



NBG Securities

FINANCIAL REPORT

PURSUANT TO ARTICLE 15 OF LAW 3461/2006

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

TO THE BOARD OF DIRECTORS OF



TITAN CEMENT COMPANY S.A.

REGARDING THE VOLUNTARY TENDER OFFER MADE BY

TITAN CEMENT INTERNATIONAL S.A.

TO

**THE SHAREHOLDERS OF TITAN CEMENT COMPANY S.A. TO ACQUIRE ALL THEIR
ORDINARY AND PREFERENCE SHARES OF TITAN CEMENT COMPANY S.A.**

27 December 2018

Unofficial Translation of the original document published in Greek

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

In the context of the voluntary tender offer (hereinafter the “Tender Offer”) made by TITAN CEMENT INTERNATIONAL S.A. (hereinafter the “Offeror”) for the acquisition of all ordinary and preference shares of “Titan Cement Company S.A.” (hereinafter the “Company” or “TITAN”), which the Offeror and/or the Concerted Persons did not hold, directly or indirectly, as of 18.10.2018 (hereinafter the “Date of the Tender Offer”), including the Treasury Shares, a service contract was signed on 19.11.2018 between National Securities S.A. (hereinafter the “Financial Advisor”) and TITAN for the provision of the Financial Report (hereinafter the “Report”) pursuant to article 15 paragraph 2 of Law 3461/2006, as in force (hereinafter the “Law”).

In accordance with the first sentence of paragraph 1 of article 9 of the Law and the terms and conditions set out in this Information Circular approved by HCMC on 20.12.2018 (hereinafter the “Information Circular”), the Offeror offers:

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

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

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

According to the Information Circular, the purpose of the Tender Offer is not to acquire control of TITAN, but to facilitate the indirect admission of TITAN (and through it of the TITAN Group, i.e. the group which is comprised by TITAN and its subsidiaries) (hereinafter the “Group”) to listing on Euronext Brussels, by means of the primary listing and admission to trading of the Offeror Shares on the securities market of Euronext Brussels. The Offeror has received the Euronext Listing Approval subject to conditions. As at the Date of the Information Circular, the only outstanding condition relates to the issuance of the Consideration Shares and confirmation thereof pursuant to a notarial deed. If this condition is satisfied, Euronext Brussels will be the primary market for trading of the Offeror Shares, and transactions in Offeror Shares executed on Euronext Brussels will be cleared and settled through Euroclear Belgium.

¹ Source: Information Circular as has been approved by HCMC on 20.12.2018. The terms with capital, unless otherwise stated, shall have the meaning given to them in the Information Circular.

Similarly, transactions in Offeror Shares executed on Euronext Paris will be cleared and settled through Euroclear Belgium.

In addition, the Offeror has submitted an application for the secondary listing and admission to trading of the Offeror Shares on the Athens Exchange, subject to receipt of the necessary listing approval.

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

1. To formulate the views which are expressed in the Report, we reviewed: i) The Information Circular, ii) The Offeror's Prospectus for the issue of new shares to be offered to the Company's shareholders who accept the Tender Offer, and for the listing of all shares on Euronext Brussels, the Athens Exchange and Euronext Paris which was approved on 4.12.2018 by the competent Belgian supervisory authority, the Financial Services and Markets Authority, iii) The valuation report of 15.11.2018 prepared by AXIA Ventures Group Limited in accordance with Article 27(3) in combination with Article 9(6) and (7) of the Law (see section 2.3 "Right of squeeze out – Right to Sell out") and iv) certain publicly available financial information relating to the Company and the Offeror. In addition, we held meetings with the Company's senior executives to get their opinion about the current status and prospects in respect of TITAN's indirect primary listing on Euronext Brussels. In addition, to the extent possible, using publicly available information and information in databases the Financial Advisor has access to, although we did not independently confirm that information, we carried out the analyses outlined in section 5 "Assessment of the Consideration".

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

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

4. We assume no responsibility for the accounting, commercial or other data on which the Report is based. Our Report does not address legal, accounting or tax issues or results of the Tender Offer for the Company and/or its shareholders and we assume the correctness of all relevant advice provided to the Company and its Board of Directors, including without limitation advice about legal, regulatory, accounting and tax implications (both from the viewpoint of Greek and Belgian law, inter alia) of the terms and the transactions specified in the transaction documents relevant to

the Tender Offer, for the Company and the holders of shares in the Company. In preparing this Report, we have not taken into consideration any tax implications of the transaction on any holder of shares in the Company or the Consideration Shares. In addition, the Report does not examine the consequences of the Tender Offer or of the transactions related to it or the fairness and reasonableness of the Consideration for creditors or other persons who have interests in the Company or as regards the contracts which the Company has signed with those persons.

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

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

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

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

2 Summary Description of the Offeror and the Tender Offer Terms²

2.1 The Offeror and the Concerted Persons

The Offeror was incorporated and registered on 12.7.2018 as a société anonyme under the laws of Belgium, with corporate registration number 0699.936.657 and registered address at Rue Mareyde 43/6, 1150 Brussels, Belgium. The duration of the Offeror is unlimited. Since its incorporation, the Offeror's activities in Belgium were mainly focused on the preparation for the Euronext Listing and the Tender Offer.

With effect from 15.10.2018, the Offeror's management function will be exercised from Cyprus, while its corporate seat remains in Brussels. The principal legislation under which the Offeror operates, and under which the Offeror Shares are issued, is the Belgian Companies Code of 7 May 1999, as amended and in force. As at the date of this Information Circular, the Offeror has not issued annual financial statements and has no subsidiaries.

