days before the date of the Shareholders' Meeting, subject to certain exceptions.

## **8.2 Public Takeover Bids**

Public takeover bids for shares and other securities giving access to voting rights (such as subscription rights or convertible bonds, if any) are subject to supervision by the FSMA. Public takeover bids must be extended to all of the voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus which has been approved by the FSMA prior to publication.

Belgium has implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of April 21, 2004) in the Belgian Law of April 1, 2007 on public takeover bids (the "**Takeover Law**") and the Belgian Royal Decree of April 27, 2007 on public takeover bids (the "**Takeover Royal Decree**"). The Takeover Law provides that a mandatory bid must be launched if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for their account, directly or indirectly holds more than 30.0 per cent of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility designated by the Takeover Royal Decree. The mere fact of exceeding the relevant threshold through the acquisition of shares will give rise to a mandatory bid, irrespective of whether the price paid in the relevant transaction exceeds the current market price. The duty to launch a mandatory bid does not apply in certain cases set out in the Takeover Royal Decree, such as (i) in case of an acquisition, if it can be shown that a third-party exercises control over the Company or that such party holds a larger stake than the person holding 30.0 per cent of the voting securities, (ii) in case of an acquisition in the context of an enforcement of security provided that the acquirer disposes of the shares exceeding the 30.0 per cent threshold within 12 months and does not exercise the voting rights attached to those excess shares, or (iii) in case of a capital increase with preferential subscription rights decided by the Shareholders' Meeting.

In principle, the authorization of the Board of Directors to increase the share capital of the Company through contributions in kind or in cash with cancellation or limitation of the preferential subscription rights of the existing shareholders is suspended as of the notification to the Company by the FSMA of a public takeover bid for the securities of the Company. The Shareholders' Meeting can, however, under certain conditions, expressly authorize the Board of Directors to increase the capital of the Company in such case by issuing Shares in an amount of not more than 10.0 per cent of the existing Shares at the time of such a public takeover bid. Such authorization was granted to the Board of Directors of the Company on May 13, 2019. Those powers remain in effect for a period of three years from the date of the adoption of this authorization.

### 8.3 *Squeeze-out*

Pursuant to the Belgian Companies Code or the regulations promulgated thereunder, a person or legal entity, or different persons or legal entities acting alone or in concert, who own together with the Company 95.0 per cent or more of the securities with voting rights in a public company are entitled to acquire the totality of the securities with voting rights in that company following a squeeze-out offer. The securities that are not voluntarily tendered in response to such an offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the squeeze-out procedure, the company is no longer deemed a public company, unless bonds issued by the company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value (verified by an independent expert) as to safeguard the interests of the transferring shareholders.

A squeeze-out offer is also possible upon completion of a public takeover bid, provided that the bidder holds at least 95.0 per cent of the voting capital and 95.0 per cent of the voting securities of the public company. In such a case, the bidder may require that all remaining shareholders sell their securities to the bidder at the offer price of the takeover bid, provided that, in case of a voluntary takeover offer, the bidder has also acquired 90.0 per cent of the voting capital to which the offer relates. The shares that are not voluntarily tendered in response to any such offer are deemed to be automatically transferred to the bidder at the end of the procedure.

### 8.4 *Sell-out Right*

Within three months following the expiration of an offer period related to a public takeover bid, holders of voting securities or of securities giving access to voting rights may require the offeror, acting alone or in concert, who owns at least 95.0 per cent of the voting capital and 95.0 per cent of the voting securities in a public company following a takeover bid, to buy its securities from it at the price of the bid, on the condition that, in case of a voluntary takeover offer, the offeror has acquired, through the acceptance of the bid, securities representing at least 90.0 per cent of the voting capital subject to the takeover bid.

## 9. **Group Structure**

The principal subsidiaries, associates and joint ventures of the Group are set out in Notes 14 and 15 of the 2018 Consolidated Financial Statements which are incorporated by reference to this Prospectus.

## 10. **Comparison of shareholder rights in Greece and Belgium**

The following table is a summary of certain provisions of Greek law and Titan's articles of association, each as in force as at the date of this Prospectus, that differ from Belgian law, with respect to shareholders' rights.

<b>Greek law – Provisions applicable to holders of Existing Shares</b>	<b>Belgian law – Provisions applicable to holders of New Shares</b>
<p><u>Minimum dividend</u>: According to Greek law for <i>sociétés anonymes</i>, a company is required to pay a minimum dividend equal to at least 35% of its annual distributable net profits (following deduction of the statutory reserve and other credit items of the income statement). The general assembly may reduce the above minimum dividend up to 10% of the company's net profits or resolve that such minimum dividend will be capitalized and distributed to all shareholders by means of shares, calculated at their nominal value, on an increased quorum and majority, which is met when shareholders holding 50% of the paid-up share capital</p>	<p>Under Belgian law, there is no minimum dividend. The maximum amount of the dividend that can be paid is determined by reference to the Company's stand-alone statutory accounts prepared in accordance with Belgian GAAP.</p>

<p>are present or represented, and at least two-thirds (2/3) of the votes represented at such meeting vote in favor of such reduction/capitalization. With the same increased quorum and majority, certain entities (including the listed entities) may distribute such dividend by means of listed securities owned by them and issued by a national or foreign entity, following a respective valuation and subject to observing the principle of the equal treatment of shareholders. Moreover, shareholders holding 50% of the paid-up share capital may decide the non-distribution of the minimum dividend granted that at least 80% of the votes represented thereby vote in favor of such non-distribution.</p>	
<p><u>Interim dividend:</u> Under Greek law for <i>sociétés anonymes</i>, a company may distribute an interim dividend by virtue of a decision of the board of directors made within the same financial year, under the following conditions (i) the required amounts exist under the drafted financial statements and (ii) such financial statements have been published two (2) months prior to the distribution. The interim dividend may not exceed the amount of the income statement's results increased by carried over profits and distributable and decreased by the amounts of credit items of the income statement, carried over losses and statutory reserves.</p>	<p>Under Belgian law, a company may distribute an interim dividend with the approval of the board of directors under the following conditions (i) the distribution of interim dividends must be explicitly allowed by the company's articles of association (which is the case for the Company), (ii) interim dividends may only be paid out of the profit of the current fiscal year, previous fiscal years if the annual accounts have not been approved and carried over profits, (iii) distribution may never occur by a distribution of the reserves, (iv) the statutory auditor must verify a recent statement of assets and liabilities (not older than two months) and confirm that the estimated profit of the current fiscal year is sufficient to distribute dividends.</p>
<p><u>Statutory Reserve:</u> Under Greek law for <i>sociétés anonymes</i>, before the payment of dividends, a company is required to allocate at least 5% of its net profits for the formation of an ordinary reserve until this reserve equals at least one-third of the company's share capital.</p>	<p>Under Belgian law, before it can pay dividends, a company must allocate an amount of 5.0 per cent of its Belgian GAAP annual net profit (<i>nettowinst/bénéfices nets</i>) to a legal reserve in its stand-alone statutory accounts until the reserve equals 10.0 per cent of the company's share capital.</p>
<p><u>Capital reduction:</u> Under Greek law for <i>sociétés anonymes</i>, such reduction must be decided on an increased quorum and majority, which is met when shareholders holding at least 50% of the paid-up share capital are present or represented, and at least two-thirds (2/3) of the votes represented at such meeting vote in favor of such reduction.</p> <p>No return of capital may occur, if creditors of the company, whose claims are due and arose prior to the publication of the reduction, object to such reduction within forty (40) days from the respective publication and are not fully satisfied or reach a settlement agreement with the company. Creditors, whose claims are not yet due, may object to such reduction before</p>	<p>Under Belgian law, (i) half of the paid-up share capital must be present or represented at the first meeting and (ii) and at least ¾ of the votes represented at such meeting must vote in favour of such reduction.</p>

<p>the competent court, within the aforementioned deadline, and the court may decide the conditional reduction or the provision of specific collaterals.</p> <p>For quorum and majority requirements, please see below <i>Special majority requirements</i>.</p>	
<p><u>Shareholders meetings</u>: Pursuant to Greek law for <i>sociétés anonymes</i>, the general assembly of shareholders (which is the supreme corporate body) is entitled to decide on any and all of the company's affairs. Its resolutions are binding on the board of directors and executive officers.</p> <p>A simple quorum for a company's general assembly is met when shareholders holding at least 20% of the paid-up share capital are present or represented at the assembly. If such quorum is not satisfied, then a second general assembly is held, at which there is no specific quorum requirement, under Greek law for <i>sociétés anonymes</i>.</p>	<p>Under Belgian law, the general shareholders' meeting is only competent for the tasks which the Belgian Companies Code has granted. These legal powers are minimum powers. The board of directors is considered the highest decision-making organ within any organization and is responsible for both the strategy as well as the monitoring of the organization. Unless provided otherwise by the law (see below) or the articles of association, there is no quorum of presence required for the shareholders meeting to validly deliberate under Belgian law.</p>
<p><u>Special majority requirements</u>: Under Greek law for <i>sociétés anonymes</i>, the general assembly is in quorum and decides lawfully on the items of the agenda when shareholders holding 50% of the paid-up share capital of the company are present or represented thereat in case of (i) change in nationality, (ii) change of the corporate purpose, (iii) increase of shareholders' obligations, (iv) regular increase of share capital, unless required by law or through capitalization of reserves, (v) reduction of share capital (other than for the cancellation of treasury shares or due to non-payment for shares subscribed for), (vi) change regarding the means of distributing profits, (vii) merger, de-merger, conversion, revival, extension of duration or dissolution of the company, (viii) granting or renewal of authorization to the board to increase the share capital or issue convertible bonds, (ix) limitation or repeal of pre-emptive rights, and (x) any other item if required by law. On those cases, any resolution of the general assembly is adopted by a majority of two-thirds (2/3) of the votes represented at the meeting.</p> <p>If the quorum of 50% is not satisfied, then a second general assembly is held, at which 20% of the paid-up share capital must be present or represented (with respect to non-listed companies, such quorum is 33,33%).</p>	<p>Under Belgian law, the special quorum is the following: (i) half of the paid-up share capital must be represented at the first meeting (no quorum applies for the second meeting) and (ii) and at least ¾ of the vote must resolve for such reduction. This special majority applies in case of (i) amendment to the articles of association, (ii) increase or decrease of the share capital, (iii) authorisation or renewal of the authorisation of the board of directors to increase the capital within the scope of the authorised capital, (iv) purchase by the company or one of its subsidiary of its own shares or profit certificates, (v) issuance of shares without nominal value below the par value of existing shares of the same type, (vi) limitation or suppression of the preferential subscription right of existing shareholders in the event of a capital increase, (vii) change of the rights attached to different categories of shares or securities, or replacing shares or securities of one category with shares or securities of another category (in such case, the quorum and majority requirements apply to each category of shares or securities, but no presence quorum applies anymore for the second meeting), (viii) issuance of convertible bonds or subscription rights (warrants), (ix) dissolution of a company or taking other measures if the net equity, after losses, drops to less than half the subscribed capital, (x) merger or demerger, (xi) contribution of a universality or a branch of activities and (xii) for shares without voting rights (by converting already issued shares with voting rights), fixing the maximum number of shares to be converted</p>

	<p>and the condition of conversion. .</p> <p>In case of (i) change in the corporate purpose, (ii) change to the company's form and subsequent adoption of new articles of association, at least 80.0 per cent of the represented share capital must vote in favour.</p> <p>If the presence quorum is not reached at the first meeting, a second meeting may be convened at which no presence quorum shall apply. The above mentioned special majority requirements, however, remain applicable regarding the voting.</p>
<p><u>Notice:</u> Under Greek law for <i>sociétés anonymes</i>, notice of a shareholders meeting is given by means of a public invitation published in accordance with such law 20 days prior to the meeting.</p> <p>If the required quorum is not met at the first shareholders meeting (see above), a new shareholders meeting is held within 20 days further to a notice published at least 10 days prior to such meeting. No notice is required if (i) the date and place of each next meeting was mentioned in the first notice and (ii) there are no new items in the agenda. In such case, the new meeting is held at least 5 days after the cancelled meeting.</p>	<p>Under Belgian law, notice must be given at 30 days prior to the meeting by publication in the Belgian Official Gazette and, for meetings other than the annual general meeting, in a Belgian newspaper and by press release. Holders of registered shares must be convened by mail. If the required quorum is not met at the first shareholders meeting (see above), a second shareholders meeting can be convened with 17 days prior notice if (i) the date of the second meeting was mentioned in the first notice and (ii) there is no new items in the agenda.</p>
<p><u>Obligation to convene a shareholders meeting:</u> Greek law for <i>sociétés anonymes</i> provides that upon request (a) by shareholders representing 5% of the company's paid-up share capital, the board is obliged to convene an extraordinary shareholders meeting within 45 days as of service of such request and (b) by the company's auditor, the board is obliged to convene an extraordinary shareholders meeting within 10 days as of service of such request.</p>	<p>Belgian law provides that upon request by shareholders representing 10.0 per cent of the company's paid-up share capital, the board is obliged to convene an extraordinary shareholders meeting within 3 weeks of such request.</p>
<p><u>Increase of share capital:</u> Under Greek law for <i>sociétés anonymes</i>, the share capital may also be increased pursuant to a decision adopted by the board of directors, for an amount up to three (3) times of the existing share capital, provided that a shareholders meeting has authorized the board to do so. This decision of the board requires a majority of at least two thirds of the directors – please see above, <u>Special majority requirements</u>.</p> <p>According to Greek law for <i>sociétés anonymes</i>, the company's articles of association may provide that for a maximum period of five (5) years following its establishment, the general assembly may decide on a simple quorum and majority to increase the share</p>	<p>Under Belgian law, the articles of association must authorize the board of directors to increase the capital within the limits of the authorized share capital. However, there is no special majority requirement at the level of the board.</p>

<p>capital, entirely or partially by way of issuing new shares, for an amount up to eight (8) times the existing share capital.</p>	
<p><u>Composition of the board of directors:</u> Under Titan's articles of association, the board of directors is composed of 7 to 15 members.</p> <p>Under Greek corporate governance law, at least one third of the members must be non-executive and at least two of the non-executive members must be independent</p>	<p>Under Belgian law, members of the board of directors must be minimum 3 (unless there are only 2 shareholders, in which case there can be only two directors).</p> <p>Under Belgian corporate law, one half of the members must be non-executive and 3 members should be independent.</p> <p>Under Belgian law, at least one-third of the directors of the Company will need to be of the opposite gender as from the first day of the sixth financial year following the admission of its shares to trading on a regulated market (i.e. 2024).</p>
<p><u>Disclosure of shareholdings:</u> a person who owns, acquires or controls (directly or indirectly) a percentage equal to or in excess of 5%, 10%, 15% 20%, 25%, 33.3%, 50% or 66.6% of the voting rights of the relevant company, or whose ownership, acquisition or control (directly or indirectly) falls below these levels, is required to notify the issuer and the HCMC of his/her/its holding or percentage within three trading days. Same obligation applies to any person already holding more than 10% of a company's voting right if there is a change of at least 3% to its voting rights.</p>	<p>Under Belgian law, as regards the application of title II of the Law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose shares are admitted to trading on a regulated market and other provisions and the Royal Decree of 14 February 2008 on the disclosure of significant shareholdings, the applicable successive thresholds are established at 5.0 per cent, 10.0 per cent and any subsequent multiple of 5.0 per cent.</p>
<p><u>Compulsory squeeze out:</u> The offeror who, following the submission of a takeover bid to all the holders of the target's securities and for the total number of their securities, holds securities representing at least 90% of the aggregate voting rights of the target, may require, within three months from the end of the acceptance period, the transfer to him of all the remaining securities of the target at a consideration which cannot be lower than the consideration of the takeover bid. The remaining shareholder may elect to receive the consideration of the squeeze-out in cash or to receive bidder's securities equal to the consideration of the takeover bid, to the extent that the consideration offered in the takeover bid consisted of or included securities.</p>	<p>Pursuant to the Belgian Companies Code or the regulations promulgated thereunder, a person or legal entity, or different persons or legal entities acting alone or in concert, who own together with the Company 95.0 per cent or more of the securities with voting rights in the company are entitled to acquire the totality of the securities with voting rights in that company following a squeeze-out offer.</p>
<p><u>Sell-out:</u> The offeror, who, following the submission of the takeover bid to all the holders of securities and for the total amount of their securities, holds securities representing at least 90% of the voting rights (for such purposes, including treasury shares) of the target, is</p>	<p>Within three months following the expiration of an offer period related to a public takeover bid, holders of voting securities or of securities giving access to voting rights may require the offeror, acting alone or in concert, who owns at least 95.0 per cent of the</p>



