



1 January – 30 June 2022

Interim Condensed Financial
Statements
of Titan Cement Group



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The Interim Condensed Consolidated Financial Statements, presented through pages 8 to 27, have been approved by the Board of Directors on 27th of July 2022.

Chairman of the Board of Directors
Efstratios - Georgios (Takis) Arapoglou

Managing Director and Group CFO
Michael Colakides

Company CFO
Grigorios Dikaïos

Financial Consolidation Director
Athanasios Danas

Declaration by the persons responsible

We certify, to the best of our knowledge, that:

- a) The condensed financial statements for the Half Year 2022 were prepared in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting and give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and of the undertakings included in the consolidation, and
- b) The interim management report presents a fair review of any important events that have occurred during the first six months of the financial year 2022 and their effect on the condensed set of financial statements, major transactions with related parties and their effect on the condensed set of financial statements and a description of the principal risks and uncertainties of the remaining six months of the year.

Chairman of the Board of Directors Managing Director and Group CFO Efstratios - Georgios (Takis)
Arapoglou Michael Colakides

Financial Performance Overview

TITAN Group - Overview of the first half of 2022

Helped by stronger Q2 2022 performance, the Group's consolidated revenue for H1 2022 surpassed the €1 billion threshold and reached €1,035.5m, up 26.1% versus the first half of 2021. This reflects solid demand across most markets coupled with price increases across countries and products. Top line growth was supported by stronger US\$ and US\$-linked currencies (in local currencies growth was 21.3%). EBITDA increased by 7.1% to €92.7m in Q2, while for H1 2022 it reached €139.1m, down by 2.5%, held back by the spike in energy costs and freight rates, as the effect of price increases was not yet fully in place in Q1. Net profit after taxes and minority interests was €43.9m in Q2, 2.9% higher than Q2 2021, while for H1 it reached €45.2m vs €58.0m last year, due to the weak Q1 result.

In Q2 2022, sales continued strongly in all regions of operation. The Group was able to move forward with price increases, announced at the end of 2021 and in the first half of 2022, in order to offset the continuously rising energy and input costs. The Group is constantly monitoring various input costs amidst this volatile environment and is following a dynamic pricing policy, safeguarding profitability levels.

Regional review of the first half 2022

Titan operations in Q2 2022 in the US recorded a solid performance, supporting the view that market fundamentals are well in place underpinning demand in a strong economy. In both of the Group's main geographies demand remained at high levels. Residential build-up and continued infrastructure activity supported demand in the Mid-Atlantic, while Florida's economy is racing ahead at full steam. Florida's residential demand is burgeoning, while commercial resurgence reflects the move of considerable business activity to the region. A growing number of infrastructure investment programs are underway in both Florida and Mid Atlantic. Amidst this positive environment, the Group has successfully realized price increases this year and managed to gradually restore profitability with Q2 EBITDA at €42.8m coming close to Q2 of 2021 (€44.9m). As the last implementation of price increases took place in June, further margin recovery is expected to materialize in Q3. Wide adoption of type II cement and generally lower-clinker cement products improve the Group's financial and environmental results. Revenue in the USA recorded a 23.4% increase to €595.4m during the first six months of 2022 (11.7% increase in US \$ terms), while EBITDA reached €66.8m versus €83.4m, a 20% drop vs H1 2021. The discrepancy is due to the relatively delayed effect of implemented price increases compared to the earlier and persistent pressure of high input costs, such as energy, logistics, labor, and raw materials.

The Greek domestic market continued evolving well in the first half of the year with increased volume of sales. Two successive price increases - one in the last quarter of 2021 and a second one towards the end of the first quarter of the year, have been implemented to cover the cost increases recorded across production inputs. Similarly, on the export front, price increases have been implemented across all export destinations in order to cover higher production and freight costs. In terms of activity, the large urban clusters of Athens and Thessaloniki as well as those of Crete in the periphery account for the lion's share of activity with major projects starting to pull in volumes while renovation and small private projects are somewhat softer reflecting the uncertainties of the current cost environment. On the operational front, the group has continued pursuing its decarbonization and

digitalization initiatives across installations in order to reduce its carbon footprint as well as to navigate more efficiently through the turbulence generated by the tight cost environment.