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

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

Source: Information Circular

On 18.10.2018 the Founders enter into the shareholders' agreement (hereinafter the "Shareholders' Agreement"), by virtue of which they have agreed to adopt, by concerted exercise of the voting rights they hold from time to time in the Offeror, including the voting rights that they will hold after Closing, a lasting common policy towards the management and operation of the Offeror. As a result of this agreement, the Founders are acting in concert in relation to the Tender Offer and their participation in the Offeror, and after Closing, they will continue to act in concert among themselves in relation to the Offeror.

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

Furthermore, according to the Information Circular, the Offeror has been informed by the Founders that if the Tender Offer is successful the Cypriot company under the name “E.D.Y.V.E.M. HELLENIC CONSTRUCTION MATERIALS INDUSTRIAL COMMERCIAL TRANSPORTATION PUBLIC COMPANY LTD.”. (hereinafter the “E.D.Y.V.E.M.”), which holds approximately 15.13% of the TITAN Shares and approximately 11.16% of the voting rights in TITAN, will accede to the Shareholders’ agreement with the consent of the Founders on or shortly after the prerequisite relating to the Minimum Number of Shares has been satisfied and before the admission to trading of the Consideration Shares. As a result of such accession, E.D.Y.V.E.M. will also be acting in concert, within the meaning of Belgian law, with the Founders in relation to their participation in the Offeror. Therefore, subject to the satisfaction of the Condition and the prerequisite relating to the Minimum Number of Shares and depending on the level of acceptance of the Tender Offer, as of the Closing Date, the Founders and E.D.Y.V.E.M. will hold between 38.29% of the Offeror Shares, if all (100%) TITAN Shares are tendered, and 42.54% of the Offeror Shares, if the Minimum Number of Shares is tendered.

As at the Date of the Tender Offer:

(a) The Offeror did not hold directly any TITAN Shares or voting rights in TITAN, while it indirectly held the Founders’ Voting Rights, corresponding to approximately 18.60% of the total voting rights in TITAN, by reason of the Founders being the founders and sole shareholders of the Offeror, and, pursuant to the Shareholders’ Agreement, persons acting in concert with the Offeror (as defined in article 2, item (e) of the Law) in relation to the Tender Offer, as well as their participation in the Offeror.

(b) The Founders held:

- i. 19,572,961 Ordinary Shares, corresponding to approximately 25.40% of TITAN’s ordinary share capital, and 27,616 Preference Shares, corresponding to approximately 0.36% of TITAN’s preference share capital, that is 19,600,577 TITAN Shares in aggregate, corresponding to approximately 23.16% of TITAN’s total paid-up share capital; and
- ii. 14,330,705 voting rights, corresponding to approximately 18.60% of the total voting rights in TITAN,

while, with the exception of the Founders’ Shares and the Founders’ Voting Rights, neither the Offeror nor the Concerted Persons held any other TITAN Shares or voting rights in TITAN.

As a result, the number of the Tender Offer Shares was (i) 57,490,607 Ordinary Shares, corresponding to approximately 74.60% of the ordinary share capital and voting rights of TITAN, and (ii) 7,541,344 Preference Shares, corresponding to approximately 99.64% of the preference share capital of TITAN as at that date, which means that the Tender Offer Shares amounted to an aggregate of 65,031,951 TITAN Shares representing approximately 76.84% of the total paid up share capital of TITAN.

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

Pursuant to TITAN's announcement made on 23.10.2018, approximately 2.67% of the total voting rights in TITAN included in the Founder's Voting Rights corresponds to Ordinary Shares kept with KEMs, in which Theodoros Papalexopoulos and Georgia Alexopoulou participate. Theodoros Papalexopoulos and Georgia Alexopoulou are not parties to the Shareholders’ Agreement and consequently they are not Concerted Persons.

2.2 The Tender Offer

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

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

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

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

The effectiveness of the Tender Offer is subject to the pre-requisite that, as at the end of the Acceptance Period (i) in relation to Ordinary Shares, at least 69,357,212 Ordinary Shares, corresponding to 90% of TITAN's ordinary share capital and voting rights, and (ii) in relation to Preference Shares, at least 6,812,064 Preference Shares, corresponding to 90% of TITAN's preference share capital (hereinafter the "Minimum Number of Shares").

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

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

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

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

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

If, at the end of the Acceptance Period, the Minimum Number of Shares has been lawfully and validly tendered to the Offeror, and, consequently, at Closing the Offeror will hold at least (i) Ordinary Shares representing 90% of the total voting rights in TITAN and (ii) Preference Shares representing 90% of TITAN's preference share capital:

- (a) the Offeror will exercise the Right of Squeeze out; and
- (b) the Shareholders who have not accepted the Tender Offer, will have the right to exercise the Right to Sell-out, always subject to the fulfilment of the Condition.