<p>bound for a period of three months from the publication of the results of the takeover bid to acquire through the stock exchange all the securities that may be offered to him in cash at a consideration which cannot be lower than the consideration of the takeover bid. As long as the holders of the securities request so, the consideration may take the form of bidder's securities equal to the consideration of the takeover bid, to the extent that the consideration offered in the takeover bid consisted of or included securities.</p>	<p>voting capital and 95.0 per cent of the voting securities in the company following a takeover bid, to buy its securities from it at the price of the bid, on the condition that, in case of a voluntary takeover offer, the offeror has acquired, through the acceptance of the bid, securities representing at least 90.0 per cent of the voting capital subject to the takeover bid.</p>
<p><u>Mandatory bid:</u> Greek Law 3461/2006 (which implemented the Takeover Bids Directive) regulates the public takeover bids for securities that are listed on the Athens Exchange. Pursuant to such law, anyone who proceeds with a voluntary takeover bid for a public company is obliged to acquire the totality of the shares validly tendered, unless such person has limited his/her/its offer to a maximum amount of shares, in which case offerees should be satisfied pro rata. A person may further define a minimum number of shares which must be validly tendered, in order for the bid to remain in force. In addition, any person, who acquires, directly or indirectly, through another person acting on its behalf or in concert with such person, shares and due to such acquisition holds more than one-third (1/3) of the total voting rights of a locally listed company, including any voting rights held by a person acting on behalf of or in concert with such person, is obliged within 20 days, or within 30 days if a valuation report must be submitted, to make a mandatory public takeover bid for the remaining shares of that company (subject to certain exceptions and qualifications). This same obligation applies where any person owning, directly or indirectly, through another person acting on its behalf or in concert with such person more than one-third (1/3), but less than 50%, of the total voting rights of a company acquires, within 6 months, directly or indirectly, securities that represent more than 3% of such company's total voting rights.</p>	<p>Belgium has implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of April 21, 2004) in the Belgian Law of April 1, 2007 on public takeover bids (the "Takeover Law") and the Belgian Royal Decree of April 27, 2007 on public takeover bids (the "Takeover Royal Decree"). The Takeover Law provides that a mandatory bid must be launched if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for their account, directly or indirectly holds more than 30.0 per cent of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility designated by the Takeover Royal Decree. The mere fact of exceeding the relevant threshold through the acquisition of shares will give rise to a mandatory bid, irrespective of whether the price paid in the relevant transaction exceeds the current market price. The duty to launch a mandatory bid does not apply in certain cases set out in the Takeover Royal Decree, such as (i) in case of an acquisition, if it can be shown that a third-party exercises control over the Company or that such party holds a larger stake than the person holding 30.0 per cent of the voting securities, (ii) in case of an acquisition in the context of an enforcement of security provided that the acquirer disposes of the shares exceeding the 30.0 per cent threshold within 12 months and does not exercise the voting rights attached to those excess shares, or (iii) in case of a capital increase with preferential subscription rights decided by the Shareholders' Meeting.</p> <p>Public takeover bids for shares and other securities giving access to voting rights (such as subscription rights or convertible bonds, if any) are subject to supervision by the FSMA. Public takeover bids must be extended to all of the voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus which has been approved by the FSMA prior to</p>

	publication.
<p><u>Repurchase of own shares:</u> Pursuant to Greek law for <i>sociétés anonymes</i>, a company may, under limited circumstances, purchase its own shares either directly or through a person acting on its behalf, following specific authorization granted by the general assembly of its shareholders and upon terms and conditions set forth in the relevant resolution, including the maximum number of shares that may be acquired, the period for which such approval is granted (which may not exceed 24 months) and in case of acquisition for consideration, the minimum and maximum values to be paid. Purchases of ordinary shares by a company or any other person acting on its behalf are subject to the following limitations:</p> <ol style="list-style-type: none"> <li>1. the total nominal value of the ordinary shares to be held in treasury by the company (including ordinary shares held by a third party on behalf of such company) may not at any time exceed 10% of its paid-up share capital;</li> <li>2. acquisitions of ordinary shares to be held in treasury (including ordinary shares already acquired by a company itself or by a third party acting on behalf of a company) should not result in a reduction of such company's net assets, such that net assets, are less than its share capital plus non-distributable reserves, other credit items of its net position and of its income statement that are not profits; and</li> <li>3. ordinary shares to be acquired must be fully paid-up.</li> </ol> <p>The purchase of own shares results in the suspension of rights stemming from them and in particular; (i) voting rights are suspended and the relevant shares are not taken into account for quorum requirements, (ii) dividends relating to treasury shares increase the dividend of the other shareholders and (iii) in case of share capital increase, pre-emptive rights relating to treasury shares are not exercised and increase such rights of the other shareholders, unless such rights are transferred, in whole or in part, pursuant to a corporate decision to persons who are not acting on behalf of the company. If a share capital increase does not take place by means of contribution, the treasury shares may participate in the respective increase.</p> <p>In addition share buy backs must comply with</p>	<p>In accordance with the Belgian Companies Code, the articles of association permit the Company to acquire, on or outside the stock market, its own shares, profit-sharing certificates or associated certificates by resolution approved by the shareholders' meeting by a majority of at least 75.0 per cent of the votes cast where at least 50.0 per cent of the share capital and at least 50.0 per cent of the profit certificates, if any, are present or represented. Prior approval by the shareholders is not required if the Company purchases the shares in order to offer them to the Company's employees.</p> <p>The shares, profit-sharing certificates or associated certificates can only be acquired with funds that would otherwise be available for distribution as dividend. Voting rights attached to shares held by the Company as treasury shares are suspended.</p>

<p>legislation prohibiting market abuse.</p>	
<p><u>Shareholder's voting rights:</u> With the exception of treasury shares, each ordinary share gives the holder the right to cast one vote at the shareholders' general assembly.</p> <p>A shareholder is deemed to be a person who is registered in the records of the central securities depository.</p> <p>In order to be registered in the records of the central securities' depository, shareholders must indicate the full name, address and nationality (in case of legal entities, the company name and registered office) of the owners and usufructuaries of the shares.</p> <p>Under Greek law for listed <i>sociétés anonymes</i>, a shareholder wishing to attend and participate in the shareholders' meeting must have the ownership of the shares on the 5<sup>th</sup> day preceding the date of the meeting and, in case of a subsequent meeting, on the 5<sup>th</sup> day preceding the date of such meeting, granted that the subsequent (repetitive or adjourned) meeting takes place within 30 days from the initial meeting (otherwise, it is on the 3<sup>rd</sup> day).</p> <p>Proof of the shareholder status may be obtained by any legal means and in any case through information received by the company from the central securities' depository, as long as the latter provides registry services or from the approved intermediaries.</p> <p>By means of a written proxy delivered to the company at least 48 hours before the date of the meeting, each shareholder may have his/her/its shares represented in a general assembly by a third person who needs not to be a shareholder. Shareholders may appoint up to 3 natural persons as their representatives.</p> <p>It is noted that a shareholder who simultaneously is a member of the company's Board of Directors may not vote in the general assembly's meeting regarding the appointment of a statutory auditor.</p>	<p>All of the shares have the same voting rights, except that voting rights are suspended when such shares are held by the Company as treasury shares.</p> <p>A shareholder wishing to attend and participate in the shareholders' meeting must:</p> <ul style="list-style-type: none"> <li>(i) have the ownership of its shares recorded in its name, as at midnight Central European Time, on the 14th calendar day preceding the date of the meeting, either through registration in the shareholders' register in the case of registered shares or through book-entry in the accounts of an authorized accountholder or clearing institution in the case of dematerialized shares; and</li> <li>(ii) notify the Company (or the person designated by the Company) by returning a signed original paper form or, if permitted by the Company in the notice convening the Shareholders' Meeting, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), at the latest on the sixth calendar day preceding the day of the meeting, of its intention to participate in the meeting. In addition, the holders of dematerialized shares must, at the latest on the same day, provide the Company (or the person designated by the Company), or arrange for the Company (or the person designated by the Company) to be provided, with an original certificate issued by the certified accountholder or clearing institution certifying the number of Shares owned on the record date by the relevant shareholder and for which it has notified its intention to participate in the meeting.</li> </ul> <p>Any shareholder with the right to vote may either personally participate in the meeting or give a proxy to another person, who need not be a shareholder, to represent him or her at the meeting.</p> <p>The notice convening the meeting may also allow shareholders to vote remotely in relation to the shareholders' Meeting, by sending a paper form or, if specifically allowed in the notice convening the meeting, by sending a form electronically (in which case the form shall be signed by means of an</p>

	<p>electronic signature in accordance with applicable Belgian law). These forms shall be made available by the Company. Voting through the signed electronic form may occur until the last calendar day before the meeting.</p> <p>Shareholders voting remotely must, in order for their vote to be taken into account for the calculation of the quorum and voting majority, comply with the admission formalities.</p>
<p><u>Subscription rights in case of a capital increase:</u> Under Greek law for <i>sociétés anonymes</i>, all share capital increases which are not effected through contributions in kind, and issuance of convertible bonds shall be offered on a pre-emptive basis to the existing shareholders according to their shareholding participation in the company, unless the pre-emptive rights of the shareholders have been limited or repealed by a decision of a general assembly taken by an increased quorum and increased majority – please see above, <u>Special majority requirements</u>. If and to the extent the existing shareholders do not exercise their pre-emptive rights within the applicable subscription period (which must be at least 14 days), the board of directors can freely dispose of the unsubscribed shares (or convertible bonds, as the case may be) at a price which is not less than the price paid by the existing shareholders.</p>	<p>The Belgian Companies Code and the articles of association of the Company give shareholders preferential subscription rights to subscribe on a pro rata basis by reference to the part in the capital represented by their shares, for any issue of shares to be subscribed in cash, convertible bonds and warrants. The preferential subscription rights may be exercised during a period determined by the shareholders' meeting or by the board of directors acting within the framework of the Company's authorized capital, with a legal minimum of 15 days from the date on which the subscription is opened.</p> <p>The shareholders' meeting may restrict or cancel the preferential subscription rights for any capital increase or issue of convertible bonds or warrants, subject to the quorum and majority requirements applying to an amendment to the articles of association (the presence or representation of at least 50.0 per cent of the Company's share capital and a majority of at least 75.0 per cent of the votes cast), and subject to special reporting requirements described in the Belgian Companies Code. Shareholders may also authorize the board of directors to restrict or cancel the preferential subscription rights for any capital increase or issue of convertible bonds or warrants when issuing securities within the framework of the Company's authorized share capital, subject to the same special reporting requirements.</p>
<p><u>Rights of the shareholders to ask questions and add agenda points:</u> Except in the case of meetings that are convened at the request of shareholders (representing 5% of a company's paid-up share capital), the board of directors shall determine the items on the agenda of any general assembly meeting. One or more shareholders whose combined shareholdings represent at least 5% of a company's paid-up share capital may request that an item be put on the agenda of a general assembly that has already been convened by the board of directors. Such request must be accompanied by a justification report or by a draft resolution and must be</p>	<p>One or more shareholders that together hold at least 3.0 per cent of the Company's share capital may request for items to be added to the agenda of any convened meeting and submit proposals for resolutions with regard to existing agenda items or new items to be added to the agenda, provided that (i) they prove ownership of such shareholding as at the date of their request and record their Shares representing such shareholding on the record date; and (ii) the additional items on the agenda and/or proposed resolutions have been received in writing by the Company at the latest on the 22nd day preceding the</p>

received by the board of directors at least 13 days prior to the general assembly and specify the item on the agenda (for non-listed companies must be received at least 15 days without any justification).

Moreover, Greek law for *sociétés anonymes* provides that upon request by:

- (a) shareholders representing 5% of the company's paid-up share capital, the chairman of the general assembly meeting is obliged to postpone once the adoption of resolutions by the general assembly meeting provided an adjourned meeting is convened within 20 days (for non-listed entities) to reconsider the resolutions (the 20-day requirement does not apply to listed entities – please see above, Shareholder's voting rights) and
- (b) shareholders representing 5% of the company's paid-up share capital are entitled to request the disclosure in the annual general assembly of the sums paid in the past two years to the directors and executives of the company and shareholders representing 10% of the company's paid-up share capital are entitled to request that the board of directors provides them with information on the conduct of the business and the financial condition of the company.

Any shareholder may request the board of directors to provide to the general assembly certain information concerning the affairs of the company to the extent they are related to the items on the agenda. Furthermore, prior to the annual general assembly any shareholder may receive the annual financial statements and relevant reports of the board and the auditors.

The board of directors may refuse to provide information requested by a shareholder on reasonable grounds, which must be recorded in the minutes in accordance with the law.

date of the relevant shareholders' meeting. The shareholding must be proven by a certificate evidencing the registration of the relevant Shares in the share register of the Company or by a certificate issued by the certified accountholder or clearing institution certifying the book-entry of the relevant number of dematerialized Shares in the name of the relevant shareholder(s).

As the case may be, the Company shall publish a revised agenda of the shareholders' meeting, at the latest on the 15th day preceding the shareholders' meeting. The right to request that items be added to the agenda or that proposed resolutions in relation to existing agenda items be submitted does not apply in case of a second shareholders' meeting that must be convened because the quorum was not obtained during the first Shareholders' Meeting.

Within the limits of the Belgian Companies Code, the directors and the auditor shall answer, during the shareholders' meeting, the questions raised by shareholders. Shareholders can ask questions either during the meeting or prior to the meeting (in writing or electronic form), provided that the Company receives the written question at the latest on the sixth day preceding the shareholders' meeting.

## PART XV: TAXATION

### A. BELGIAN TAXATION

The paragraphs below present a summary of certain material Belgian federal income tax consequences of the ownership and disposal of Shares by an investor that acquires such Shares in connection with the Offering. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this Prospectus, all of which are subject to change, including changes that could have retroactive effect.

Investors should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

This summary does not purport to address all tax consequences of the acquisition, ownership and disposal of Shares, and does not take into account the specific circumstances of particular investors, some of which may be subject to special rules, or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, undertakings for collective investment, brokers in securities or currencies, persons that hold, or will hold, Shares as a position in a straddle, share-repurchase transaction, conversion transactions, synthetic security or other integrated financial transactions. This summary does not address the local taxes that may be due in connection with an investment in Shares, other than Belgian local surcharges which generally vary from 0 per cent to 9 per cent of the investor's income tax liability.

