

**TITAN CEMENT COMPANY S.A. ANNOUNCEMENT**

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**REASONED OPINION OF THE BOARD OF DIRECTORS OF TITAN CEMENT COMPANY S.A. PURSUANT TO ARTICLE 15 OF LAW 3461/2006 ON THE VOLUNTARY TENDER OFFER OF TITAN CEMENT INTERNATIONAL S.A. TO ACQUIRE ALL THE ORDINARY AND PREFERENCE SHARES OF TITAN CEMENT COMPANY S.A.**

The Board of Directors of TITAN CEMENT COMPANY S.A. (the Company) convened on Thursday, January 3, 2019 in order to examine and develop a reasoned opinion on the voluntary tender offer (the Tender Offer) that was submitted by TITAN CEMENT INTERNATIONAL S.A (TCI or the Offeror) on 18.10.2018 pursuant to article 6 of Law 3461/2006 (the Law), for the acquisition of any and all ordinary and preference shares of the Company (the TITAN Shares), which TCI and/or the concerted persons with the Offeror did not hold, directly or indirectly, as of the date of the Tender Offer, in consideration for new ordinary shares that will be issued by TCI (the TCI Shares), at the exchange ratio of one ordinary TCI Share for each ordinary or preference TITAN Share.

The members of the Board Nello Canellopoulos, Dimitrios Papalexopoulos, Alexandra Papalexopoulou and Takis -Panagiotis Canellopoulos, who are among the founders of TCI did not participate in the development of this reasoned opinion.

**The Board of Directors after having received and studied:**

1. The Information Circular of TCI (the “Information Circular”) regarding the Tender Offer, which was approved by the Board of Directors of the Hellenic Capital Market Commission on 20 December 2018;
2. The Prospectus which has been drawn up for the tender offer of the TCI Shares and their primary listing on EURONEXT Brussels (the Prospectus), the English version of which was approved by the Belgian Financial Services and Markets Authority (FSMA) on 4 December 2018;

and

3. The Financial Report dated 27 December 2018 provided to the Board of Directors of the Company by the Financial Adviser “NBG Securities S.A”. (the NBG Securities), pursuant to article 15 paragraph 2 of the Law;

**Decided unanimously:**

1. **To express its unequivocal support to the Tender Offer, which is fully aligned with the interests of the Company and its Shareholders, given that:**

- **It facilitates the growth of the Company and its group of companies ( the Group/ TITAN Group) and provides conditions for the long term enhancement of the profitability and the financial results of the Group;**

- It strengthens the competitiveness of TITAN Group, by broadening the Group's funding sources, improving its access to international capital markets and banking institutions, with more favorable credit terms;
  - It benefits the Company's Shareholders by the indirect, through TCI, admission of the Company and TITAN Group to listing on Euronext Brussels, a large international stock exchange in the center of Europe, offering access to a larger international investor base and enhancing the liquidity and tradability of the shares;
- and
- It reflects and reinforces the international nature of TITAN Group's business activities.

2. To tender the Treasury TITAN Shares held by the Company during the acceptance period of the Tender Offer.

3. To assist TCI during the next stages of the Tender Offer within the framework of the applicable laws and regulations.

4. To approve the publication of the reasoned opinion of the Board of Directors and of the NBG Securities' Report in accordance with the Law and also the submission of its reasoned opinion to the Hellenic Capital Market Commission and to TCI.

5. To approve the execution of any other act or action required for the implementation of this decision of the Board of Directors.

#### **A. Actions that the Board of Directors took or will take in relation to the Tender Offer:**

1. The Board of Directors at its meeting on 18 October 2018 expressed, in principle, a positive and supportive position towards the Tender Offer.

2. The Board, according to its relevant decision on 7 November 2018, assigned to NBG Securities the preparation of the Financial Report, according to article 15 paragraph 2 of the Law (the Report), to support the Board in relation to the financial valuation of the Tender Offer.

3. The Board received and studied the Report dated 27 December 2018 of NBG Securities, according to which, from a financial standpoint:

i. The listing of TITAN Group on Euronext Brussels in parallel with the secondary listing on Euronext Paris and the Athens Stock Exchange is expected to increase the trading liquidity of its shares, granting access to a wider investor base.

ii. The specific characteristics of the preference shares compared to those of the ordinary shares, do not merit differential treatment of one class of shares over the other in the context of the Tender Offer and setting the Share Exchange Ratio.

4. The Board informed the representatives of the employees of the Company about the Tender Offer and circulated to them the Information Circular on 27 December 2018.

## **B. Strategic and economic purpose and rationale of the Tender Offer:**

The Board of Directors is of the opinion that the Tender Offer reflects entirely the international outlook and footprint of TITAN Group and that its planned implementation is expected to contribute significantly to its international competitiveness and its future growth.

The successful completion of the Tender Offer is expected to be a milestone in the dynamic growth of TITAN Group, fully reflecting its international footprint and prospects.

TITAN Group operates in an international environment of intensifying competition, increasing uncertainties and multiple challenges, in a capital intense sector where access to funding is crucial for the continuity of its growth. The Tender Offer aims to facilitate TITAN Group's access to funding under terms similar to those offered to its main competitors.

The purpose of the Tender Offer is to facilitate the indirect (through TCI) admission of TITAN Group to listing on Euronext Brussels.

The indirect admission of TITAN Group through the primary listing of the TCI Shares on Euronext Brussels and the secondary listing of the TCI shares on Euronext Paris and the Athens Exchange is expected to offer the Group a broader international investor base, enhance liquidity and marketability of its shares, broaden the Group's funding sources, improve its access to the international debt capital markets and banking institutions and achieve more competitive borrowing costs.