It is noted that the Cash Consideration, which the Shareholders may elect to receive solely within the context of the Right of Squeeze-out or the Right to Sell-out, as the case may be, is equal to 21.05 Euro for each Ordinary Share and 17.65 Euro for each Preference Share. According to the Information Circular, the Ordinary Share Cash Consideration and the Preference Share Cash Consideration Euro meet the criteria of the fair and reasonable consideration for each class of TITAN Shares, according to article 9 of the Law, since:

- (i) the ASMP of the Ordinary Share and the ASMP of the Preference Share amounts to 21.05 Euro and 16.75 Euro, respectively;
- (ii) neither the Offeror nor the Concerted Persons acquired Ordinary Shares or Preference Shares during the twelve months preceding the Date of the Tender Offer; and
- (iii) according to the 15.11.2018 valuation report issued by AXIA Ventures (hereinafter the “Valuation Report”), the Ordinary Share and the Preference Share were valued at 20.17 Euro and 17.65 Euro, respectively.

It is noted that, according to the Information Circular, the Offeror will finance the consideration payable in cash by it as a result of exercising the Right of Squeeze-out or the Right to Sell-out, together with certain costs and expenses of the Tender Offer and of the Right of Squeeze-out or the Right to Sell-out pursuant to a facility agreement entered into on 18.12.2018 and arranged by HSBC France. Funds under such facility will be made available to the Offeror subject to customary terms and conditions, which also include satisfaction of the Condition and the pre-requisite regarding the Minimum Number of Shares. The lenders’ claims under such facility will be secured pursuant to a pledge over TITAN Shares representing 51% of the total share capital of TITAN granted by the Offeror in favour of HSBC France as security agent on behalf of the lenders.

If, following Closing or the exercise of the Right of Squeeze-out or the Right to Sell-out, as applicable, the Offeror holds 100% of the total voting rights in TITAN and 100% of TITAN’s preference share capital, it will request the convocation of a General Meeting of each of the ordinary and preference shareholders of TITAN to resolve upon the submission of an application to the HCMC requesting the delisting of each class of the TITAN Shares from the Athens Exchange, in accordance with article 17, paragraph 5 of Law 3371/2005, at which (General Meetings) the Offeror will exercise its voting rights in favour of such resolution. The delisting of the TITAN Shares from the Athens Exchange requires the approval of the HCMC.

2.4 The Consideration Shares

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

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

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

The Consideration Shares will be new, dematerialised, ordinary shares in the Offeror, which will be created pursuant to the increase of the share capital of the Offeror by contribution in kind of up to 84,632,528 TITAN Shares and the issuance of an equal number of Consideration Shares, subject to the number of TITAN Shares that will be finally tendered in the context of, as applicable, the Tender Offer, the Right of Squeeze-out and the Right to Sell-out. Such share capital increased was approved pursuant to the resolution of the extraordinary General Meeting of the Offeror's shareholders dated 3.12.2018.

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

- (a) To reduce the Offeror's share capital by an amount of €150 million, with effect immediately upon Closing, which will result in a repayment of capital contributions to the shareholders 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 Offeror Shares.
- (b) To further reduce the Offeror's share capital to create distributable reserves in the amount of (i) the issuance price of the Consideration Shares issued in exchange for the Treasury Shares tendered, being the weighted average stock price of the TITAN Shares on the Athens Exchange during the three months preceding the date of the actual contribution, multiplied by (ii) the number of Consideration Shares issued as a result of the Treasury Shares tendered. In addition, it was resolved to convert such distributable reserves to non-distributable reserves for as long as these Consideration Shares will be held by TITAN.
- (c) To further reduce the Offeror's share capital by an amount of €50 million to create a distributable reserve.

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

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

The purpose of the Tender Offer is not to acquire control of TITAN, but to facilitate the indirect admission of TITAN (and through it of the TITAN Group) to listing on Euronext Brussels, by means of the primary listing and admission to trading of the Offeror Shares on the securities market of Euronext Brussels. Pursuant to the Tender Offer, the Offeror seeks to become the direct parent company of TITAN and the ultimate parent company of TITAN Group with a shareholding structure where all TITAN shareholders will become shareholders of the Offeror.

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

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

Furthermore, according to the Information Circular:

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

2.6 Offeror's Advisor and Tender Agent

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

2.7 Acceptance Period

The Acceptance Period will commence on 27.12.2018 at 8.00 am (Greek time) and will end on 25.01.2019 at 2.00 pm (Greek time).

3 Brief Company Description

3.1 General Information³

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

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

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

3.2 Business Activity and Group Structure

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

In particular, TITAN Group (including joint ventures) currently operates 14 cement plants, 3 grinding plants, 25 distribution terminals, including 6 import terminals, 71 quarries, 128 ready-mix plants, 10 concrete block plants, 6 fly ash processing plants, 2 processed engineered fuel facilities and 1 dry mortar plant. Its total production capacity (including cement, grinding plants and materials with similar properties) is approximately 27.0 million tons per year.

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

According to TITAN's announcement made on 23 August 2018, TITAN reached an agreement to increase its participation in its joint venture in Turkey by acquiring an additional percentage of 25% of Adocim Cimento Beton Sanayi ve Ticaret A.S., while at the same time disposing of its 50% participation in its grinding plant in Antalya. The transaction was concluded on October 11th, 2018 and Adocim Cimento Beton Sanayi ve Ticaret A.S., in which TITAN now holds 75%, will be consolidated by the TITAN Group on a full consolidation basis as at 31 December 2018. In Brazil, the TITAN Group operates through a joint venture (namely Companhia Industrial De Cimento Apodi) the results of which are consolidated by the TITAN Group on an equity basis.

The table set out below shows TITAN's material subsidiaries as at 30 June 2018⁴:

³ Source: Information Circular.

⁴ The full list of TITAN's subsidiaries is set out in note 14 of TITAN's consolidated financial statements for the year ended 31 December 2017, which are available at TITAN's website.