On 15 October 2018, the Company decided to transfer its seat of effective management to Cyprus, as described in “*Part XI: Management and Corporate Governance—Relocation of the seat of effective management to Cyprus*” As detailed in that section, the Belgian Office for advance rulings in tax matters and the Cyprus Tax Department have each issued an advance tax ruling confirming the tax consequences resulting from such relocation. Both rulings notably confirm that the Company must be considered as non-resident of Belgium and as resident of Cyprus for the purposes of Belgian income tax law, Cyprus income tax law and the Tax Treaty concluded between Belgium and Cyprus. The paragraphs below have been drafted on the basis of the position that the Company is expected to continue to qualify as non-resident of Belgium and as resident of Cyprus for the purposes of Belgian income tax law, Cyprus income tax law and the Tax Treaty concluded between Belgium and Cyprus.

For purposes of this summary, a Belgian resident is an individual subject to Belgian personal income tax (that is, an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), a company subject to Belgian corporate income tax (that is, a corporate entity, or an entity having a legal form comparable to a Belgian corporate form, that has its main establishment, its administrative seat or seat of management in Belgium), an Organization for Financing Pensions subject to Belgian corporate income tax (i.e., a Belgian pension fund incorporated under the form of an Organization for Financing Pensions), or a legal entity subject to Belgian income tax on legal entities (that is, a legal entity other than a company subject to Belgian corporate income tax, that has its main establishment, its administrative seat or its seat of management in Belgium). A Belgian non-resident is any person that is not a Belgian resident.

Investors should consult their own advisors regarding the tax consequences of an investment in Shares in the light of their particular circumstances, including the effect of any state, local or other national laws.

#### 1. Dividends

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to the Shares is generally treated as a dividend distribution. By way of exception, the repayment of capital carried out in accordance with the Belgian Companies Code (or in accordance with the company law otherwise applicable) is not treated as a dividend distribution to the extent that such repayment is imputed to fiscal capital. This fiscal capital includes, in

principle, the actual paid-up statutory share capital (or, in case the applicable company law does not provide for a similar notion as the statutory share capital, the equity of the company to the extent that it is formed by actual contribution in cash or in kind) and, subject to certain conditions, the paid-up issuance premiums and the cash amounts subscribed to at the time of the issue of profit sharing certificates. Note that any reduction of fiscal capital is deemed to be paid out on a *pro rata* basis of the fiscal capital and certain reserves, in the following order: the taxed reserves incorporated in the capital, the taxed reserves not incorporated in the statutory capital and the tax-exempt reserves incorporated in the statutory capital. Only the part of the capital reduction that is deemed to be paid out of the fiscal capital may, subject to certain conditions, not be considered as a dividend distribution for Belgian tax purposes.

Belgian withholding tax of 30 per cent is normally levied on dividends paid through a professional intermediary in Belgium, subject to such relief as may be available under applicable domestic or tax treaty provisions.

In the case of a redemption of the Shares, the redemption distribution (after deduction of the part of the fiscal capital represented by the redeemed Shares) will, in principle, be treated as a dividend subject to a Belgian withholding tax of 30 per cent insofar as it is paid through a professional intermediary in Belgium, subject to such relief as may be available under applicable domestic or tax treaty provisions. Such Belgian withholding tax will not be triggered if this redemption is carried out on a stock exchange and meets certain conditions.

In case of liquidation of the Company, any amounts distributed in excess of the fiscal capital will in principle be subject to a 30 per cent Belgian withholding tax insofar as it is paid through a professional intermediary in Belgium, subject to such relief as may be available under applicable domestic or tax treaty provisions.

### **1.1 *Belgian Resident Individuals***

For Belgian resident individuals who acquire and hold Shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability to the extent such Belgian dividend withholding tax has effectively been withheld. They may nevertheless elect to report (the gross amount of) the dividends in their personal income tax return or even need to report them if no intermediary established in Belgium was in any way involved in the processing of the payment of the non-Belgian sourced dividends or even if an intermediary established in Belgium was in any way involved in the processing of the payment of the dividends but such intermediary did not withhold the Belgian dividend withholding tax due. Where the beneficiary reports them, dividends will normally be taxable at the lower of the generally applicable 30 per cent Belgian dividend withholding tax rate or at the progressive personal income tax rates applicable to the taxpayer's overall declared income. If the beneficiary reports the dividends, the income tax due on such dividends will not be increased by local surcharges. In addition, if the dividends are reported, the Belgian dividend withholding tax levied at source may, in both cases, be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due, provided that the dividend distribution does not result in a reduction in value of or a capital loss on Shares. This condition is not applicable if the individual can demonstrate that he has held Shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends. Provided the dividends are reported in the personal income tax return, they will in principle be eligible for the newly introduced tax exemption with respect to ordinary dividends up to an amount of €800 per year (amount applicable as of income year 2019). For the avoidance of doubt, all reported dividends (not only dividends distributed on the Shares) are taken into account to assess whether said maximum amount is reached.

For Belgian resident individual investors who acquire and hold Shares for professional purposes, the Belgian withholding tax, if any, does not fully discharge their income tax liability. Dividends received must be reported by the investor and will, in such a case, be taxable at the investor's personal income tax rate increased with local surcharges. The Belgian dividend withholding tax levied at source may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own Shares in full legal ownership at the time the dividends are paid or attributed; and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on Shares. The latter condition is

not applicable if the investor can demonstrate that he has held the Shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends.

## **1.2** *Belgian Resident Companies*

### **1.2.1** *Corporate income tax*

For Belgian resident companies, the gross dividend income (including Belgian withholding tax) must be declared in the corporate income tax return and will be subject to a corporate income tax rate of, in principle 29.58 per cent (with a reduced rate of 20.40 per cent applying to the first tranche of €100,000 of taxable income of qualifying small companies), to be reduced to 25 per cent (and 20 per cent) as from assessment year 2021 for taxable periods starting at the earliest on 1 January 2020.

Belgian resident companies can, subject to certain conditions, deduct 100 per cent of the gross dividend received from the taxable income, provided that at the time of a dividend payment or attribution: (i) the Belgian resident company holds Shares representing at least 10 per cent of the Company's share capital or a participation in the Company with an acquisition value of at least €2,500,000; (ii) the Shares have been held or will be held in full ownership for an uninterrupted period of at least one year; and (iii) the conditions relating to the taxation of the underlying distributed income, as described in Article 203 of the Belgian Income Tax Code (the "**Article 203 ITC Taxation Condition**") are met (together, the "**Conditions for the application of the dividend received deduction regime**").

The conditions for the application of the dividend received deduction regime depend on a factual analysis and for this reason the availability of this regime should be verified upon each dividend distribution.

Belgian withholding tax is normally levied on dividends paid through a professional intermediary in Belgium. Any such Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due, subject to two conditions: (a) the taxpayer must own the Shares in full legal ownership at the time the dividends are paid or attributed, and (b) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if the company can demonstrate (I) that it has held the Shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends or (II) that during that period, the Shares have never been held in full legal ownership at any point in time by a taxpayer other than (A) a company subject to Belgian corporate tax or (B) a non-resident company having, in an uninterrupted manner, invested the Shares in a Belgian establishment.

### **1.2.2** *Organizations for Financing Pensions*

For organizations for financing pensions ("**OFPs**"), i.e., Belgian pension funds incorporated under the form of an OFP (*organisme voor de financiering van pensioenen/organisme de financement de pensions*) within the meaning of Article 8 of the Belgian Law of October 27, 2006, the dividend income is generally tax-exempt. Subject to certain limitations, any Belgian dividend withholding tax levied at source, if any, may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due.

### **1.2.3** *Other Taxable Legal Entities*

For taxpayers subject to the Belgium income tax on legal entities, the Belgian dividend withholding tax, if applied, in principle fully discharges their Belgian income tax liability in this respect. If no Belgian dividend withholding tax was withheld, the legal entity itself is responsible for the payment of the 30% Belgian withholding tax.



#### **1.2.4** *Belgian Non-resident Individuals and Companies*

For non-resident individuals and companies, dividend payments on the Shares through a professional intermediary in Belgium will, in principle, be subject to the 30 per cent withholding tax, unless the investor is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. Non-resident investors can also obtain an exemption of Belgian dividend withholding tax if they are the owners or usufructors of the Shares and they deliver an affidavit confirming that they have not allocated the Shares to business activities in Belgium and that they are non-residents, provided that the dividend is paid through a Belgian credit institution, stock market company or recognized clearing or settlement institution.

If Shares are acquired by a non-resident in connection with a business in Belgium, the investor must report any dividends received, which will be taxable at the applicable Belgian non-resident individual or corporate income tax rate(s), as appropriate. Belgian dividend withholding tax levied at source may be credited against Belgian non-resident individual or corporate income tax and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own the Shares in full legal ownership at the time the dividends are paid or attributed; and (ii) the dividend distribution may not result in a reduction in value of, or a capital loss on, the Shares. The latter condition is not applicable if (a) the non-resident individual or the non-resident company can demonstrate that the Shares were held in legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends, or (b) the non-resident company can demonstrate that, during that period, the Shares have never been held in full legal ownership at any point in time by a taxpayer other than (I) a company subject to Belgian corporate tax or (II) a non-resident company having, in an uninterrupted manner, invested the Shares in a Belgian establishment.

Dividends paid or attributed to Belgian non-resident individuals who do not use the Shares in the exercise of a professional activity, may be exempt from Belgian non-resident individual income tax up to the amount of €800 (amount applicable as of income year 2019). Consequently, if Belgian withholding tax has been levied on dividends paid or attributed to the Shares, such Belgian non-resident may request on his or her Belgian non-resident income tax return that any Belgian withholding tax levied on dividends up to the amount of €800 (amount applicable as of income year 2019) be credited and, as the case may be, reimbursed. However, if no Belgian non-resident income tax return has to be filed by the Belgian non-resident individual, any Belgian withholding tax levied on dividends up to such an amount could in principle be reclaimed by filing a request thereto addressed to the tax official to be appointed in a Royal Decree. Such a request has to be made at the latest on December 31 of the calendar year following the calendar year in which the relevant dividend(s) have been received, together with an affidavit confirming the non-resident individual status and certain other formalities which are still to be determined in a Royal Decree. For the avoidance of doubt, all dividends paid or attributed to the Belgian non-resident individual are taken into account to assess whether the maximum amount of €800 (amount applicable as of income year 2019) is reached (and hence not only the amount of dividends paid or attributed on the Shares).

Non-resident companies whose Shares are attributable to a Belgian establishment may deduct 100 per cent of the gross dividends included in their taxable profits if, at the date dividends are paid or attributed, the Conditions for the application of the dividend received deduction regime are met (see above). Application of the dividend received deduction regime depends, however, on a factual analysis to be made upon each distribution, and its availability should be verified upon each distribution.

## **2. Capital Gains and Losses on Shares**

### **2.1** *Belgian Resident Individuals*

In principle, Belgian resident individuals acquiring and holding Shares as a private investment should not be subject to Belgian capital gains tax on the disposal of Shares, and capital losses are not tax deductible.

However, capital gains realized by a private individual on the disposal of Shares are taxable at 33.0 per cent (plus local surcharges) if the capital gain is deemed to be speculative or to be realized outside the scope of the normal management of the individual's private estate. Capital losses, however, are generally not tax deductible.

Belgian resident individuals who hold Shares for professional purposes are taxable at the ordinary progressive personal income tax rates (plus local surcharges) on any capital gains realized upon the disposal of Shares, except for Shares held for more than five years, which are taxable at a separate rate of 16.5 per cent (plus local surcharges). Capital losses on Shares incurred by Belgian resident individuals who hold Shares for professional purposes are in principle, tax-deductible.

Capital gains realized by Belgian resident individuals upon the redemption of Shares or upon the liquidation of the Company will generally be taxable as a dividend (see above).

## **2.2 *Belgian Resident Companies***

Belgian resident companies are not subject to Belgian capital gains taxation on gains realized upon the disposal of Shares, provided that: (i) the Article 203 ITC Taxation Condition is met, (ii) the Belgian resident company holds Shares representing at least 10 per cent of the share capital of the Company or a participation in the Company with an acquisition value of at least €2,500,000, and (iii) the Shares have been held in full legal ownership for an uninterrupted period of at least one year.

If the one-year minimum holding period condition would not be met (but conditions (i) and (ii) are met) then the capital gains realized upon the disposal of Shares by Belgian resident companies would be taxable at a separate corporate income tax rate of 25.50 per cent (with a reduced rate of 20.40 per cent applying to the first tranche of €100,000 of taxable income of qualifying small companies), to be reduced to 25.0 per cent (and 20.0 per cent) as from assessment year 2021 for taxable periods starting at the earliest on 1 January 2020.

If the conditions (i) and/or (ii) above are not met, the capital gains realized upon the disposal of Shares in the Company by a Belgian resident company will be taxable at the ordinary corporate income tax rate as applicable in the relevant financial year.

Capital losses on Shares incurred by resident companies are, as a general rule, not tax-deductible.

Capital gains realized by Belgian resident companies upon the redemption of Shares or upon the liquidation of the Company will, in principle, be subject to the same taxation regime as dividends (see above).

Shares held in the trading portfolios of qualifying credit institutions, investment enterprises and management companies of undertakings for collective investment are subject to a different tax regime. The capital gains realized by these investors will be subject to corporate income tax at general rates, and capital losses are tax-deductible. Internal transfers to and from the trading portfolio are assimilated to a realization.

## **2.3 *Organizations for Financing Pensions***

OFPs are, in principle, not subject to Belgian capital gains taxation realized upon the disposal of the Shares, and capital losses are not tax deductible.

However, in general, capital gains realized by Belgian resident OFPs upon the redemption of Shares or upon the liquidation of the Company will, in principle, be subject to the same taxation regime as dividends (see above).

## **2.4 *Other Taxable Legal Entities***

Belgian resident legal entities subject to the legal entities income tax are, in principle, not subject to Belgian capital gains taxation on the disposal of Shares. Capital losses on Shares incurred by Belgian resident legal entities are not tax deductible.

Capital gains realized by Belgian resident legal entities upon the redemption of Shares or upon the liquidation of the Company will, in principle, be taxed as dividends (see above).

## **2.5 Belgian Non-resident Individuals**

Capital gains realized on the Shares by a non-resident individual that has not acquired and held the Shares in connection with a business conducted in Belgium through a Belgium establishment are, in principle, not subject to taxation, unless the gain is deemed to be realized outside the scope of the normal management of the individual's private estate and the capital gain is obtained or received in Belgium. In such a case the gain is subject to a final professional withholding tax of 30.28 per cent (to the extent that Articles 90.1° and 248 of the Belgian Income Tax Code 1992 are applicable).

However, Belgium has concluded tax treaties with more than 90 countries which generally provide for a full exemption from Belgian capital gains taxation on such gains realized by residents of those countries. Capital losses are generally not tax deductible.

Capital gains realized by Belgian non-resident individuals upon the redemption of Shares or upon the liquidation of the Company will generally be treated as a dividend income (see above).

Capital gains will be taxable at the ordinary progressive income tax rates and capital losses will be tax deductible, if those gains or losses are realized on Shares by a non-resident individual that holds Shares in connection with a business conducted in Belgium through a Belgian establishment.