## **C. Continuation of the activities and the management of the Group**

The successful completion of the Tender Offer will not affect TITAN Group's range of operations, business activities, strategy and priorities, as well as local jobs in the locations where it operates.

The presence of TITAN Group in Greece will remain unchanged, with the continuation of its local production the investment in its business activities and human capital in the country and with the secondary listing of TCI Shares on the Athens Stock Exchange.

TCI is incorporated in Belgium and is subject to Belgian company law, while its seat of management lies in Cyprus, a country in which TITAN Group has a long-standing and important presence.

Subject to the successful completion of the Tender Offer, the composition of the Board of Directors of TCI will include six executive directors, i.e. Dimitrios Papalexopoulos, Michael Colakides, Takis- Panagiotis Canellopoulos, Alexandra Papalexopoulou, Vassilios Zarkalis and Leonidas Canellopoulos, eight independent members, i.e. Petros Sabatacakis, Charalampos (Charis) David, Mona Zulficar, Maria Vassalou, William Antholis, Kyriakos Riris, Andreas Artemis and Stylianos Triantafyllides and a non-executive director, i.e. Efstratios -Georgios Arapoglou.

After the successful completion of the Tender Offer, the current TITAN Group management will continue to lead its business operations and its long- term strategy.

#### **D. Support from the shareholders of the Company**

The Founders of TCI, i.e. Andreas Canellopoulos, Leonidas Canellopoulos, Nello Canellopoulos, Takis - Panagiotis Canellopoulos, Pavlos Kanellopoulos, Dimitris Papalexopoulos, Alexandra Papalexopoulou and Eleni Papalexopoulou have stated that they intend to tender the Company Shares that they hold, and which represent approximately 25.40% of the ordinary share capital of the Company and the 0.36% of the preference share capital of the Company, corresponding approximately to 23.16% of the total paid up share capital of the Company, on the same terms and conditions which will apply to the other shareholders of the Company.

In addition to Mr Nello Canellopoulos, Mr Dimitrios Papalexopoulos, Ms Alexandra Papalexopoulou and Mr Takis-Panagiotis Canellopoulos, who are among the founders of TCI, the other members of the Board of Directors and the Company's managers holding TITAN Shares, also intend to tender their Shares under the Tender Offer.

#### **E. Number of Company Shares held or controlled directly or indirectly by members of the Board and the managerial executives of the Company.**

On 3<sup>rd</sup> January 2019 the members of the Board and the managers of the Company hold directly or indirectly 15,664,198 ordinary TITAN Shares and 27,627 preference TITAN Shares.

#### **F. Agreements among the Board of Directors or members of the Board of Directors and TCI**

The members of the Board of Directors Mr. Nello Canellopoulos, Mr. Dimitrios Papalexopoulos, Mrs. Alexandra Papalexopoulou and Mr. Takis – Panagiotis Canellopoulos are among the founders of TCI, who by virtue of the shareholders' agreement dated 18th October 2018 entered into by all founders of TCI, are persons who act in concert among themselves and with TCI, for the purposes of the Tender Offer, according to article 2, item (e) of the Law and with regard to their participation in TCI. In particular, according to the information provided in the Information Circular, by virtue of their agreement dated 18 October 2018, the above persons and the other founders and shareholders of TCI agreed to adopt, through the coordinated exercise of the voting rights they have from time to time in TCI, including the voting rights that they will hold after the completion of the Tender Offer, a lasting common policy on the administration and management of TCI.

#### **G. Key terms of the Tender Offer**

The proposed exchange ratio of one ordinary TCI Share for every ordinary or preference Company Share has been created to allow the current shareholders of the Company to maintain their investment in the Group at the same rate (subject to the purchase of any Company Shares for cash in accordance with the Right of Squeeze Out and/or the Right to Sell Out), and to participate in the present value of the Company and in the strategic and economic benefits and the increased liquidity that is expected to be created for their

investment, as a result of the successful completion of the Tender Offer.

The Tender Offer concerns the acquisition of all TITAN Shares, including the Treasury Shares of the Company, which TCI and/ or the persons acting in concert with it did not hold, directly or indirectly, as of the date of the Tender Offer.

The Tender Offer is subject to: (i) the pre- requisite that, as at the end of the acceptance period, at least 90% of TITAN's ordinary share capital ( i.e. at least 69,357,212 ordinary TITAN Shares) and 90% of TITAN's preference share capital ( i.e. at least 6,812,064 preference TITAN Shares), shall have been lawfully and validly tendered to the Offeror, and (ii) the condition of the issuance of the consideration shares and the confirmation thereof pursuant to a notarial deed.

Provided that at the expiry of the acceptance period of the Tender Offer the above pre-requisite is satisfied, TCI will exercise the Right to Squeeze-Out, while the shareholders that did not accept the Tender Offer will be entitled to exercise the Right to Sell-Out.

***Disclaimer:***

*The present opinion contains certain forward- looking statements, that relate to, amongst others, the business activities and certain plans and objectives of Titan Group. As a consequence of various risks and factors (for instance, without limitation, business, commercial, operational, economic, political and financial), the actual results and the actual developments may potentially differ from the plans and the objectives of TCI and the TITAN Group, mentioned in the present opinion.*

Athens, 3<sup>rd</sup> January 2019

The Board of Directors

TITAN Cement Company S.A.