Name and legal form	Registered Seat	Participation (%)
Titan America LLC	U.S.A.	100
Usje Cementarnica AD	FYROM	83,599
Cementara Kosjeric AD	Serbia	88,151
Zlatna Panega Cement AD	Bulgaria	99,989
Sharrcem SH.P.K.	Kosovo	88,151
Antea Cement SHA	Albania	80,000
Alexandria Portland Cement Co. S.A.E	Egypt	82,513
Beni Suef Cement Co.S.A.E.	Egypt	82,513

Source: Information Circular

3.3 Personnel

As at 30 June 2018 the TITAN Group employed 5,384 people, while TITAN employed 809 people.

3.4 Share Capital

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

According to the Information Circular and the announcements that Titan has published in accordance with Law 3556/2007 as at 18.12.2018, the following persons hold, directly or indirectly, at least 5% of the voting rights in TITAN:

Name	Voting Rights ⁽¹⁾ (%)
TITAN CEMENT INTERNATIONAL S.A. ⁽²⁾	18.60
E.D.Y.V.E.M. Hellenic Construction Materials, Industrial, Commercial Transportation Public Company Limited	11.16
Paul and Alexandra Canellopoulos Foundation	9.75
TITAN CEMENT COMPANY S.A.	5.01
FMR LLC ⁽³⁾	5.51

Source: Information Circular

Notes:

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

(2) On 18 October 2018, the Founders entered into the Shareholders' Agreement by virtue of which they have agreed to adopt, by concerted exercise of the voting rights they hold from time to time in the Offeror, a lasting common policy towards the management and operation of the Offeror. Based on the Shareholders' Agreement, the Founders are cooperating with the Offeror in relation to the making of the Tender Offer and they constitute Concerted Persons. Consequently, on 18 October 2018, the aggregate percentage of the voting rights in Titan which the Offeror indirectly holds and each Founder directly and indirectly holds was increased and amounts to approximately 18.60%. It is noted that approximately 2.67% of this 18.60% is held through KEMs, in which Theodoros Papalexopoulos and Georgia Alexopoulou participate. Theodoros Papalexopoulos and Georgia Alexopoulou are not parties to the Shareholders' Agreement.

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

In addition, as at the Date of the Tender Offer, TITAN held an aggregate of 4,412,121 Treasury Shares, of which 4,237,948 were Ordinary Shares and 174,173 were Preference Shares. According to the announcements that TITAN has published as at 18.12.2018, TITAN held an aggregate of 4,515,752 Treasury Shares, of which 4,321,432 were Ordinary Shares and 194,320 were Preference Shares.

3.5 Board of Directors

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

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

Source: Information Circular

The members of TITAN's Board of Directors were elected on 17.6.2016 and the term of their office is 3 years.

4 Brief Financial Information for the Company and the Group

4.1 Financial Information for the First Half of 2018 and 2017⁵

Interim Condensed Income Statement

The following table presents the Condensed Income Statements of the Group and the Company for the first Half of 2018 and 2017:

(all amounts in Euro thousands)	Group		Company	
	01.01.- 30.06.2018	01.01.- 30.06.2017 ⁽¹⁾	01.01.- 30.06.2018	01.01.- 30.06.2017 ⁽¹⁾
Sales of goods	712.505	773.821	109.696	125.427
Cost of sales	(520.233)	(554.661)	(93.022)	(98.604)
Gross profit before depreciation, amortization and impairment	192.272	219.160	16.674	26.823
Other income	8.068	7.189	8.967	8.864
Administrative expenses	(62.081)	(63.663)	(21.173)	(22.009)
Selling and marketing expenses	(10.790)	(11.602)	(162)	(147)
Other expenses	(5.252)	(8.966)	(249)	(1.346)
Profit before interest, taxes, depreciation, amortization and impairment	122.217	142.118	4.057	12.185
Depreciation and amortization related to cost of sales	(52.994)	(53.103)	(7.055)	(7.345)
Depreciation and amortization related to administrative and selling expenses	(2.367)	(3.218)	(963)	(596)
Impairment of tangible and intangible assets related to cost of sales	-	(1.002)	-	-
Profit/(loss) before interest and taxes	66.856	84.795	(3.961)	4.244
Expenses from participations and investments	(123)	-	(123)	-
Finance income	839	564	65	2
Finance costs	(32.756)	(29.091)	(7.483)	(8.108)
Gains/(losses) from foreign exchange differences	4.542	(17.140)	619	(2.006)
Share of losses of associates and joint ventures	(4.141)	(7.426)	-	-
Profit/(loss) before taxes	35.217	31.702	(10.883)	(5.868)
Income tax	(9.565)	(16.540)	1.977	(2.255)
Profit/(loss) for the period	25.652	15.162	(8.906)	(8.123)
Attributable to:				
Equity holders of the parent	24.843			
Non-controlling interests	809			
	25.652			
Basic earnings per share (in €)	0,3091	0,1727		
Diluted earnings per share (in €)	0,3076	0,1714		

⁵ It is noted that the Prospectus includes the respective results from TITAN's published interim condensed consolidated financial statements prepared in accordance with the IFRS for the nine-month period ended on 30.09.2018, which are available at TITAN's website (<http://ir.titan.gr/el/financial-figures>) and the Athens Exchange's website (<https://www.helix.gr/el/web/guest/company-fin.-statements>).