## **2.6 Belgian Non-resident Companies or Entities**

Capital gains realized on the Shares by non-resident companies or non-resident entities that have not acquired the Shares in connection with a business conducted in Belgium through a Belgium establishment are, in principle not subject to taxation and losses are not tax deductible.

Capital gains realized by non-resident companies or other non-resident entities that hold the Shares in connection with a business conducted in Belgium through a Belgium establishment are generally subject to the same regime as Belgian similar entities (see above).

## **3. Tax on Stock Exchange Transactions**

No tax on stock exchange transactions is due upon subscription to Shares (primary market transactions).

The purchase and the sale and any other acquisition or transfer for consideration of existing Shares (secondary market transactions) is subject to the Belgian tax on stock exchange transactions (*taks op de beursverrichtingen/taxe sur les opérations de bourse*) if (i) it is executed in Belgium through a professional intermediary, or (ii) it is deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium (both referred to as a "**Belgian Investor**").

The tax on stock exchange transactions is levied at a rate of 0.35 per cent of the purchase price, capped at €1,600 per transaction and per party.

A separate tax is due by each party to the transaction, and both taxes are collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax will in principle be due by the Belgian Investor, unless that Belgian Investor can demonstrate that the tax has already been paid. Professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian stock exchange tax representative ("**Stock Exchange Tax Representative**"), which will be liable for the tax on stock exchange transactions in respect of the transactions executed through the professional

intermediary. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transaction.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided they are acting for their own account: (i) professional intermediaries described in Article 2.9° and 10° of the Belgian Law of August 2, 2002 on the supervision of the financial sector and financial services; (ii) insurance companies described in Article 2, §1 of the Belgian Law of July 9, 1975 on the supervision of insurance companies; (iii) pension institutions referred to in Article 2.1° of the Belgian Law of October 27, 2006 concerning the supervision of pension institutions; (iv) undertakings for collective investment; (v) regulated real estate companies; and (vi) Belgian non-residents provided they deliver a certificate to their financial intermediary in Belgium confirming their non-resident status.

On February 14, 2013, the EU Commission adopted the Draft Directive on a FTT. The Draft Directive currently stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The Draft Directive is still subject to negotiation between the Participating Member States and therefore may be changed at any time.

#### **4. Annual tax on securities accounts**

Belgian resident and non-resident individuals are subject to a tax on securities account (*taks op de effectenrekeningen/taxe sur les comptes-titres*) at a rate of 0.15 per cent on their share in the average value of qualifying financial instruments (i.e. shares, share certificates, bonds, bond certificates, units or shares in investment funds or companies (except if acquired or subscribed to in the context of a life insurance or pension savings arrangement), medium-term notes (*kasbons/bons de caisse*) and warrants) held on one or more securities accounts with one or more financial intermediaries during a reference period of 12 consecutive months starting on October 1, and ending on September 30, of the subsequent year (“**Tax on Securities Accounts**”). The Tax on Securities Accounts is not due if the investor’s share in the average value of the qualifying financial instruments on those accounts amounts to less than €500,000. If, however, the holder’s share in the average value of the qualifying financial instruments on those accounts amounts to €500,000 or more, the Tax on Securities Accounts is due on the entire share of the holder in the average value of the qualifying financial instruments on those accounts (and hence, not only on the part which exceeds the €500,000 threshold).

Qualifying financial instruments held by non-resident individuals on securities accounts with a financial intermediary established or located in Belgium fall within the scope of the Tax on Securities Accounts. Note that, pursuant to certain double tax treaties entered into by Belgium, Belgium has no right to tax capital. Hence, to the extent the Tax on Securities Accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty override may, subject to certain conditions, be claimed.

A financial intermediary is defined as (i) a credit institution or a listed company as defined by Article 1, §2 and §3 of the Law of April 25, 2014 on the legal status and supervision of credit institutions and listed companies and (ii) the investment companies as defined by Article 3, §1 of the Law of October 25, 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are pursuant to national law admitted to hold financial instruments for the account of customers.

The Tax on Securities Accounts is, in principle, due by the financial intermediary established or located in Belgium if (a) the holder’s share in the average value of the qualifying financial instruments held on one or more securities accounts with said intermediary amounts to €500,000 or more or (b) the holder instructed the financial intermediary to levy the Tax on Securities Accounts due (e.g. in case such holder holds qualifying financial instruments on several securities accounts held with multiple intermediaries of which the average value of each of these accounts does not amount to €500,000 or more but of which the holder’s share in the total

average value of these accounts exceeds €500,000). If the Tax on Securities Accounts is not paid by the financial intermediary, such Tax on Securities Accounts has to be declared and is due by the holder itself, unless the holder provides evidence that the Tax has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint a Tax on the Securities Accounts representative in Belgium, subject to certain conditions and formalities (“**Tax on the Securities Accounts Representative**”). Such Tax on the Securities Accounts Representative will then be liable towards the Belgian Treasury for the Tax on the Securities Accounts due and for complying with certain reporting obligations in that respect.

Belgian resident individuals have to report in their annual income tax return all their securities accounts held with one or more financial intermediaries of which they are considered the holder within the meaning of the Tax on Securities Accounts. Non-resident individuals have to report in their annual Belgian non-resident income tax return all their securities accounts held with one or more financial intermediaries established or located in Belgium of which they are considered the holder within the meaning of the Tax on Securities Accounts.

Prospective investors are strongly advised to seek their own professional advice in relation to the Tax on Securities Accounts.

## **B. GREEK TAXATION**

The following paragraphs describe the material Greek tax consequences of (i) the Share Exchange Offer to holders of Existing Shares, (ii) the Greek Statutory Squeeze-out to holders of Existing Shares, (iii) the Greek Statutory Sell-out to holders of Existing Shares, and (iv) the ownership of Shares received in the Share Exchange Offer, or the Greek Statutory Squeeze-out or the Greek Statutory Sell-out, if Existing Shares are properly elected to be received instead of cash. If the Shares are held by individuals or legal persons or entities, which are not tax-resident in Greece and do not maintain a permanent establishment in Greece, no ongoing tax consequences should be anticipated from a Greek tax perspective.

This description is based, as applicable, on the tax laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions of Greece as in effect on the date of the Prospectus, which are subject to change (or subject to changes in interpretations and/or introduction of new taxes and relevant charges), possibly with retroactive effect. The summary below takes into account the most recent changes to the Greek Income Tax Code, and it does not take into account or discuss the tax laws of any jurisdiction other than Greece. Investors are advised to consult their own tax advisors as to Greek or other tax consequences of the Share Exchange Offer, the Greek Statutory Squeeze-out, the Greek Statutory Sell-out, acquisition, ownership and disposition of Shares in their particular circumstances. Tax consequences may differ depending upon the application of the provisions of different double taxation treaties and the investor’s particular circumstances.

### **1. Tax Considerations Related to the Share Exchange Offer**

Holders of Existing Shares who tender their securities for New Shares pursuant to the Share Exchange Offer by a broker, dealer, commercial bank, trust company or other nominee will be responsible for any fees or commissions such nominees may charge in connection with such tender. Holders of Existing Shares who tender their securities pursuant to the Share Exchange Offer will also be responsible for all governmental charges and taxes payable in connection with such tender. As derived from the letter of the Greek Independent Authority for Public Revenue dated November 19, 2018, the Greek Ministry of Finance confirmed that holders of Existing Shares will not have to pay the Greek transaction tax of 0.2 per cent under Article 9 of Greek Law 2579/1998 as the transfer of Existing Shares in consideration for New Shares does not qualify as a sale pursuant to such law.

In addition, capital gains resulting from the transfer of Existing Shares pursuant to the Share Exchange Offer will be added to the business income of the transferor, and if such transferor is either a Greek legal person or a Greek legal entity or a permanent establishment of a foreign legal person or entity in Greece, such business income will be taxed at the applicable corporate income tax rate, currently of 28 per cent for the fiscal year

started on January 1, 2019 and ending December 31, 2019 (such tax rate falling to 27 per cent for the fiscal year ending December 31, 2020, 26 per cent for the fiscal year ending December 31, 2021, 25 per cent for the fiscal year ending December 31 2022 and subsequent fiscal years). If a Greek legal person or entity or a permanent establishment of a foreign legal person or entity in Greece realizes within a fiscal year business losses, such losses may be carried forward for the next five years to be offset against future business profits. Foreign legal persons or legal entities that are non-Greek tax residents are exempt from Greek corporate income tax on capital gains, unless they have a permanent establishment in Greece to which the income from the transfer of Existing Shares may be attributed.

If the capital gains beneficiary from the transfer of Existing Shares pursuant to the Share Exchange Offer is an individual holding at least 0.5 per cent interest in the share capital of Titan and the Existing Shares transferred were acquired after January 1, 2009, such beneficiary will be subject to capital gains tax at a rate of 15 per cent. Capital gains from transfer of Existing Shares pursuant to the Share Exchange Offer realized by individuals holding less than 0.5 per cent of the share capital of Titan are exempt from Greek capital gains income tax. If losses result from the transfer of Existing Shares, according to the relevant provisions regarding the calculation and the taxation of capital gains, individuals can carry forward such losses for the next five years to be offset against future capital gains resulting from the transfer of the assets specified in the law, such as securities and derivatives. If the capital gains beneficiary is an individual who is tax resident in a jurisdiction with which Greece has entered into a treaty for the avoidance of double taxation (“**DTT**”), such beneficiary will be exempted from Greek income tax in respect of such capital gains, provided that the beneficiary will submit to the tax authorities (or the custodian) the documents evidencing the beneficiary’s tax residence (tax residence certificate according to the provisions of the applicable DTT).

## **2. Tax Considerations Related to the Greek Statutory Squeeze-Out and the Greek Statutory Sell-Out**

The transfer of Existing Shares is generally subject to a transaction tax levied at the rate of 0.2 per cent on the transfer value on the date of the Greek Statutory Squeeze-out or Greek Statutory, Sell-out, according to Article 9 of Greek Law 2579/1998, as amended pursuant to Article 30 of Greek Law 4569/2018. Such value is expected to be equal to the product of the number of the tendered and transferred Existing Shares multiplied by the closing market price for one Existing Share on the ATHEX on the day the documents required for such transfer are submitted to the HCSD (such date is expected to be on or around the second business day after the end of the Acceptance Period for the Share Exchange Offer) payable by the holder thereof. For the 0.2 per cent transaction tax no relief may be granted under a DTT. Based on the letter of the Greek Independent Authority for Public Revenue mentioned above, no transaction tax is expected to be payable by holders of Existing Shares who elect to receive New Shares rather than cash consideration in the Greek Statutory Squeeze-out and/or the Greek Statutory Sell-out. For holders of Existing Shares who elect to receive cash consideration in the Greek Statutory Squeeze-out and/or the Greek Statutory Sell-out, this transaction tax will be deducted from the cash consideration receivable. Capital gains realized as a result of the transfer of Existing Shares in the Greek Statutory Squeeze-out and/or the Greek Statutory Sell-out will be treated as described above under “—*Tax Considerations Related to the Share Exchange Offer.*”

## **3. Tax Considerations Related to the holding of Shares by Greek Tax Residents**

### **3.1 *Income Tax on Dividends***

#### **3.1.1 *Income Tax for Individuals***

As of January 1, 2019, Greek tax residents are subject to income tax currently at a rate of 10 per cent on the gross amount of dividends received as per the Greek Income Tax Code, unless a lower tax rate applies under any applicable DTT. This tax exhausts the income tax liability of the recipient for this income. The tax is either withheld by the intermediary bank or paid by the beneficiary along with the tax on its annual income after the submission of his/her annual income tax return. Under the Greek Income Tax Code and the DTT between Greece and Cyprus, a natural person who is a Greek tax resident will not be entitled to deduct from the amount

of tax due the corporation tax paid by the Company, which relates to the profits out of which the dividend is paid.

If the total income of a Greek tax resident individual exceeds €12,000, dividends — along with such individual's other income — are in addition subject to a special solidarity contribution, the current rates of which range from 2.2 per cent to 10 per cent depending on the total amount of the individual's income.

### **3.1.2** *Income Tax for Legal Persons or Entities*

Dividends received by Greek-resident legal persons or entities are taxed based on the general corporate income tax provisions, currently at a rate of 28 per cent for the fiscal year started on January 1, 2019 and ending on December 31, 2019. Exceptionally, credit institutions which are Greek tax resident are taxed at a rate of 29 per cent and no tax rate reduction is provided for the following years.

Under the Greek Income Tax Code, a Greek tax resident legal person or entity will be entitled to deduct (i) from the amount of tax due the corporation tax paid by the Company, which relates to the profits out of which the dividend is paid, and (ii) the amount of the withholding tax levied by the state of tax residence of the Company (if applicable) up to the amount of the corresponding Greek tax.

## **3.2** *Income Tax Upon Disposal of Shares*

### **3.2.1** *Individuals*

The disposal of Shares by Greek tax-resident individuals of Shares pursuant to transactions executed on Euronext Brussels, ATHEX or Euronext Paris or over-the-counter will be subject to 0.2 per cent transaction tax under Article 9 of Greek Law 2579/1998, calculated on the sale value of the Shares, absent which on the closing market price for the Shares on the day the transaction is executed, while any capital gains realized as a result of such a transfer of Shares will be treated as described above under “—*Tax Considerations Related to the Share Exchange Offer.*” With respect to sales of Shares executed on Euronext Brussels or Euronext Paris, this transaction tax is calculated on the sale value recorded in the relevant transaction receipts and payable by the seller with fifteen days of the month which follows the month during which the relevant transaction was executed. With respect to sales of Shares executed in Greece and (i) settled through the HCSD, this transaction tax is calculated and withheld by the HCSD on a daily basis and remitted by it to the tax authorities on behalf of the relevant seller, (ii) settled other than through the HCSD, this transaction tax is calculated by and levied on the HCSD participant or other intermediary which intermediates in the sale on behalf of the relevant seller.

In addition, if the total income of a Greek resident individual exceeds €12,000, any capital gain resulting from the disposal of Shares — along with such individual's other income — is in addition subject to a special solidarity contribution, the current rates of which range from 2.2 per cent to 10 per cent depending on the total amount of the individuals' income.

### **3.2.2** *Legal Persons or Entities*

The disposal of Shares by Greek resident legal persons or entities or foreign legal persons or entities having a permanent establishment in Greece of Shares pursuant to transactions executed on Euronext Brussels, ATHEX or Euronext Paris or over-the-counter will be subject to 0.2 per cent transaction tax under Article 9 of Greek Law 2579/1998, calculated on the transfer price of such shares, while any capital gains realized as a result of such a transfer of Shares will be treated as described above under “—*Tax Considerations Related to the Share Exchange Offer.*”

Payment of such tax will be effected as described under “—*Individuals.*”

### 3.3 *Gift and Inheritance Taxes*

For the purposes of Greek inheritance and gift tax, the Shares qualify as movable property located outside Greece.

The inheritance of Shares that belonged to a Greek citizen or that belonged to any other person whose last domicile prior to the inheritance was in Greece will be subject to Greek inheritance tax. Subject to specific exemptions or any applicable tax treaties for inheritance tax, the inheritance of Shares that belonged to a Greek citizen domiciled outside Greece for at least ten consecutive years is exempt from Greek inheritance tax.

The gift of Shares by a Greek citizen, by a foreign citizen to a Greek citizen, or to a foreign citizen domiciled in Greece, will also be subject to Greek tax.

The categories of rates for inheritance and gift tax depend on the relationship of the beneficiary to the deceased or donor. The rates are higher for more distant relatives and unrelated persons.