Total revenue for region Greece and Western Europe in the first half of 2022 grew by 21.3% to €158.3m while EBITDA improved to €16.1m versus €14.8m.

The region of Southeast Europe has exhibited high revenue growth in the first half of the year, despite volatile political circumstances, with variations across different markets. Tight supply conditions in the region coupled with significant production input cost increases served as the backdrop for price increases in all markets and have helped maintaining profitability close to previous year in most of the countries in the region. Real estate activity continues, also serving as a safe haven for investors in the current volatile cost and interest rate environment. Infrastructure projects continue to contribute a significant part of cement consumption in most countries in the region. Substantial progress has been made in the Group's decarbonization efforts through the introduction of lower clinker cement types across more countries. In order to improve its efficiency and manage its cost base, the Group is investing further in alternative fuel utilization, debottlenecking, alternative energy sources as well as in digitalizing further its operations.

Revenue for the region as a whole in the first semester of 2022 increased by 27.5% to €168.6m while EBITDA increased by 4.2% to €43.8m.

In Egypt, construction activity remains well-oriented despite the country's macroeconomic challenges. The pricing environment has significantly improved, retaining the momentum achieved as a result of the rationalization of the country's domestic supply situation, which is still in place. Public housing development and infrastructure projects already underway continue to account for the bulk of cement demand. The country is also in step with the overall trend towards the adoption of more blended cement types, a positive development in ameliorating both the carbon footprint and the cost base.

In Turkey, the economic environment has rapidly deteriorated with the country reaching hyper-inflation levels, not seen in 20 years. Domestic volumes have declined as a result of severely curtailed public investment activity and a particularly harsh winter at the beginning of the year weighing on first half volumes. Amidst this predicament, prices have increased to cover inflation as producers moved swiftly to mitigate their risks. Moreover, the current macroeconomic turmoil has elevated real estate into the most preferred investment, spurring a surge in new real estate developments to accommodate needs for relative stability. IAS 29 for hyperinflation was applied in Turkey, increasing depreciation cost by €1.6m, tax charged by €1.7m and realizing an equity gain of €14.6m. A goodwill impairment of €10.4m was recognized by management in order to reverse the gain in goodwill that resulted by indexation.

Total revenue in the Eastern Mediterranean reached €113.1m in the first half of 2022. an increase of 48.9% year on year, while EBITDA increased significantly, reaching €12.4m versus €2.4m.

In Brazil, the testing state of the national economy, marked by high interest rates, high inflation, and the compression of private disposable income all affected cement consumption which declined by 2.7% in the first half of the year. As in other markets, input costs increased across the board, in terms of energy, raw materials and transport while cement price increases rose at a slower pace. On the other hand, there is a drive, especially ahead of this year's general elections in October, in public housing and infrastructure investments, as well as government efforts to address affordability concerns.

In the first half of the year, Apodi posted an increase in revenue to €50.5m, versus €36.7m in the first half of 2021, while EBITDA reached €3.6m versus €8.8m in 2021.

Financing and Investments

Operating free cash flow for the first six months of the year recorded a net outflow of €49m compared to a net inflow of €60.5m in the first half of 2021. Cash flow generation has been affected by the extensive CAPEX program (€96m in H1 2022 vs €54m in 2021) in progress, mainly in the US, as well as by fuel inventories purchased at higher prices compared to last year and trade receivables at higher levels, as a result of higher revenue levels.

Group's net finance costs in H1 2022 were reduced to €14.6m, while the Group net debt at the end of the first six months of 2022 was €795m, higher by €81m from the end of 2021.

On March 16, 2022, the Board of Directors decided the return of capital of €0.50 per share to all shareholders of the Company on record on April 28, 2022, which was paid on July 5th, 2022.