1) IFRS 9 and 15 have been applied with the cumulative impact recognized in retained earnings without restating the 2017 comparatives (for additional information refer to the Group's published financial statements for the interim period 01.01-30.06.2018).

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

Source: Group's published financial statements for the interim period 01.01-30.06.2018, which are reviewed by an auditor.

Interim Condensed Statement of Financial Position

The following table presents the Condensed Statements of Financial Position of the Group and the Company for 30.06.2018 and 31.12.2017:

(all amounts in Euro thousands)	Group		Company	
	30.06.2018	31.12.2017 ⁽¹⁾	30.06.2018	31.12.2017 ⁽¹⁾
Assets				
Property, plant & equipment	1.482.364	1.466.046	249.970	252.944
Investment properties	12.130	12.130	8.937	8.937
Intangible assets and goodwill	357.991	345.971	9.187	8.093
Investments in subsidiaries	-	-	663.209	778.805
Investments in associates & joint ventures	150.251	160.904	-	-
Derivative financial instruments	671	1.434	-	-
Available-for-sale financial assets	-	517	-	122
Other non-current assets	17.935	11.442	3.396	3.375
Deferred tax asset	4.480	2.926	-	-
Non-current assets	2.025.822	2.001.370	934.699	1.052.276
Inventories	277.740	258.204	68.704	65.410
Trade receivables	124.151	115.429	36.985	37.883
Prepayments and other current assets	95.852	64.205	78.199	29.966
Derivative financial instruments	1.653	2.012	-	-
Cash and cash equivalents	189.430	154.247	83.120	29.323
Current assets	688.826	594.097	267.008	162.582
Assets held for sale	353	-	-	-
Total Assets	2.715.001	2.595.467	1.201.707	1.214.858
Equity and Liabilities				
Share Capital 84,632,528 shares of €3.45 (2017: €3.00)	291.982	253.897	291.982	253.897
Share premium	22.826	22.826	22.826	22.826
Share options	2.724	3.003	2.724	3.003
Treasury shares	(109.229)	(105.384)	(109.229)	(105.384)
Other Reserves	561.145	723.716	458.185	540.288
Retained earnings	503.280	409.155	14.820	29.502
Equity attributable to equity holders of the parent	1.272.728	1.307.213	681.308	744.132
Non-controlling interests	62.782	62.459	-	-
Total equity (a)	1.335.510	1.369.672	681.308	744.132
Long-term borrowings	907.960	820.382	390.720	379.218
Deferred tax liability	50.445	39.644	4.101	6.078
Retirement benefit obligations	30.751	32.440	15.187	15.410
Provisions	26.893	30.172	7.012	6.944
Other non-current liabilities	6.209	6.711	3.775	3.795
Total non-current liabilities	1.022.258	929.349	420.795	411.445
Short-term borrowings	32.543	56.825	8	32
Trade payables	146.272	131.885	28.382	20.811

Current contract liabilities	15.038	-	235	-
Other current liabilities	139.435	96.548	63.426	30.170
Derivative financial instruments	3.622	-	-	-
Current income tax payable	1.335	2.630	-	-
Provisions	18.988	8.558	7.553	8.268
Total current liabilities	357.233	296.446	99.604	59.281
Total liabilities (b)	1.379.491	1.225.795	520.399	470.726
Total Equity and Liabilities (a+b)	2.715.001	2.595.467	1.201.707	1.214.858

1) IFRS 9 and 15 have been applied with the cumulative impact recognized in retained earnings without restating the 2017 comparatives (for additional information refer to the Group's published financial statements for the interim period 01.01-30.06.2018).

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

Source: Group's published financial statements for the interim period 01.01-30.06.2018, which are reviewed by an auditor.

4.2 Financial Information for 2016-2017

Income Statement

The following table presents the Income Statements of the Group and the Company for the fiscal years 2016-2017:

(all amounts in Euro thousands)	Group		Company	
	01.01.- 31.12.2017	01.01.- 31.12.2016	01.01.- 31.12.2017	01.01.- 31.12.2016
Turnover	1.505.803	1.509.153	233.805	262.475
Cost of sales	(1.070.349)	(1.072.139)	(182.851)	(199.836)
Gross profit before depreciation, amortization and impairment	435.454	437.014	50.954	62.639
Other income	10.631	8.972	15.847	15.470
Administrative expenses	(125.459)	(122.108)	(44.526)	(43.276)
Selling and marketing expenses	(22.570)	(21.628)	(253)	(271)
Other expenses	(24.615)	(23.651)	(7.218)	(4.476)
Profit before interest, taxes, depreciation, amortization and impairment	273.441	278.599	14.804	30.086
Depreciation and amortization related to cost of sales	(106.209)	(109.421)	(14.445)	(13.572)
Depreciation and amortization related to administrative and selling expenses	(6.085)	(6.872)	(1.272)	(1.181)
Impairment of tangible and intangible assets related to cost of sales	(4.135)	(10.814)	(2.150)	-
Profit/(loss) before interest and taxes	157.012	151.492	(3.063)	15.333
Income from participations and investments	162	1.926	34.377	29.379
Losses from participations and investments	-	-	(178)	-
Finance income	899	2.900	2	24
Finance expense	(65.033)	(67.303)	(16.161)	(22.333)

(Losses)/gains from foreign exchange differences	(22.326)	(25.982)	(3.096)	303
Share of (loss)/profit of associates and joint ventures	(7.488)	492	-	-
Profit before taxes	63.226	63.525	11.881	22.706
(Less)/plus: Income tax	(18.929)	63.805	1.510	(5.887)
Profit after taxes	44.297	127.330	13.391	16.819
Attributable to:				
Equity holders of the parent	42.680	127.444		
Non-controlling interests	1.617	(114)		
	44.297	127.330		
Basic earnings per share (in €)	0,5292	1,5612		
Diluted earnings per share (in €)	0,5256	1,5521		

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

Source: Published and Audited Annual Financial Statements for 2017.