## C. CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

### 1. General

The following discussion is a summary of certain U.S. federal income tax consequences of (i) the Share Exchange Offer to holders of Existing Shares that participate in the Share Exchange Offer, (ii) the Greek Statutory Squeeze-out to holders of Existing Shares, (iii) the Greek Statutory Sell-out to holders of Existing Shares, and (iv) the ownership of New Shares received in the Share Exchange Offer, the Greek Statutory Squeeze-out or the Greek Statutory Sell-out, if New Shares are properly elected to be received instead of cash, in each case by a U.S. Holder or non-U.S. Holder (each as defined below), but does not purport to be a complete analysis of all potential tax effects of each of these transactions. This section assumes that (i) the conditions (as described in “*Part VII: Information on the Share Exchange Offer, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out—Conditions to the Share Exchange Offer*”) are met in order to proceed with the Share Exchange Offer (and, with respect to consequences of the Greek Statutory Squeeze-out or the Greek Statutory Sell-out, the conditions for the Greek Statutory Squeeze-out or the Greek Statutory Sell-out are also met) and (ii) holders of Existing Shares that participate in the Share Exchange Offer, or participate in the Greek Statutory Squeeze-out or the Greek Statutory Sell-out and properly elect to receive New Shares, have not entered into any binding obligation or commitment to sell the New Shares received.

This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the “**Code**”), existing and proposed U.S. Treasury regulations promulgated thereunder, administrative rulings and judicial interpretations thereof, as well as on the Convention Between the Government of The United States of America and the Government of the Kingdom of Belgium for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Taxes on Income (the “**Treaty**”), all as of the date hereof and all of which are subject to change, possibly on a retroactive basis.

This summary is limited to U.S. Holders and non-U.S. Holders that hold the Existing Shares as capital assets (generally, property held for investment) and, if acquiring New Shares, will hold the New Shares as capital assets. This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to an investor in light of its individual circumstances, for example, an investor subject to special tax rules (e.g., banks, thrifts, real estate investment trusts, regulated investment companies, insurance companies, dealers in securities or currencies, expatriates, tax-exempt investors, holders that own (directly, indirectly or by attribution) 5 per cent or more (by vote or value) of Titan or the Company’s stock, U.S. Holders whose functional currency is not the U.S. dollar, or holders that hold Shares as a position in a “straddle,” as part of a “synthetic security” or “hedge,” as part of a “conversion transaction” or other integrated investment, holders that are, or hold their Shares through, partnerships (or other pass-through entities) or U.S. expatriates and former long-term residents of the United States). This summary does not address tax consequences applicable to holders of equity interests



in a holder of the Shares, U.S. federal estate, gift, alternative minimum tax considerations, Medicare contribution tax considerations, or non-U.S., state or local tax considerations.

For purposes of this summary, a “**U.S. Holder**” means a beneficial owner of Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized in or under the laws of the United States or any state thereof, or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust, (a) the administration of which is subject to the primary supervision of a court within the United States and for which one or more U.S. persons have the authority to control all substantial decisions or (b) that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person. A “**Non-U.S. Holder**” is a beneficial owner of Shares that is neither a U.S. Holder nor a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes).

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Shares, the U.S. federal income tax treatment of a partner in a partnership will generally depend upon the status of the partner and the activities of the partnership. A partnership or a partner in a partnership holding Shares should consult its tax advisor concerning the U.S. federal income and other tax consequences of the ownership and disposition of Shares.

**THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING, AND DISPOSING OF, THE SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

## **2. The Share Exchange Offer**

### **2.1 *General Tax Consequences of the Share Exchange Offer***

The exchange offer will qualify as a tax-free exchange under the Code.

Subject to the subsequent receipt of cash, if any, in the Greek Statutory Squeeze-out or the Greek Statutory Sell-out discussed below in “—*The Greek Statutory Squeeze-out and Greek Statutory Sell-out—Receipt of Cash and New Shares for Existing Shares*” and certain rules relating to a passive foreign investment company (“**PFIC**”) discussed below in “—*Certain PFIC Considerations Related to the Share Exchange Offer, Greek Statutory Squeeze-out, and Greek Statutory Sell-out,*” the following U.S. federal income tax consequences will result to a U.S. holder or Non-U.S. Holder from the exchange offer:

- Such holder will not recognize gain or loss upon receipt of New Shares in exchange for Existing Shares in the exchange offer;
- Such holder’s aggregate basis in the New Shares received in the exchange offer will be equal to such holder’s aggregate tax basis in the Existing Shares surrendered; and
- Such holder’s holding period for the New Shares received in the exchange offer will include such holder’s holding period for the Existing Shares surrendered.

Holders should consult their own tax advisors as to the U.S. federal income tax consequences of any Greek tax required to be paid in respect of the exchange offer.

## **2.2**      *The Greek Statutory Squeeze-out and Greek Statutory Sell-out*

### **2.2.1**      *Receipt of Cash for Existing Shares*

#### **2.2.1.1**      *U.S. Holders*

Subject to the discussion of the receipt of both cash and New Shares in exchange for Existing Shares below in “—*Receipt of Cash and New Shares for Existing Shares*” and the PFIC rules discussed below in “—*Certain PFIC Considerations Related to the Share Exchange Offer, Greek Statutory Squeeze-out, and Greek Statutory Sell-out,*” a U.S. holder that receives cash in exchange for Existing Shares pursuant to the Greek Statutory Squeeze-out or the Greek Statutory Sell-out will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. dollar value of cash received and such holder’s tax basis, determined in U.S. dollars, in the Existing Shares surrendered. Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year. The gain or loss will generally be gain or loss from sources within the United States for foreign tax credit limitation purposes.

Holders should consult their own tax advisors as to the U.S. federal income tax consequences of any Greek tax required to be paid in respect of the Greek Statutory Squeeze-out or the Greek Statutory Sell-out.

#### **2.2.1.2**      *Non-U.S. Holders*

A Non-U.S. Holder that receives cash in exchange for all or some of such holder’s Existing Shares pursuant to the Greek Statutory Squeeze-out or the Greek Statutory Sell-out will not be subject to U.S. federal income tax on gain recognized on the exchange of such shares unless (i) the gain is “effectively connected” with such holder’s conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment that the holder maintains in the United States if that is required by an applicable income tax treaty as a condition for subjecting the holder to U.S. federal income taxation on a net basis with respect to such gain, or (ii) such holder is an individual, and the holder is present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist.

### **2.2.2**      *Receipt of New Shares for Existing Shares*

The receipt of New Shares in exchange for Existing Shares pursuant to the Greek Statutory Squeeze-out or the Greek Statutory Sell-out should qualify as a tax-free transaction for U.S. federal income tax purposes and the Company intends to treat it as such. However, this conclusion is not free from doubt and no ruling has been or will be sought from the U.S. Internal Revenue Service (the “**IRS**”) as to the U.S. federal income tax consequences of the Greek Statutory Squeeze-out or the Greek Statutory Sell-out. Accordingly, there can be no assurances that the IRS will not disagree with or challenge any of the conclusions described herein. If the receipt of New Shares in exchange for Existing Shares pursuant to the Greek Statutory Squeeze-out or the Greek Statutory Sell-out fails to qualify as a tax-free transaction for U.S. federal income tax purposes, a holder of Existing Shares would be treated for U.S. federal income tax purposes in the same manner as if the holder had received an amount of cash equal to the fair market value of the New Shares received. The U.S. federal income tax consequences to a holder that receives cash for such holder’s Existing Shares is discussed above in “—*Receipt of Cash for Existing Shares.*” Holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of such an exchange in their particular circumstances.

The following paragraphs in this section “—*Receipt of New Shares for Existing Shares*” assume that the receipt of New Shares in exchange for Existing Shares pursuant to the Greek Statutory Squeeze-out or the Greek Statutory Sell-out will qualify as a tax-free transaction for U.S. federal income tax purposes.

Subject to the discussion of the receipt of both cash and New Shares in exchange for Existing Shares below in “—*The Greek Statutory Squeeze-out and Greek Statutory Sell-out—Receipt of Cash and New Shares for Existing Shares*” and the PFIC rules discussed below in “—*Certain PFIC Considerations Related to the Share Exchange Offer, Greek Statutory Squeeze-out, and Greek Statutory Sell-out,*” the following U.S. federal income

tax consequences will result to a U.S. holder or Non-U.S. Holder from the receipt of New Shares in exchange for Existing Shares pursuant to the Greek Statutory Squeeze-out or the Greek Statutory Sell-out:

- Such holder will not recognize gain or loss upon receipt of New Shares in exchange for Existing Shares in the Greek Statutory Squeeze-out or the Greek Statutory Sell-out;
- Such holder's aggregate basis in the New Shares received in the Greek Statutory Squeeze-out or the Greek Statutory Sell-out will be equal to such holder's aggregate tax basis in the Existing Shares surrendered; and
- Such holder's holding period for the New Shares received in the Greek Statutory Squeeze-out or the Greek Statutory Sell-out will include such holder's holding period for the Existing Shares surrendered.

Holders should consult their own tax advisors as to the U.S. federal income tax consequences of any Greek tax required to be paid in respect of the Greek Statutory Squeeze-out or the Greek Statutory Sell-out.

### **2.2.3** *Receipt of Cash and New Shares for Existing Shares*

A holder that receives (i) cash and (ii) New Shares in exchange for such holder's Existing Shares pursuant to the Greek Statutory Squeeze-out or the Greek Statutory Sell-out (such exchange, a "**Mixed Consideration Exchange**") may, depending on such holder's particular circumstances, be subject to different U.S. federal income tax treatment than described above in "*—General Tax Consequences of the Share Exchange Offer,*" "*—Receipt of Cash for Existing Shares*" and "*—Receipt of New Shares for Existing Shares.*" A Mixed Consideration Exchange should qualify as a tax-free transaction for U.S. federal income tax purposes (subject to any gain recognized as discussed below) and the Company intends to treat a Mixed Consideration Exchange as such. However, this conclusion is not free from doubt and no ruling has been or will be sought from the IRS as to the U.S. federal income tax consequences of a Mixed Consideration Exchange. Accordingly, there can be no assurances that the IRS will not disagree with or challenge any of the conclusions described herein. If a Mixed Consideration Exchange fails to qualify as a tax-free transaction for U.S. federal income tax purposes, a holder participating in a Mixed Consideration Exchange may be treated as if the receipt of cash and the receipt of New Shares were separate transactions. The U.S. federal income tax consequences to each such transaction may be as described in the relevant sections above under the headings "*—Receipt of Cash for Existing Shares*" and "*—Receipt of New Shares for Existing Shares,*" although holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of their particular Mixed Consideration Exchange in light of their particular circumstances.

The following paragraphs in this section "*—Receipt of Cash and New Shares for Existing Shares*" assume that a Mixed Consideration Exchange will qualify as a tax-free transaction for U.S. federal income tax purposes (subject to any gain recognized as discussed below). Subject to the PFIC rules discussed below in "*—Certain PFIC Considerations Related to the Share Exchange Offer, Greek Statutory Squeeze-out, and Greek Statutory Sell-out,*" the U.S. federal income tax consequences to a holder participating in a Mixed Consideration Exchange are as follows:

- gain (but not loss) will be recognized by a U.S. holder and a Non-U.S. Holder meeting the gain recognition requirements for U.S. federal income tax purposes described above in "*—Receipt of Cash for Existing Shares—Non-U.S. Holders*" on the cash received in an amount equal to the lesser of (i) the amount by which the sum of the fair market value of the New Shares and cash received by such holder exceeds such holder's basis in its Existing Shares, and (ii) the amount of cash received by such holder;
- the aggregate basis of the New Shares will be the same as the aggregate basis of the Existing Shares exchanged, decreased by the amount of cash received and increased by the amount of gain recognized; and

- the holding period of the New Shares received in exchange for the Existing Shares will include the holding period of the Existing Shares exchanged.

Holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of a Mixed Consideration Exchange in their particular circumstances, in particular with respect to the amount and character of any income recognized.

Holders should consult their own tax advisor as to the U.S. federal income tax consequences of any Greek tax required to be paid in respect of the Greek Statutory Squeeze-out or the Greek Statutory Sell-out.

### **2.3 *Certain PFIC Considerations Related to the Share Exchange Offer, Greek Statutory Squeeze-out, and Greek Statutory Sell-out***

A non-U.S. corporation generally will be treated as a PFIC for U.S. federal income tax purposes for any taxable year if either (i) at least 75 per cent of its gross income for the taxable year is “passive income” or (ii) at least 50 per cent of the value, determined on the basis of a quarterly average, of its assets during such year produce or are held for the production of passive income.

Passive income generally includes dividends, interest, royalties, rents (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If a non-U.S. corporation owns at least 25 per cent by value of the stock of another corporation, the non-U.S. corporation generally is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation, and as receiving directly its proportionate share of the other corporation's income.

Titan does not believe that it was a PFIC for the year ended December 31, 2018 and does not expect that it will be a PFIC at the time of the Share Exchange Offer. If Titan were a PFIC with respect to a U.S. Holder of Existing Shares at the time of the Share Exchange Offer, then such U.S. Holder may be required to recognize gain, and may be subject to special rules in respect of any gain recognized, as a result of participating in the Share Exchange Offer, Greek Statutory Squeeze-out or the Greek Statutory Sell-out.

The remainder of this summary assumes that Titan is not a PFIC with respect to any U.S. Holder at the time of the Share Exchange Offer.

## **3. *Ownership of New Shares by U.S. Holders***

### **3.1 *Dividends***

#### **3.1.1 *General***

Subject to the PFIC rules discussed below, any distribution of cash or property with respect to New Shares (including any amount of any Belgian tax withheld) will generally be treated as a dividend to the extent paid out of the Company's current and accumulated earnings and profits, as determined under U.S. federal income tax principles, and will be includible in the gross income of a U.S. Holder on the date the distribution is actually or constructively received. The Company does not intend to maintain calculations of its earnings and profits under U.S. federal income tax principles; therefore, any distribution (including for the avoidance of doubt any amount of any Belgian withholding tax) will generally be reported as a “dividend” for U.S. federal income tax purposes. Any such dividend income will not be eligible for the dividends-received deduction allowed to corporate U.S. holders.

Dividends received by individuals and certain other non-corporate U.S. Holders should be taxed at the preferential rate applicable to qualified dividend income if (i) the Company qualifies for the benefits of a comprehensive income tax treaty with the United States, which the Company believes it does, (ii) the Company is not classified as a PFIC in the year of distribution or the preceding year, which the Company does not expect

to be, and (iii) the holder has held the New Shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date. No assurance can be given that the Company will be eligible for the benefits of a comprehensive income tax treaty with the United States.

The amount of any dividend paid in Euros will be the U.S. dollar amount calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the payment is, in fact, converted into U.S. dollars. If the dividend is converted into U.S. dollars on the date of receipt, U.S. Holders generally will not be required to recognize foreign currency gain or loss in respect of the dividend income. However, a U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt. The gain or loss will be equal to the difference, if any, between (a) the U.S. dollar value of the amount included in income when the dividend was received, and (b) the amount received on the conversion of Euros into U.S. dollars. Generally, any such gain or loss will be treated as ordinary income or loss and generally will be treated as U.S. source income. U.S. Holders are encouraged to consult their tax advisors regarding the treatment of foreign currency gain or loss on any Euros received that is converted into U.S. dollars on a date subsequent to the date of receipt.