The Group has been implementing consecutive share buy-back programs and in the period from January 1st until June 30th, 2022, has purchased 943,076 shares on Euronext Brussels and the Athens Exchange (ATHEX) for a total consideration of €12.2 million. On June 30th, the Group owned treasury shares representing 3.10% of total voting rights. A new buy-back program of €10m was decided by the Board of Directors on July 27th 2022. The new program will begin following the end of the current running program and will be up to €10 million with a duration of up to six months. TCI will keep the market fully informed of the progress of the relevant transactions in line with applicable regulations.

Outlook

The macroeconomic turmoil manifesting itself since the beginning of this year has elevated volatility and unpredictability to key determining factors; much depends on how the war evolves in Ukraine, its duration, and its aftermath on the global economy. At the same time, central monetary authorities around the world are facing the dilemma of preventing the economy from further overheating while avoiding stomping out growth altogether. In this environment, TITAN is focusing on the levers at its disposal to safeguard production, protect margins, improve efficiencies and continue with its carbon mitigation strategies. Decarbonization projects are underway in all regions, lower-clinker types of cement are being rolled out in all markets and meeting with very good uptake, while digitalization investments across the stages of production translate into cost savings and improved production output. As cost pressures are expected to persist across geographies, the Group will continue to address global cost headwinds by adjusting pricing, in a dynamic manner in order to safeguard its performance. In the US, fundamentals remain solid. Residential activity is robust, despite concerns of rising interest rates and affordability, while the supply of cement is tight. With state budgets at historic highs, construction activity from public projects is expected to continue until the new infrastructure package starts in 2023 to boost infrastructure spending further. It should be emphasized that the Group is present in some of the USA's top growing regions which outpace the rest of the US economy. TITAN, especially after the current round of investments in the USA, will be in a prime position to capitalize on the growth of the market.

European economies remain more affected by the crisis owing to their geographical proximity and more direct exposure to the disrupted energy networks. While Europe is stepping up its efforts to address its energy security

and maintain growth rates in the region, the outlook for construction remains positive but does carry significant uncertainty. The ongoing war and duration of steep energy costs could impact underlying demand in the second half.

In Greece activity should continue to be supported by the large investment projects now commenced which offer a supply horizon for several years ahead. Moreover, with the conclusion of what appears to be another strong tourism season, projects related to the sector should start by the end of the season in preparation for the following year. Market demand is subject to uncertainties related to the macroeconomic developments. Lack of available skilled labor in construction sites may be a factor affecting the pace of works, a phenomenon alas recorded in markets across Europe and the US.

Activity in southeastern Europe is expected to continue to reflect differences across markets while overall levels of activity should be maintained. The evolution of costs in the second half of the year will very much determine overall levels of profitability as well. Otherwise, the Group will continue to utilize its strategic regional positioning to serve market needs in the most efficient manner.

In Egypt, the market should withstand the macroeconomic challenges considering the importance of the construction sector in this large country. Moreover, a continuation of the cement production quota, not finalized yet, safeguards healthy prices and the recovery of profitability levels.

In Turkey, volumes will continue to decline so long as the economy does not stabilize. Elections currently slated to take place in 2023 might offer some respite, while the market has been adept in managing the crisis through both dynamic pricing and the full exploitation of Turkey's considerable export outlet potential.

Brazil is another country with a large and young population and feeling the brunt of inflationary pressures. The cement market may soften somewhat, especially as the government wishes to maintain the momentum of its housing program and ameliorate affordability concerns in what is a critical election year.