Statement of Financial Position

The following table presents the Statements of Financial Position of the Group and the Company for 31.12.2017 and 31.12.2016:

(all amounts in Euro thousands)	Group		Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Assets				
Property, plant & equipment	1.466.046	1.573.235	252.944	242.777
Investment property	12.130	9.820	8.937	9.126
Intangible assets and goodwill	345.971	375.116	8.093	4.458
Investments in subsidiaries	-	-	778.805	862.657
Investments in associates and joint ventures	160.904	170.803	-	-
Derivative financial instruments	1.434	1.386	-	-
Available-for-sale financial assets	517	1.065	122	122
Other non-current assets	11.442	12.638	3.375	3.219
Deferred income tax asset	2.926	20.971	-	-
Non-current assets	2.001.370	2.165.034	1.052.276	1.122.359
Inventories	258.204	248.924	65.410	57.768
Receivables and prepayments	179.634	196.108	67.849	75.892
Derivative financial instruments	2.012	1	-	-
Cash and cash equivalents	154.247	179.710	29.323	11.218
Current assets	594.097	624.743	162.582	144.878
Total Assets	2.595.467	2.789.777	1.214.858	1.267.237
Equity and Liabilities				
Share Capital 84,632,528 shares of €3.00 (2016: €4.00)	253.897	338.530	253.897	338.530
Share premium	22.826	22.826	22.826	22.826
Share options	3.003	2.978	3.003	2.978
Treasury shares	(105.384)	(101.453)	(105.384)	(101.453)
Other reserves	723.716	839.364	540.288	538.403
Retained earnings	409.155	374.106	29.502	25.985
Equity attributable to equity holders of the parent	1.307.213	1.476.351	744.132	827.269
Non-controlling interests	62.459	76.465	-	-
Total equity (a)	1.369.672	1.552.816	744.132	827.269

Long-term borrowings	820.382	710.965	379.218	310.678
Deferred income tax liability	39.644	56.597	6.078	12.438
Retirement benefit obligations	32.440	33.961	15.410	15.870
Provisions	30.172	22.498	6.944	4.215
Other non-current liabilities	6.711	5.952	3.795	3.788
Non-current liabilities	929.349	829.973	411.445	346.989
Short-term borrowings	56.825	129.499	32	42.442
Trade and other payables	228.433	266.584	50.981	44.439
Income tax payable	2.630	3.754	-	-
Provisions	8.558	7.151	8.268	6.098
Current liabilities	296.446	406.988	59.281	92.979
Total liabilities (b)	1.225.795	1.236.961	470.726	439.968
Total Equity and Liabilities (a+b)	2.595.467	2.789.777	1.214.858	1.267.237

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

Source: Published and Audited Annual Financial Statements for 2017.

5 Assessment of the Consideration

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

1. It analysed the stock market performance of the regulated market Euronext Brussels, on which the Offeror's shares will be primarily listed for trading, and the regulated market Euronext Paris, where they will be listed secondarily, compared to the Athens Exchange and the Company. In addition, it examined the stock market performance of 8 listed companies in the construction and construction materials sector and/or the building materials and parts sector, which the Financial Advisor deemed comparable to the Company based on similarity of products and/or services offered and activity in markets similar to those of the Company.
2. It reviewed information related to the coverage of TITAN and the companies comprising the Athens Exchange General Index (hereinafter "AEGI"), the Euronext Brussels BEL All-share Index (hereinafter "BELPRC"), BEL Mid Index (hereinafter "BELM") and Euronext Paris CAC All-Share Index (hereinafter "PAX") by equity research analysts.
3. It examined the specific features of the preference shares compared to ordinary shares and evaluated, from a financial viewpoint, any impact on the value of preference shares compared to ordinary ones.