### **3.1.2**      *Effect of Belgian Withholding Taxes, if any*

As discussed above in “—*Belgian Taxation*” under current law, payments of dividends by the Company to foreign investors via a professional intermediary in Belgium are subject to a 30 per cent Belgian withholding tax. The rate of withholding tax applicable to U.S. Holders that are eligible for benefits under the Treaty is reduced to a maximum of 15 per cent. For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of Belgian taxes withheld by the professional intermediary in Belgium, if any, and as then having paid over the withheld taxes to the Belgian taxing authorities. As a result of this rule, the amount of dividend income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of dividends may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Company with respect to the payment.

A U.S. Holder generally will be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Belgian income taxes withheld by the professional intermediary in Belgium, if any. U.S. Holders that are eligible for benefits under the Treaty will not be entitled to a foreign tax credit for the amount of any Belgian taxes withheld in excess of the 15 per cent maximum rate, and with respect to which the holder is entitled to obtain a refund from the Belgian taxing authorities.

Dividends paid by the Company generally will constitute foreign source income and will, depending on the circumstances of the U.S. Holder, be either in the “passive category income” or “general category income” baskets. If a U.S. Holder receives a dividend from the Company that qualifies for the preferential rate described above under “—*Dividends—General*,” the amount of the dividend taken into account in calculating the foreign tax credit limitation will in general be limited to the gross amount of the dividend, multiplied by the preferential rate divided by the highest rate of tax normally applicable to dividends. In certain circumstances, a U.S. Holder may be unable to claim foreign tax credits (and may instead be allowed deductions) for foreign taxes imposed on a dividend if the U.S. Holder has not held the New Shares for at least 16 days in the 31-day period beginning 15 days before the ex-dividend date.

U.S. Holders that are accrual basis taxpayers, and who do not otherwise elect, must translate Belgian taxes into U.S. dollars at a rate equal to the average exchange rate for the taxable year in which the taxes accrue, while all U.S. Holders must translate taxable dividend income into U.S. dollars at the spot rate on the date received. This difference in exchange rates may reduce the U.S. dollar value of the credits for Belgian taxes relative to the U.S. Holder’s U.S. federal income tax liability attributable to a dividend. However, cash basis and electing accrual basis U.S. Holders may translate Belgian taxes into U.S. dollars using the exchange rate in effect on the day the taxes were paid. Any such election by an accrual basis U.S. Holder will apply for the taxable year in which it is made, as well as all subsequent taxable years, unless revoked with the consent of the IRS.

Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of Belgian taxes.

### **3.2**      *Sale or other Disposition*

Subject to the PFIC rules discussed below, a U.S. Holder will recognize gain or loss for U.S. federal income tax purposes upon a sale or other disposition of its New Shares in an amount equal to the difference, if any, between the amount realized from such sale or disposition and the U.S. Holder's adjusted tax basis in such New Shares. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the New Shares have been held for more than one year (taking into account the U.S. Holder's holding period for the Existing Shares surrendered as applicable). Long-term capital gain of non-corporate U.S. Holders is generally subject to favorable rates of tax. The deductibility of capital losses is subject to limitations.

A U.S. Holder's tax basis in a New Share will be as described in the relevant section above "*General Tax Consequences of the Share Exchange Offer*," "*—The Greek Statutory Squeeze-out and Greek Statutory Sell-out—Receipt of New Shares for Existing Shares*," or "*—The Greek Statutory Squeeze-out and Greek Statutory Sell-out—Receipt of Cash and New Shares for Existing Shares*." The amount realized on a sale or other disposition of New Shares for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or other disposition. On the settlement date, the U.S. Holder will recognize U.S.-source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. Alternatively, in the case of New Shares traded on an established securities market that are sold by a cash basis U.S. Holder, or an accrual basis U.S. Holder that so elects, the amount realized will be based on the exchange rate in effect on the settlement date for the sale or other disposition, and no exchange gain or loss will be recognized at that time. If an accrual basis U.S. Holder makes the election, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

### **3.3**      *Passive Foreign Investment Company Considerations*

Certain adverse tax consequences could apply to a U.S. Holder if the Company is treated as a PFIC for any taxable year during which the U.S. Holder holds New Shares. The Company does not expect to become a PFIC for the current year, but its possible status as a PFIC must be determined annually and therefore may be subject to change.

If the Company were to be treated as a PFIC, U.S. Holders would generally be required (i) to pay a special U.S. addition to tax on certain distributions by the Company and any gains on a sale of the New Shares, (ii) to pay tax on any gain from the sale of New Shares at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain, and (iii) comply with additional reporting requirements in respect of their New Shares. Additionally, dividends paid by the Company would not be eligible for the preferential rate of tax described above under "*—Dividends—General*."

New Shares will be treated as stock in a PFIC if Titan were a PFIC at any time during the relevant holder's holding period of the Existing Shares, even if the Company is not currently a PFIC.

Prospective purchasers should consult their tax advisors regarding the potential application of the PFIC regime and the availability of any election to mitigate the adverse tax consequences of the PFIC regime.

## **4.      Ownership of New Shares by Non-U.S. Holders**

Subject to the backup withholding rules described below, a Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any distributions made on the New Shares or gain from the sale or other disposition of the New Shares unless: unless (i) the gain is "effectively connected" with such holder's conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment that the holder maintains in the United States if that is required by an applicable income tax treaty as a condition for

subjecting the holder to U.S. federal income taxation on a net basis with respect to such gain, or (ii) such holder is an individual, and the holder is present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist.

## **5. Specified Foreign Financial Asset Reporting**

Certain U.S. Holders may be required to submit to the IRS certain information with respect to their beneficial ownership of the Shares, if such Shares are not held on their behalf by certain financial institutions. Penalties may be imposed on a U.S. Holder if such U.S. Holder is required to submit such information to the IRS and fails to do so. U.S. Holders should consult their tax advisors to determine whether they are subject to any specified foreign asset reporting requirements.

## **6. U.S. Information Reporting and Backup Withholding Tax**

Payments made through a U.S. paying agent or U.S. intermediary to a U.S. Holder may be subject to information reporting unless the U.S. Holder establishes that payments to it are exempt from these rules. Payments that are subject to information reporting may be subject to backup withholding if a U.S. Holder does not provide its taxpayer identification number and otherwise comply with the information reporting rules.

Payments of proceeds by a U.S. paying agent or other intermediary to a Non-U.S. Holder will not be subject to backup withholding tax and information reporting requirements if appropriate certification (typically an appropriate IRS Form W-8) is provided by the Non-U.S. Holder to the payor and the payor does not have actual knowledge that the certificate is false.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS. Holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules.

## **D. FRENCH TAXATION**

The following developments summarize the tax consequences of the holding and disposal of Shares by persons who are tax resident in France for tax purposes. These developments are based on the laws and regulations in force in France as of the date of this Prospectus. These developments are subject to any change in laws and/or regulations (which may have retroactive effect) and to any change in their interpretation. These developments do not constitute an exhaustive description of all the tax consequences of the acquisition, holding and disposal of the Shares. These developments do not deal with credits for foreign tax that may be available to the investors.

Investors should consult their own advisors regarding the tax consequences of an investment in the Shares in the light of their particular circumstances.

### **1. Individuals resident in France for tax purposes**

The following developments are addressed to individuals domiciled in France for tax purposes within the meaning of Article 4 B of the French tax code who will hold Shares in the context of the management of their private assets and who do not carry out stock exchange transactions under conditions similar to those which characterise an activity carried out on a professional basis (the "**French Individuals**").

The tax consequences of the holding and disposal of Shares by French Individuals depend on whether the Shares will be held through an equity savings plan ("*plan d'épargne en actions*") within the meaning of Article 163 *quinquies* D of the French tax code ("**PEA**").

## 1.1 *Standard regime (shares not held through a PEA)*

### 1.1.1 *Dividends*

Dividends are taxed in two stages.

#### 1.1.1.1 *At the time of payment*

At the time of payment, dividends are subject to a compulsory withholding tax at a rate of 12.8 per cent. (the “**12.8 per cent. WHT**”). When the paying agent is established:

- in France:
  - the 12.8 per cent. WHT is paid by the paying agent;
  - French Individuals belonging to a tax household whose reference taxable income for the penultimate year is below €50,000 (for single, divorced or widowed taxpayers) or €75,000 (for taxpayers filing joint returns) may however request to be exempt from the 12.8 per cent. WHT;
- outside France:
  - the 12.8 per cent. WHT is paid either by (i) the taxpayer himself or (ii) the person who ensures the payment of the income when that person (a) is established in a Member State of the European Union or in another State party to the Agreement on the European Economic Area which has concluded an administrative assistance agreement with France to combat tax evasion and avoidance and (b) has been mandated by the taxpayer for this purpose
  - the 12.8 per cent. WHT only applies to French Individuals belonging to a tax household whose reference taxable income for the penultimate year is equal to or above €50,000 (for single, divorced or widowed taxpayers) or €75,000 (for taxpayers filing joint returns).

The 12.8 per cent. WHT can be offset against the personal income tax due in respect of the year in which it has been made. If it exceeds the personal income tax due, the excess is refunded (Article 117 quater of the French tax code).

In addition, at the time of payment, dividends are also subject to social contributions at a rate of 17.2 per cent.. These social contributions break down as follows:

- generalised social contribution (“**CSG**”) at a rate of 9.9 per cent. (Articles L 136-7 and L 136-8 of the French social security code and Article 1600-0 D of the French tax code);
- social levy at a rate of 4.5 per cent. (Articles L 245-15 and L 245-16 of the French social security code and Article 1600-0 F bis of the French tax code);
- additional contribution to the social levy at a rate of 0.3 per cent. (Article L 14-10-4, 2° of the French code of social action and families);
- solidarity levy on income from assets and investment income at a rate of 2 per cent. (Article 1600-0 S of the French tax code); and
- contribution for the repayment of the social debt at a rate of 0.5 per cent. (Articles 16 and 19 of Ordinance 96-50 of 24 January 1996 and Articles 1600-0 H and 1600-0 J of the French tax code).

Social contributions are recovered according to the same rules as the 12.8 per cent. WHT.



#### *1.1.1.2 At the time of final taxation*

Upon final taxation, dividends are subject to personal income tax (after deduction of the 12.8 per cent. WHT) at a flat rate of 12.8 per cent. (the “**12.8 per cent. Flat Rate**”) or, upon irrevocable option covering all income within the scope of the 12.8 per cent. Flat Rate, at progressive rates. In case of option for the progressive rates:

- dividends may (under certain conditions) be reduced by a rebate equal to 40 per cent. of their gross amount; and
- the CSG is deductible up to 6.8 per cent. from the taxable income.

Furthermore, dividends are included in the reference taxable income that is subject to an exceptional contribution (the “**Exceptional Contribution**”) at the rate of:

- 3 per cent. on the portion of the reference taxable income above:
  - €250,000 and below or equal to €500,000 for single, widowed, separated or divorced taxpayers; and
  - €500,000 and below or equal to €1,000,000 for taxpayers filing joint returns; and
- 4 per cent. on the portion of the reference taxable income above:
  - €500,000 for single, widowed, separated or divorced taxpayers; and
  - €1,000,000 for taxpayers filing joint returns (Article 223 sexies of the French tax code).

#### *1.1.2 Capital gains or losses*

##### *1.1.2.1 Capital gains*

Capital gains derived from the sale of shares are subject to personal income tax at the 12.8 per cent. Flat Rate or, upon irrevocable option covering all income within the scope of the 12.8 per cent. Flat Rate, at progressive rates (Article 200 A of the French tax code).

In addition, capital gains are subject to social contributions at a rate of 17.2 per cent.. In case of option for the progressive rates, the CSG is deductible up to 6.8 per cent. from the taxable income for the calculation of the personal income tax.

Capital gains are also included in the reference taxable income that is subject to the Exceptional Contribution.

##### *1.1.2.2 Capital losses*

Capital losses incurred in a given year are exclusively deductible from capital gains of the same kind taxable in respect of the same year.

In the event of a positive balance, the remaining capital gains are reduced, where applicable, by losses of the same kind incurred in previous years up to and including the tenth.

In the event of a negative balance, the excess of capital losses is deductible under the same conditions in subsequent years up to and including the tenth (Article 150-0 D, 11 of the French tax code).

## **1.2**        *Specific regime (shares held through a PEA)*

### **1.2.1**        *Regime during the duration of the PEA*

Dividends and capital gains derived from shares held through a PEA are exempt from personal income tax and social contributions as long as they are reinvested in the PEA (Article 157, 5 bis of the French tax code).

Capital losses incurred from shares held through a PEA are not deductible from capital gains of the same kind that would be realised outside the PEA.

### **1.2.2**        *Regime in case of withdrawal from the PEA*

In case of withdrawal from the PEA:

- before 2 years:
  - the PEA is closed;
  - the difference between the liquidation value of the PEA on the date of withdrawal and the amount of payments made on the PEA since its opening (the Net Gain) is subject to personal income tax at the rate of 22.5 per cent. and social contributions at the rate of 17.2 per cent. (Articles 150-0 A, II 2 and 200 A, 5 of the French tax code);
- between 2 and 5 years:
  - the PEA is closed;
  - the Net Gain is subject to personal income tax at the rate of 19 per cent. and social contributions at the rate of 17.2 per cent. (Articles 150-0 A, II 2 and 200 A, 5 of the French tax code);
- between 5 and 8 years:
  - the PEA is closed;
  - the Net Gain is exempt from personal income but is subject to social contributions at the rate applicable in the year in which the Net Gain is acquired; and
- after 8 years:
  - the PEA remains in place but no further contribution to the PEA is possible;
  - the Net Gain is exempt from personal income but is subject to social contributions at the rate applicable in the year in which the Net Gain is acquired.

When the PEA is closed after eight years and the capital is converted into a life annuity, the life annuity is exempt from personal income tax but is subject to social contributions (Article 157, 5° ter of the French tax code).

## **2.            Legal entities resident in France for tax purposes**

The following developments are addressed to legal entities which have their registered office in France and are subject therein to corporate income tax (with no specific tax regime).

## 2.1 *Dividends*

Dividends received by legal entities subject to corporate income tax are included in their taxable income.

In principle, these dividends are subject to corporate income tax at the standard rate. For financial years beginning as from 1 January 2018, the standard rate of corporate income tax is set at 28 per cent. up to a maximum of €500,000 of taxable profit per twelve-month period and 33.1/3 per cent. above this limit (Article 219 I of the French tax code). The standard rate will be gradually reduced to 25 per cent. for financial years beginning as from 1 January 2022 (regardless of taxable profits).

However, dividends may under option be exempt from corporate income tax except for a portion equal to 5 per cent. of their gross amount (the “**Parent Subsidiary Regime**”). The Parent Subsidiary Regime is subject to several conditions. The shares shall inter alia:

- be in registered form or deposited or recorded in an account held by an authorized intermediary;
- represent at least:
  - 5 per cent. of the subsidiary's share capital; or, if this threshold is not reached,
  - 2.5 per cent. of the subsidiary 's share capital and 5 per cent. of the subsidiary 's voting rights, provided that the parent is controlled by one or more non-profit organisations (mentioned in 1 bis of Article 206 of the French tax code); and
- be kept for a period of:
  - two years when the shares represent at least 5 per cent. of the subsidiary's share capital; or
  - five years when the shares represent 2.5 per cent. of the subsidiary 's share capital and 5 per cent. of the voting rights (Articles 145 and 216 of the French tax code).