FREE TRANSLATION

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For the attention of the Board of Directors

STATUTORY AUDITOR'S REPORT ON REVIEW OF CONSOLIDATED CONDENSED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2022

Introduction

We have reviewed the accompanying consolidated condensed statement of financial position of Titan Cement International SA and its subsidiaries as of 30 June 2022 and the related consolidated condensed statement of profit and loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this consolidated condensed financial information in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed financial information is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Diegem, 27 July 2022

The statutory auditor
PwC Reviseurs d'Entreprises SRL/ Bedrijfsrevisoren BV

Represented by

Dider Delanoye
Réviseur d'Entreprises / Bedrijfsrevisor

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(all amounts in Euro thousands)

	Notes	
Revenue	5	1,035,500
Cost of sales		-869,822
Gross profit		165,678
Other operating income		7,729
Administrative expenses		-87,127
Selling and marketing expenses		-13,175
Net impairment losses on financial assets		-207
Other operating expenses		-3,826
Operating profit before gain on goodwill restatement in hyperinflationary economies and impairment losses on goodwill		69,072
Gain on goodwill restatement in hyperinflationary economies		10,390
Impairment losses on goodwill		-10,390
Operating profit		69,072
Finance income		2,874
Finance costs		-17,449
(Loss)/gain from foreign exchange differences		-1,921
Gain on net monetary position in hyperinflationary economies		4,248
Net finance costs		4,248
Share of (loss)/profit of associates and joint ventures	11	-12,248
Profit before taxes		-2,800
Income tax expense	7	54,024
Profit after taxes		-8,617
Attributable to:		45,407
Equity holders of the parent		45,202
Non-controlling interests		205
		45,407
		0.6257
Basic earnings per share (in €)		0.6249
Diluted earnings per share (in €)		

Interim Condensed Consolidated Income Statement

The primary financial statements should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Comprehensive Income

		For the six months ended 30/6	
		2022	2021
			821,068
			-661,553
			159,515
			5,036
			-70,466
			-12,400
			-536
			-4,157
			76,992
			-
			-
			76,992
			3,393
			-19,111
			3,159
			-
			-12,559
			1,144
			65,577
			-7,565
			58,012
			57,961
			51
			58,012
			0.7551
			0.7520
		For the six months ended 30/6	
		2022	2021
		45,407	58,012

(all amounts in Euro thousands)

Notes

Profit after taxes

<u>Other comprehensive income:</u>		57,871	
<u>Items that may be reclassified to income statement</u>			10,010
Exchange differences on translation of foreign operations	14	-1,567	2,629
Currency translation differences on transactions designated as part of net investment in foreign operation		27,914	553
Gains on cash flow hedges		-5,361	-764
Income tax relating to these items	7	-	-45
		78,857	12,383
<u>Items that will not be reclassified to income statement</u>			70,395
Effect due to changes in tax rates		124,264	
Other comprehensive income for the period net of tax			72,684
		118,068	-2,289
Total comprehensive income for the period net of tax		6,196	70,395
Attributable to:		124,264	
Equity holders of the parent			
Non-controlling interests			

The primary financial statements should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Financial Position

		30/06/2022	31/12/2021
<i>(all amounts in Euro thousands)</i>			
Assets			
	Notes	1,677,943	1,545,382
Property, plant and equipment	8	10,976	10,980
Investment properties		297,689	271,986
Goodwill	9	92,593	91,444
Intangible assets	10	97,836	88,753
Investments in associates and joint ventures	11	10,009	2,488
Derivative financial instruments		15,855	6,185
Receivables from interim settlement of derivatives	12	16,893	18,556
Other non-current assets	17	6,049	8,867
Total non-current assets		2,225,843	2,044,641
Deferred tax assets	7	364,637	305,131
		295,612	236,344
Total non-current assets		22,249	1,611
Inventories	18	3,990	1,715
Receivables and prepayments	19	11,434	9,079
Income tax receivable		87,897	79,882
Derivative financial instruments	12	785,819	633,762
Receivables from interim settlement of derivatives	12	-	238
Cash and cash equivalents		3,011,662	2,678,641

Total current assets

Assets held for sale	8
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Total Assets
Equity and Liabilities