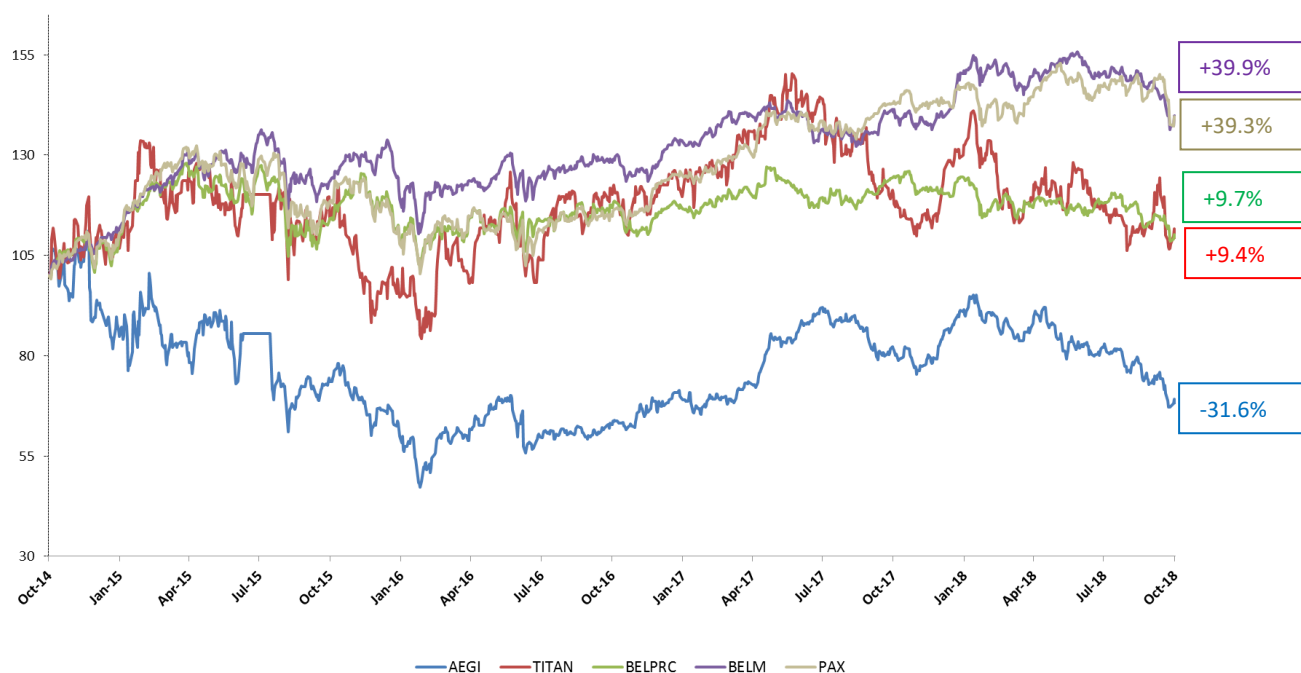
In performing the analyses included in this section, the Financial Advisor relied on publicly available information and on information available by databases to which it has access, but did not independently verify that information. The tables and diagrams set out below are not on their own a comprehensive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

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

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

To comparatively analyse the performance of abovementioned exchanges, we examined the performance of the AEGI in the 4-year period prior to the Date of the Tender Offer compared to the performance of the Euronext Brussels BELPRC index and Euronext Paris PAX index, which, in the view of the Financial Advisor, are the ones most comparable with the AEGI. TITAN share's performance was also compared to the BELM index performance, which, in the view of the Financial Advisor, is the optimal available index for examining stock market performance of similar sized companies listed on Euronext Brussels.

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



Source: Bloomberg, data for the period: 17.10.2014 – 17.10.2018 rebased to 100.

This analysis suggests that during the examined period AEGI dropped by approximately 31.6% while it significantly underperformed the BELPRC and PAX indices, which increased by 9.7% and 39.3% respectively. TITAN's shares increased by 9.4%, outperforming the AEGI, yet underperformed, for the majority of the examined period, the BELM index, which increased by 39.9%.

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

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

		1 month	3 months	6 months	12 months	24 months
Avg. daily traded value of transactions (amounts in € million)	AEGI	51	41	48	56	56
	BELPRC	1,526	1,285	1,327	1,345	1,281
	BELM	50	47	52	60	51
	PAX	5,428	4,547	4,714	4,797	4,581
	TITAN	0.9	0.7	0.8	1.2	1.3
Avg. market capitalisation (amounts in € million)	AEGI	43,124	43	45	47	48
	BELPRC	629,614	646,796	652,368	661,781	660,487
	BELM	41,293	42,554	43,669	43,723	42,005
	PAX	2,346,997	2,365,773	2,373,966	2,342,065	2,230,985
	TITAN	1,695	1,677	1,734	1,765	1,834
No. of companies (17.10.2018)	AEGI			60		
	BELPRC			136		
	BELM			40		
	PAX			490		

Source: Bloomberg

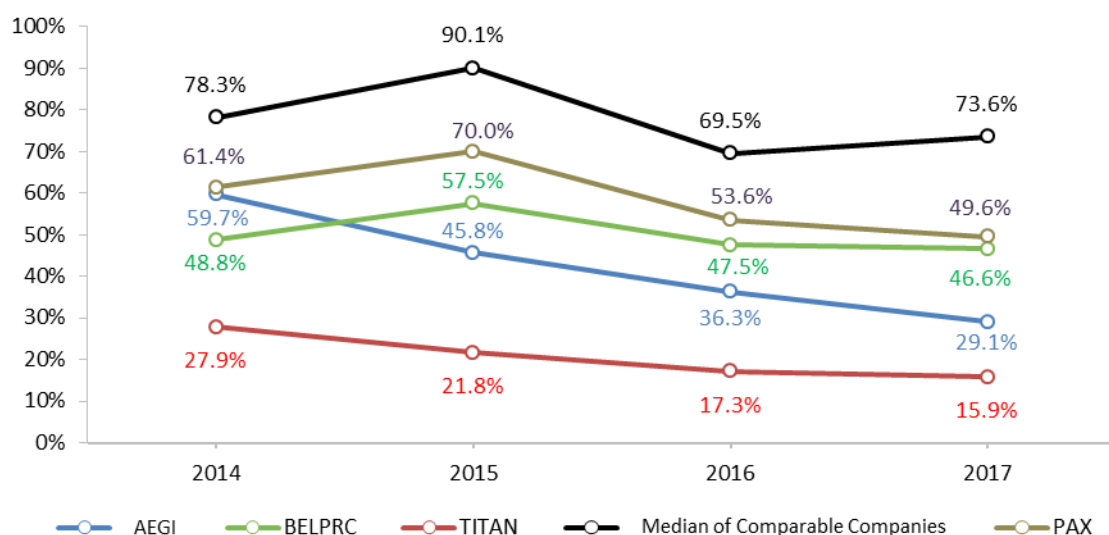
As part of the comparative analysis, the Financial Advisor also examined the following sample of companies comparable to TITAN, which were selected based on their business activity (construction and construction materials sector and/or building materials and parts sector) and the markets they operate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