In addition, legal entities liable to corporate income tax may, under certain conditions and subject to certain exceptions, be also liable to:

- a social contribution of 3.3 per cent. (Article 235 ter ZC of the French tax code); and
- an exceptional contribution and an additional contribution to the exceptional contribution for financial years ended from 31 December 2017 until 30 December 2018 (Article 1 of Act No. 2017-1640 of 1 December 2017).

## 2.2 *Capital gains or losses*

### 2.2.1 *Capital gains*

Capital gains derived from the sale of shares by legal entities subject to corporate income tax are included in their taxable income.

In principle, these capital gains are subject to corporate income tax at the standard rate (see “*Dividends*” above).

However, capital gains may be exempt from corporate income tax except for a portion equal to 12 per cent. of their gross amount (the 2019 French Finance Bill, which is currently under discussion before the French Parliament, provides to reduce this rate to 5 per cent.) if the shares are participating shares held for at least two years (the “**Long-Term Capital Gains Regime**”). For the purposes of the Long-Term Capital Gains Regime, participating shares are participating shares of this kind for accounting purposes as well as under certain

conditions shares acquired pursuant to a public takeover bid or exchange offer by the company that initiated it and shares eligible to the Parent Subsidiary Regime (Article 219 I-a quinquies of the French tax code).

### **2.2.2**      *Capital losses*

The conditions for using and carrying forward capital losses are governed by specific tax rules. Investors are advised to consult their usual tax advisor to determine the rules applicable to them.

Investors should consult their own advisors regarding the tax consequences of an investment in the Shares in the light of their particular circumstances.

## PART XVI: PLAN OF DISTRIBUTION

### 1. Selling Restrictions

#### 1.1 General

No public offer is being made and no one has taken any action that would, or is intended to, permit a public offering in any country or jurisdiction, other than Belgium, Greece and France, where any such action for such purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Shares may be distributed or published in any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

Persons into whose hands this Prospectus comes are required by the Company, and the Financial Advisor and Listing Agent to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Shares or have in their possession or distribute such offering material, in all cases at their own expense. Neither the Company, nor the Financial Advisor and Listing Agent accepts any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the Shares, of any such restrictions.

#### 1.2 United States

The Shares have not been and will not be registered under the U.S. Securities Act or with any state securities regulatory authority for offer or sale as part of their distribution and may not be offered, sold, pledged or transferred within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The Shares are only being offered: (i) in the United States to “qualified institutional buyers” as defined in Rule 144A under the U.S. Securities Act, and to persons subscribing for the New Shares pursuant to another exemption from or transaction not subject to the registration requirements under the U.S. Securities Act; and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and in accordance with applicable law. Any offer or sale of Shares pursuant to an applicable exemption from, or transaction not subject to, the registration requirements of the U.S. Securities Act will be made by broker-dealers who are registered as such under the U.S. Exchange Act. Terms used above shall have the meanings given to them by Regulation S and Rule 144A under the U.S. Securities Act. Resales of the Shares are restricted as described under “Part XVII: Transfer Restrictions.”

#### 1.3 European Economic Area

In relation to each Relevant Member State, an offer to the public of any Shares may not be made in that Relevant Member State unless the Prospectus has been approved by the competent authority in such Relevant Member State or passported and published in accordance with the Prospectus Directive as implemented in such Relevant Member State, except that the Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication by the Company, or any manager of a Prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Financial Advisor and Listing Agent and the Company that it is a “qualified investor” within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

The Company, Financial Advisor and Listing Agent and their affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement, and agreement.

#### **1.4**        *France*

For the purpose of the listing of the Shares on Euronext Paris, this Prospectus together with a French translation of the Summary will be notified by the FSMA to the AMF in accordance with the European passport mechanism. This passport does not imply any judgment by the AMF on the merits or the quality of the Company, the Offering or the Shares.

#### **1.5**        *Greece*

The offering of New Shares to the public in Greece pursuant to the Share Exchange Offer and their secondary listing and admission to trading on the ATHEX will be conducted also on the back of this Prospectus in reliance upon the passporting provisions of Articles 17 and 18 of Greek Prospectus Law.

#### **1.6**        *United Kingdom*

Any offer or sale of the Shares may only be made to persons in the United Kingdom who are qualified investors or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to section 85(1) of the U.K. Financial Services and Markets Act 2000. Any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, investment professionals falling within Article 19(5), or falling within section 49(2)(a) to (d) (“high net worth; unincorporated associations, etc.”), of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (together, “**relevant persons**”). Persons who are not relevant persons should not take any action on the basis of this Prospectus and should not act or rely on it.

#### **1.7**        *Japan*

The Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the “**FIEL**”). This document is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

#### **1.8**        *Switzerland*

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“**SIX**”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Article 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the Offering, the Company or the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”), and the Offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“**CISA**”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Shares.

## **1.9**        *Canada*

This Prospectus does not constitute an offer of Shares in any province or territory of Canada other than the Province of Ontario and no Existing Shareholder that is located or resident in Canada may participate in the Share Exchange Offer unless such Existing Shareholder is located or resident in the Province of Ontario. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

## **1.10**       *DIFC*

This Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (“**DFSA**”). This Prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Prospectus nor taken steps to verify the information set forth herein and has no responsibility for the Prospectus. The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective subscribers or purchasers of the Shares should conduct their own due diligence on the Shares. If you do not understand the contents of this Prospectus you should consult an authorized financial advisor.

## **1.11**       *Australia*

This document: (i) does not constitute a prospectus, a product disclosure Statement or other disclosure document under the Corporations Act 2001 of the Commonwealth of Australia (“**Corporations Act**”); (ii) does not purport to include the information required of a prospectus, a product disclosure statement or other disclosure document under the Corporations Act; (iii) has not been, nor will it be, lodged as a disclosure document with, or registered by, the Australian Securities and Investments Commission (“**ASIC**”), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (iv) may not be provided in Australia other than to select investors (“**Exempt Investors**”) who are able to demonstrate that they both (a) fall within one or more of the categories of investors under section 708(8) or 708(11) of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act and (b) are “wholesale clients” for the purpose of section 761G of the Corporations Act.

The Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Shares, each purchaser or subscriber of Shares represents and warrants to the Company, the Financial Advisor and Listing Agent and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of Shares under this document, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Shares each purchaser or subscriber of Shares undertakes to the Company and the Financial Advisor and Listing Agent that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Shares,

offer, transfer, assign or otherwise alienate those Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

This document contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this document is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.



## PART XVII: TRANSFER RESTRICTIONS

The Shares have not been and will not be registered under the U.S. Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each subscriber to the Shares outside the United States in compliance with Regulation S will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (a) the subscriber is authorized to consummate the subscription of the Shares in compliance with all applicable laws and regulations;
- (b) the subscriber acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;
- (c) the subscriber and the person, if any, for whose account or benefit the subscriber is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not subscribed to the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States;
- (d) the subscriber is not an affiliate of the Company or a person acting on behalf of such affiliate;
- (e) the Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S;
- (f) the subscriber acknowledges that the Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions;
- (g) if it is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the subscriber represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account; and
- (h) the subscriber acknowledges that the Company, the Financial Advisor and Listing Agent and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Each subscriber of the Shares within the United States purchasing pursuant to an exemption from the registration requirements of the U.S. Securities Act will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (a) the subscriber is authorized to consummate the subscription of the Shares in compliance with all applicable laws and regulations;
- (b) the subscriber acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

- (c) the subscriber is (i) a qualified institutional buyer (as defined in Rule 144A under the U.S. Securities Act) or is subscribing for the New Shares pursuant to another exemption from or transaction not subject to the registration requirements under the U.S. Securities Act; (ii) aware that the sale to it is being made pursuant to an exemption from the registration requirements of the U.S. Securities Act; and (iii) acquiring such Shares for its own account or for the account of a qualified institutional buyer; the subscriber is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;
- (d) if in the future, the subscriber decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; (ii) in compliance with Regulation S under the U.S. Securities Act; or (iii) in accordance with Rule 144 under the U.S. Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;
- (e) the subscriber acknowledges that the Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares;
- (f) the subscriber will not deposit or cause to be deposited such Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
- (g) the subscriber acknowledges that the Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions;
- (h) if it is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the subscriber represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of such account; and
- (i) the subscriber acknowledges that the Company, the Financial Advisor and Listing Agent and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Each person in a Relevant Member State, other than persons receiving offers contemplated in the Prospectus in Belgium or Greece, who receives any communication in respect of, or who acquires any Shares under, the offers contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Company that:

- (a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- (b) in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in other circumstances falling within Article 3(2) of the Prospectus Directive; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors/professional clients, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons.

## **PART XVIII: INDEPENDENT AUDITORS**

The consolidated financial statements of Titan as at and for the years ended December 31, 2018, 2017 and 2016, have been prepared in accordance with IFRS and have been audited by PwC, independent auditors, as indicated in their reports included herein.

## PART XIX: DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated in this Prospectus by reference and, as such, form part of this Prospectus.

This Prospectus incorporates by reference the consolidated financial statements of Titan and its subsidiaries as at and for the years ended December 31, 2018, 2017 and 2016.

<u>Document</u>	<u>Reference</u>	<u>Page(s)</u>
<b><u>As at and for the year ended December 31, 2018:</u></b>		
Independent Auditor's Report	Integrated Annual Report 2018	48-52
Audited Consolidated Financial Statements of Titan Cement Company S.A. and its subsidiaries	Integrated Annual Report 2018	53-139
<b><u>As at and for the year ended December 31, 2017:</u></b>		
Independent Auditor's Report	Integrated Annual Report 2017	46-51
Audited Consolidated Financial Statements of Titan Cement Company S.A. and its subsidiaries	Integrated Annual Report 2017	52-132
<b><u>As at and for the year ended December 31, 2016:</u></b>		
Independent Auditor's Report	Integrated Annual Report 2016	42-43
Audited Consolidated Financial Statements of Titan Cement Company S.A. and its subsidiaries	Integrated Annual Report 2016	44-123

These documents (or copies thereof) may be obtained free of charge from the Group's website at [www.titan.gr](http://www.titan.gr).

### **No Incorporation of Website**

Potential investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. No other documents, information or websites, including the contents of the Group's website not mentioned in the section above or any websites accessible from hyperlinks on the Group's website, do not form part of and are not incorporated by reference into this Prospectus.

## PART XX: DEFINITIONS

The following definitions apply throughout this Prospectus unless the context requires otherwise:

<b>“Acceptance Condition”</b>	the valid acceptance from Existing Shareholders of (i) Titan Ordinary Shares representing at least 75 per cent of the total ordinary share capital and voting rights of Titan, and (ii) Titan Preference Shares representing at least 75 per cent of the total preference share capital of Titan
<b>“Acceptance Period”</b>	the period of time during which Shareholders may accept the Share Exchange Offer
<b>“Accepting Existing Shareholders”</b>	the Existing Shareholders who lawfully and validly accept the Share Exchange Offer in accordance with the terms set out in the Prospectus and the Information Circular
<b>“Admission Condition”</b>	approval of the Euronext Admission upon terms and conditions acceptable to the Company
<b>“Adocim Cimento”</b>	Adocim Cimento Beton Sanayi ve Ticaret A.S.
<b>“Alexandria Portland”</b>	the Group’s subsidiary in Egypt, Alexandria Portland Cement Company
<b>“AMF”</b>	<i>Autorité des marchés financiers</i> in France
<b>“Annual Consolidated Financial Statements”</b>	the consolidated financial information in this Prospectus, unless otherwise stated, derived or extracted from: the audited annual consolidated financial statements of Titan as at and for the year ended December 31, 2018; the audited annual consolidated financial statements of Titan as at and for the year ended December 31, 2017 and the audited annual consolidated financial statements of Titan as at and for the year ended December 31, 2016
<b>“Annual Shareholders’ Meeting”</b>	the Company’s annual shareholders’ meeting in accordance with the Articles of Association
<b>“Antea”</b>	Antea Cement Sh.A
<b>“APM”</b>	alternative performance measures not recognized under IFRS
<b>“Article 203 ITC Taxation Condition”</b>	the conditions relating to the taxation of the underlying distributed income, as described in Article 203 of the Belgian Income Tax Code
<b>“Articles of Association” or “Articles”</b>	the articles of association of the Company
<b>“ATHEX”</b>	the Athens Exchange
<b>“Audit Committee”</b>	a committee of the Board of Directors to be established in accordance with the Belgian Companies Code
<b>“Belgian Companies Code”</b>	the Belgian Code of Companies and Associations of March 23, 2019, published in the Belgian Official Gazette on April 4, 2019

<b>“Beni Suef”</b>	the Group’s subsidiary in Egypt, Beni Suef Cement Company
<b>“Board of Directors” or “Board”</b>	the board of directors of the Company
<b>“Brexit”</b>	the exit of the United Kingdom from the European Union, officially announced on March 29, 2017
<b>“British Pound,” “Pound sterling,” “GBP” or “£”</b>	the lawful currency of the United Kingdom
<b>“CAA”</b>	the Clean Air Act
<b>“Cash Consideration”</b>	the Ordinary Share Cash Consideration and the Preference Share Cash Consideration
<b>“CBE”</b>	the Central Bank of Egypt
<b>“Cimento Apodi”</b>	Companhia Industrial De Cimento Apodi
<b>“CKD”</b>	cement kiln dust
<b>“Closing” or “Closing Date”</b>	the date of the closing of the Share Exchange Offer
<b>“CO2”</b>	the carbon dioxide
<b>“Code”</b>	the Internal Revenue Code of 1986, as amended
<b>“Company”</b>	Titan Cement International SA
<b>“Conditions”</b>	the Admission Condition together with the Acceptance Condition
<b>“Corporate Governance Charter”</b>	the corporate governance charter adopted by the Company, conditional upon and with effect as of Closing
<b>“Corporate Governance Code”</b>	the Belgian Code on Corporate Governance of March 12, 2009
<b>“CSG”</b>	generalised social contribution
<b>“CSR”</b>	Corporate social responsibility
<b>“Directive”</b>	the Council Directive on a common FTT, once adopted
<b>“Draft Directive”</b>	the EU Commission’s proposal for a Council Directive on a common FTT
<b>“DSS Regulation”</b>	the operating regulation of the DSS
<b>“DSS”</b>	the Greek dematerialized securities system
<b>“E.D.Y.V.E.M.”</b>	E.D.Y.V.E.M. Hellenic Construction Materials, Industrial, Commercial Transportation Public Company Limited
<b>“Ecorecovery”</b>	Ecorecovery SA
<b>“EEA”</b>	European Economic Area

<b>“EGP”</b>	the Egyptian Pound
<b>“Eligible U.S. Holders”</b>	QIBs and persons subscribing for the New Shares pursuant to another exemption from or transaction not subject to the registration requirements under the U.S. Securities Act.
<b>“EPA”</b>	the U.S. Environmental Protection Agency
<b>“ERBD”</b>	the European Bank for Reconstruction and Development
<b>“ESMA”</b>	the European Securities and Markets Authority
<b>“ESS”</b>	the electrostatic separation
<b>“ETS”</b>	the European Trading System
<b>“EU”</b>	the European Union
<b>“Euroclear Belgium”</b>	the Central Securities Depository of Belgium
<b>“Euronext Admission”</b>	listing and admission of the Shares to trading on Euronext Brussels
<b>“Euronext Brussels”</b>	the regulated market organized by Euronext Brussels NV/SA
<b>“Euronext Paris”</b>	the regulated market organized by Euronext Paris
<b>“Europe”</b>	Western Europe and Central and Eastern Europe
<b>“Euros,” “Euro,” “EUR” or “€”</b>	the common currency of the member states of the EU that are part of the Eurozone
<b>“Existing Shareholders”</b>	the holders of Existing Shares from time to time
<b>“Existing Shares”</b>	the Titan Ordinary Shares and the Titan Preference Shares
<b>“Extraordinary Shareholders’ Meeting”</b>	a shareholders’ meeting of the Company other than the Annual Shareholders’ Meeting
<b>“Financial Advisor”</b>	HSBC, acting as sole financial adviser to the Company in respect of the Offering
<b>“Founders”</b>	the founders and sole shareholders of the Company as at the date of this Prospectus, namely Kanellopoulos Pavlos, Canellopoulos Nellos Panagiotis, Canellopoulos Takis Panagiotis, Papalexopoulos Dimitri, Papalexopoulou Eleni, Papalexopoulou Alexandra, Canellopoulos Andreas and Kanellopoulos Leonidas
<b>“French Individuals”</b>	individuals domiciled in France for tax purposes within the meaning of Article 4 B of the French tax code who will hold Shares in the context of the management of their private assets and who do not carry out stock exchange transactions under conditions similar to those which characterise an activity carried out on a professional basis
<b>“FSMA”</b>	the Belgian Financial Services and Markets Authority

<b>“FTE”</b>	full-time equivalent employees
<b>“FTT”</b>	financial transaction tax
<b>“GAAP”</b>	generally accepted accounting principles
<b>“GAEA”</b>	Green Alternative Energy EAD
<b>“GDP”</b>	gross domestic product
<b>“General Meeting” or “Shareholders’ Meeting”</b>	Annual Shareholders’ Meeting and/or Extraordinary Shareholders’ Meeting
<b>“GHG”</b>	the greenhouse gas
<b>“Greek Prospectus Law”</b>	the Greek law 3401/2005
<b>“Greek Statutory Sell-out”</b>	if the Relevant Threshold is reached or crossed in respect of a class and/or both classes of the Existing Shares at the end of the Acceptance Period, the obligation of the Company to compulsorily acquire all Existing Shares of such class held by any remaining minority holders thereof that are offered to the Company within a period of three months from the publication of the results of the Share Exchange Offer in accordance with article 28 of Law 3461 and the Sell-Out Decision
<b>“Greek Statutory Squeeze-out”</b>	if the Relevant Threshold is reached or crossed in respect of a class and/or both classes of the Existing Shares at the end of the Acceptance Period, the right of the Company, exercisable within three months from the end of the Acceptance Period, to compulsorily acquire all Existing Shares of such class held by any remaining minority holders thereof in accordance with Article 27 of Law 3461 and the Squeeze-Out Decision
<b>“HCMC”</b>	the Hellenic Capital Market Commission
<b>“HCSD”</b>	the Hellenic Central Securities Depository, being the Greek central securities depository
<b>“HSBC”</b>	HSBC France, a credit institution and investment firm licensed by the Autorité de Contrôle Prudentiel et de Résolution (ACPR), regulated by the AMF and the ACPR, supervised by the European Central Bank and authorized under the E.U. Directive 2014/65/EU to provide in Greece the services referred to in items (6) and (7) of Annex I to Greek Law 4514/2018, which acts as the advisor of the Company in respect of the Share Exchange Offer, in accordance with article 12 of Law 3461
<b>“HSBC Bank plc”</b>	an affiliate of HSBC
<b>“HSBC Egypt Facility A”</b>	a committed facility agreement up to EGP150.0 million entered into among Alexandria Portland and HSBC Egypt, guaranteed by Titan



<b>“HSBC Egypt Facility B”</b>	a revolving committed facility agreement up to EGP200.0 million entered into among Alexandria Portland and HSBC Egypt, guaranteed by Titan
<b>“HSBC Egypt Facility C”</b>	a revolving committed facility agreement up to EGP270.0 million entered into among Beni Suef and HSBC Egypt, guaranteed by Titan
<b>“HSBC U.S. Facility”</b>	the revolving facility agreement up to \$50.0 million entered into among Titan America and HSBC, guaranteed by Titan
<b>“IAS”</b>	International Accounting Standard
<b>“IDA”</b>	the Egyptian Trading and Industrial Authority
<b>“IFC”</b>	International Finance Corporation
<b>“IFRS”</b>	International Financial Reporting Standards as adopted by the European Union
<b>“IMF”</b>	International Monetary Fund
<b>“Independent Valuation”</b>	the independent valuation of the Existing Shares performed by Grant Thornton S.A. Chartered Accountants & Management Consultants to confirm the Cash Consideration, in accordance with article 9, paragraphs 6 and 7 of Law 3461, and published on the website of the ATHEX ( <a href="http://www.helex.gr">www.helex.gr</a> ) on April 16, 2019
<b>“Information Circular”</b>	the document prepared by the Company pursuant to Law 3461 for the purposes of the Share Exchange Offer approved by HCMC
<b>“Initial Shares”</b>	5,555 fully paid-up ordinary shares in the share capital of the Company issued at the date of this Prospectus with a par value of € 18 each
<b>“Initiation Date”</b>	April 16, 2019, being the date on which, pursuant to Law 3461, the Company informed the HCMC and the board of directors of Titan of the initiation of the Share Exchange Offer and submitted to them a draft of the Information Circular
<b>“ISIN”</b>	international security identification number
<b>“IT”</b>	information technology
<b>“ITC”</b>	the Belgian Income Tax Code
<b>“Kosjeric”</b>	Kosjeric Cement Company
<b>“Law 3461”</b>	Greek law 3461/2006 on “Transposition of Directive 2004/25/EC on takeover bids into National Law,” as in force
<b>“Listing Agent”</b>	HSBC France, acting as sole listing agent to the Company in relation to the listing of the Shares on Euronext Brussels, Euronext Paris and the ATHEX

<b>“Listing Date”</b>	the first day of trading of the Shares
<b>“LTIFR”</b>	Lost Time Injuries Frequency Rate
<b>“Management Committee”</b>	the informal management committee of the Company
<b>“Member State”</b>	a member state of the EEA
<b>“MiFID II”</b>	the EU Directive 2014/65/EU on markets in financial instruments, as amended
<b>“Multicurrency Facility”</b>	a €300 million multicurrency revolving committed facility agreement due 2022 between TGF and a syndicate of banks, including HSBC Bank plc, and guaranteed by Titan
<b>“NESHAP”</b>	the National Emission Standards for Hazardous Air Pollutants
<b>“New Shares”</b>	the new Shares offered herein
<b>“Nomination Committee”</b>	the nomination committee of the Company
<b>“Non-U.S. Holder”</b>	a beneficial owner of Shares that is neither a U.S. Holder nor a partnership
<b>“Offering”</b>	the offering and issuance by the Company of up to 84,632,528 New Shares to the Existing Shareholders described herein
<b>“OFPs”</b>	the organizations for financing pensions
<b>“Ordinary Shares Cash Consideration”</b>	€19.64 per Titan Ordinary Share in cash, which has been calculated in accordance with Article 27, paragraph 3 of Law 3461
<b>“Participating Member States”</b>	the group of EU member states willing to introduce the FTT
<b>“PCA”</b>	Portland Cement Association
<b>“PEA”</b>	Plan d’Epargne en Actions
<b>“PEF”</b>	Processed Engineered Fuel
<b>“Pennsuco”</b>	the location near Miami, Florida
<b>“PFIC”</b>	a passive foreign investment company
<b>“Preference Shares Cash Consideration”</b>	€18.98 per Titan Preference Share in cash, which has been calculated in accordance with Article 27, paragraph 3 of Law 3461
<b>“Prospectus Directive”</b>	Directive 2003/71/EC
<b>“Prospectus Law”</b>	Belgian Law of June 16, 2006 on the public offering of securities and the admission of securities to trading on a regulated market, as amended
<b>“Prospectus”</b>	this document
<b>“PwC”</b>	PricewaterhouseCoopers S.A. Certified Auditors — Accountants,

268 Kifissias Avenue, 152 32 Halandri, Greece

<b>“QIB”</b>	a “qualified institutional buyer,” as defined in Rule 144A under the U.S. Securities Act
<b>“RCRA”</b>	the U.S. Resource Conservation and Recovery Act
<b>“Reduced Withholding Tax”</b>	a reduced Belgian withholding tax of 1.6995 per cent
<b>“Regulation S”</b>	Regulation S of the U.S. Securities Act
<b>“Relevant Member State”</b>	any Member State of the EEA that has implemented the Prospectus Directive, except for Greece
<b>“Relevant Threshold”</b>	The Company having received valid tenders for, or otherwise holding, as applicable (i) in relation to Titan Ordinary Shares, at least 69,357,212 Titan Ordinary Shares, corresponding to 90.0 per cent of the Titan’s ordinary share capital and voting rights, and/or (ii) in relation to Titan Preference Shares, at least 6,812,064 Titan Preference Shares, corresponding to 90.0 per cent of Titan’s preference share capital
<b>“Remuneration Committee”</b>	the remuneration committee of the Company
<b>“Roanoke”</b>	Roanoke, Virginia
<b>“Rule 144A”</b>	Rule 144A under the U.S. Securities Act
<b>“Securities Account”</b>	has the meaning ascribed to it in the DSS Regulation
<b>“Sell-Out Decision”</b>	the Decision 1/409/29.12.2006 of the HCMC on the exercise of the sell-out right after the end of a tender offer
<b>“Separation Technologies”</b>	Separation Technologies LLC
<b>“Share Exchange Agent”</b>	ABN AMRO Bank N.V, acting as agent for the Company in connection with the Share Exchange Offer
<b>“Share Exchange Offer”</b>	the voluntary share exchange tender offer made by the Company to holders of Existing Shares
<b>“Shareholders’ Meeting”</b>	a meeting of the Company’s shareholders
<b>“Shares”</b>	ordinary shares of the Company
<b>“Sharr”</b>	SharrCem Sh.P.K
<b>“Squeeze-Out Decision”</b>	the Decision 1/644/23.04.2013 of the HCMC on the exercise of the right to squeeze-out after the end of a tender offer
<b>“Statutory Auditor”</b>	PricewaterhouseCoopers Bedrijfsrevisoren CVBA ( <i>erkende revisor/révisieur agréé</i> ), with offices at Woluwedal 18, B-1932 Sint-Stevens-Woluwe (Brussels), represented by Marc Daelman
<b>“Statutory Squeeze-out Facility”</b>	the €185,000,000 secured facilities to be entered into among the Company and HSBC on or about the date of this Prospectus,

summarized in "Part VII: Information on the Share Exchange Offer, the Greek Statutory Squeeze-out and the Greek Statutory Sell-out—Source of Funds".

<b>“Summary”</b>	the summary of this Prospectus
<b>“Takeover Law”</b>	the Belgian Law of April 1, 2007 on public takeover bids
<b>“Takeover Royal Decree”</b>	the Belgian Royal Decree of April 27, 2007 on public takeover bids
<b>“Tax on Securities Accounts”</b>	the tax on securities account ( <i>taks op de effectenrekeningen/taxe sur les comptes-titres</i> ) at a rate of 0.15 per cent on share in the average value of qualifying financial instruments (i.e. shares, share certificates, bonds, bond certificates, units or shares in investment funds or companies (except if acquired or subscribed to in the context of a life insurance or pension savings arrangement), medium-term notes ( <i>kasbons/bons de caisse</i> ) and warrants) held on one or more securities accounts with one or more financial intermediaries during a reference period of 12 consecutive months starting on October 1, and ending on September 30, of the subsequent year
<b>“Tax on Securities Accounts Representative”</b>	the Tax on Securities Accounts representative in Belgium appointed by intermediaries located or established outside of Belgium, subject to certain conditions and formalities
<b>“Tender Agent”</b>	Alpha Bank A.E., acting as tender agent for the Company in connection with the Share Exchange Offer in Greece
<b>“TGF”</b>	Titan Global Finance PLC
<b>“Titan”</b>	Titan Cement Company S.A.
<b>“Titan America”</b>	Titan America LLC
<b>“Titan Cement Egypt”</b>	the Group’s operations in Egypt, comprising of its interests in Beni Suef and Alexandria Portland
<b>“Titan Group,” “Group,” “we,” “us”, or “our”</b>	Titan Cement Company S.A. and its subsidiaries
<b>“Titan Ordinary Shares”</b>	the 77,063,568 ordinary registered shares issued by Titan, each having a par value of €3.45
<b>“Titan Preference Shares”</b>	the 7,568,960 non-voting preference registered shares issued by Titan, each having a par value of €3.45
<b>“TJ”</b>	one trillion joules, an energy unit
<b>“Treasury Shares”</b>	as at April 25, 2019, (i) 4,612,182 Titan Ordinary Shares corresponding to approximately 5.98% of the total number of the Titan Ordinary Shares, of which the voting rights are suspended in accordance with Greek Law 4548/2018 on sociétés anonymes, as amended and in force, for so long as they are held by Titan in

treasury, and (ii) 202,810 Titan Preference Shares corresponding to approximately 2.68% of the total number of the Titan Preference Shares.

<b>“Treaty”</b>	the “Convention Between the Government of The United States of America and the Government of the Kingdom of Belgium for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Taxes on Income”
<b>“TRY”</b>	the Turkish Lira
<b>“U.K. Anti-Bribery Act”</b>	U.K. Anti-Bribery Act 2010 regarding criminal penalties in relation to bribery in the United Kingdom
<b>“U.S. dollars,” “\$” or “USD”</b>	the lawful currency of the United States
<b>“U.S. Exchange Act”</b>	the U.S. Securities Exchange Act of 1934, as amended
<b>“U.S. Foreign Corrupt Practices Act”</b>	United States Foreign Corrupt Practices Act of 1977 (15 U.S.C. § 78dd-1, et seq.) regarding accounting transparency requirements under the U.S. Exchange Act and bribery of foreign officials
<b>“U.S. GAAP”</b>	the accounting principles generally accepted in the United States of America
<b>“U.S. Holder”</b>	a beneficial owner of Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized in or under the laws of the United States or any state thereof, or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust, (a) the administration of which is subject to the primary supervision of a court within the United States and for which one or more U.S. persons have the authority to control all substantial decisions or (b) that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person
<b>“U.S. Securities Act”</b>	the United States Securities Act of 1933, as amended
<b>“U.S.” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“Usje”</b>	Usje Cementarnica AD in North Macedonia
<b>“VAT”</b>	value-added tax
<b>“vertical integration”</b>	the Group’s strategy to extend its product offering into other product areas in the cement value chain, such as ready-mix concrete, aggregates, concrete blocks, dry mortars and fly-ash
<b>“WBCSD/CSI”</b>	the World Business Council for Sustainable Development/Cement Sustainability Initiative
<b>“Zlatna”</b>	the Zlatna Panega Cement AD

**THE COMPANY**

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**EURONEXT LISTING AGENT**

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*as to U.S., English and Belgian law*

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**INDEPENDENT AUDITORS OF TITAN CEMENT  
COMPANY S.A.**

PricewaterhouseCoopers S.A. Certified Auditors —  
Accountants  
268 Kifissias Avenue 152 32 Halandri, Greece

**STATUTORY AUDITORS OF THE COMPANY**

PricewaterhouseCoopers Bedrijfsrevisoren CVBA  
(*erkende revisor/révisieur agréé*)  
Woluwedal 18, B-1932 Sint-Stevens-Woluwe, Brussels