No.	Corporate name	Registered offices	Stock Exchange	Market Capitalisation as of 26.11.2018 (amounts in € million)
1	LafargeHolcim Ltd	Switzerland	SIX Swiss Exchange	24,783
2	Cementos Molins SA	Spain	Borsa de Barcelona	1,131
3	Vicat SA	France	Euronext Paris	1,968
4	Ibstock PLC	UK	London Stock Exchange	1,074
5	Buzzi Unicem SpA	Italy	Borsa Italiana	3,224
6	HeidelbergCement AG	Germany	Frankfurt Stock Exchange	11,861
7	CRH PLC	Ireland	Irish Stock Exchange	20,170
8	Cemex SAB de CV	Mexico	Mexico Stock Exchange	6,113

Source: Bloomberg, Analyst Reports

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

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



Source: Bloomberg

According to the above graph, the AEGI had a lower turnover velocity compared to the BELPRC index (with the exception for the year 2014) and the PAX index, during the entire period under examination, which indicates the

significantly higher traded value of BELPRC and PAX indices compared to the AEGI. Moreover, the TITAN shares' turnover velocity was significantly lower compared to the abovementioned indices as well as to the median turnover velocity for the Comparable Companies in all 4 years under examination.

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

	No. of trading days
TITAN	1,074
Adjusted AEGI⁶	504
Adjusted BELPRC index⁷	317
BELM Index	324
Adjusted PAX Index⁷	339
Comparable Companies	335

Source: Bloomberg

The above table indicates that in order for the trading volume to be equal to a number of shares corresponding to the size of the relative free float, 504 days would be required for the adjusted AEGI compared to 317 for the adjusted BELPRC index and 339 days for the adjusted PAX Index. Likewise, for TITAN shares, 1,074 days would be required compared to 324 days for the BELM index and 335 days for the Comparable Companies.

5.2 Coverage by Analysts

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

The review suggested that TITAN is covered by 10 active analysts⁸, 6 of which are international⁹. Of all companies comprising the AEGI, only 47% are covered by an active analyst compared to 76% for BELPRC, 72% for PAX and 97% for BELM¹⁰.

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

⁶ To calculate the average daily traded volume as a percentage of the free float, the AEGI has been adjusted to exclude the impact of banks' shares. This adjustment was made because the high trading volume of the banks' shares in the period under examination adversely impacts the results/conclusions, hence rendering them non-comparable.

⁷ To ensure comparability with the adjusted Athens Exchange General Index, the impact of banks' shares was also excluded here.

⁸ An "active analyst" is defined as one who has published a report during the 12-month period prior to the Date of the Tender Offer.

⁹ An "international analyst" is defined as one whose registered offices are outside of Greece.

¹⁰ Source of data: Bloomberg

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

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

Right to dividends

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

However, as stated in the BoD's Explanatory Report which is incorporated in the Company's Integrated Annual Report of 2017 *"The right to receive, before common Shareholders, a "first dividend" (i.e. 6%) from the yearly net profits, and in case no dividend is distributed in one or more years, or in case the distributed dividend is less than the "first dividend", the right to receive preferentially such payment of "first dividend", from the profits generated in subsequent years. Preference Shareholders are also entitled, on the same terms with holders of common shares, to receive any additional dividend paid in any form. Nowadays, due to the regulatory requirement of distribution of at least 35% of the Company's net profits, the above privilege of distribution of a "first dividend" from the net profits to the preference Shareholders is practically redundant."*

In light of that and the fact that from 2007 to 2017 the cash distributions to all shareholders were exactly the same, without any preferential payment of a dividend to the holders of preference shares (see the table below) we can conclude that both classes of shares de facto enjoy the same financial benefits when it comes to dividend distribution.

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

Source: Company website (Investor Relations)

Repayment of capital from the proceeds of liquidation

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

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

Voting rights

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

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

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

Stock Exchange Data

In addition, the Financial Advisor examined the stock market values of the ordinary and preference shares, but did not take them into account for the assessment of the Exchange Ratio, due to the low trading liquidity of preference shares compared to ordinary ones, which results in the stock price of the former being lower than that of the latter. More specifically, over the 12 months prior to the Date of the Tender Offer, the average daily volume of transactions in ordinary shares was € 1,165.6 k compared to € 24.9 k for preference shares, and adjusting that figure for the number of shares in each class, the average daily volume of transactions was 4.58 times higher for ordinary shares compared to preference shares. The ordinary share's price amounted to € 19.48 on the date prior to the Date of the Tender Offer compared to € 16.15 for preference shares, and the volume weighted average price (VWAP) for the previous 6 and 12-month period prior to the Tender Offer was € 21.05¹¹ and € 21.37 for the ordinary share and € 16.75 and € 16.59 for the preference share respectively.

¹¹ The average weighted stock market price for the last six months prior to the Tender Offer as defined on article 2, case (j) of the Law.

Conclusion

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

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

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

Athens, 27 December 2018

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