Equity and reserves attributable to owners of the parent	1,425,859	1,321,626
Non-controlling interests	27,886	15,260
Total equity (a)	1,453,745	1,336,886
Long-term borrowings	680,250	641,461
Long-term lease liabilities	48,694	46,004
Derivative financial instruments	15,850	6,185
Payables from interim settlement of derivatives	10,184	1,070
Deferred tax liability	133,694	113,604
Retirement benefit obligations	21,821	22,063
Provisions	53,509	56,001
Non-current contract liabilities	1,605	1,692
Other non-current liabilities	10,054	12,849
Total non-current liabilities	975,661	900,929
Short-term borrowings	139,592	89,242
Short-term lease liabilities	13,890	16,378
Derivative financial instruments	14,496	8,742
Payables from interim settlement of derivatives	5,669	-
Trade and other payables	383,431	302,611
Current contract liabilities	13,085	9,998
Income tax payable	1,157	1,544
Provisions	10,936	12,311
Total current liabilities	582,256	440,826
Total liabilities (b)	1,557,917	1,341,755
Total Equity and Liabilities (a+b)	3,011,662	2,678,641

The primary financial statements should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Changes in Equity

(all amounts in Euro thousands)

Attributable to equity holders of the parent

	Ordinary shares	Share premium	Share options	Ordinary treasury shares	Other reserves (note 14)	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2020	1,159,348	5,974	5,307	-124,120	-878,066	1,074,250	1,242,693	23,990	1,266,683
Change in accounting policy	-	-	-	-	2,574	6,095	8,669	4	8,673
Restated Balance at 31 December 2020	1,159,348	5,974	5,307	-124,120	-875,492	1,080,345	1,251,362	23,994	1,275,356
Profit for the period	-	-	-	-	-	57,961	57,961	51	58,012
Other comprehensive income/(loss)	-	-	-	-	14,723	-	14,723	-2,340	12,383
Total comprehensive income/(loss) for the period	-	-	-	-	14,723	57,961	72,684	-2,289	70,395
Deferred tax on treasury shares held by subsidiary	-	-	-	-	-10,196	-	-10,196	-	-10,196
Cancellation of treasury shares (note 13)	-	-	-	92,820	-65,318	-27,502	-	-	-
Distribution of reserves	-	-	-	-	-30,780	-	-30,780	-	-30,780
Dividends distributed	-	-	-	-	-	-	-	-390	-390
Sale - disposal of treasury shares for option plan (note 13)	-	-	-	1,860	-	-1,034	826	-	826
Tax expenses due to share capital transactions	-	-	-	-	-	-	-767	-	-767
Share based payment transactions	-	-	430	-	-	-	430	-	430
Deferred tax adjustments on revaluation reserves	-	-	-	-	-213	-414	-627	-22	-649
Acquisition of non-controlling interest	-	-	-	-	9	-3	6	-11	-5
Transfers among reserves	-	-	-1,996	-	6,803	-4,807	-	-	-
Restated Balance at 30 June 2021	1,159,348	5,974	3,741	-29,440	-960,464	1,103,779	1,282,938	21,282	1,304,220

The primary financial statements should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Changes in Equity (continued)

(all amounts in Euro thousand)

	Attributable to equity holders of the parent								
	Ordinary shares	Share premium	Share options	Ordinary treasury shares	Other reserves (note 14)	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2021	1,159,348	5,974	3,913	-31,773	-1,166,698	1,350,862	1,321,626	15,260	1,336,886
Hyperinflation restatement	-	-	-	-	35,699	-	35,699	6,828	42,527
Restated balance at 1 January 2022	1,159,348	5,974	3,913	-31,773	-1,130,999	1,350,862	1,357,325	22,088	1,379,413
Profit for the period	-	-	-	-	-	45,202	45,202	205	45,407
Other comprehensive income	-	-	-	-	72,866	-	72,866	5,991	78,857
Total comprehensive income for the period	-	-	-	-	72,866	45,202	118,068	6,196	124,264
Deferred tax on treasury shares held by subsidiary	-	-	-	-	544	-	544	-	544
Distribution of reserves	-	-	-	-	-38,108	-	-38,108	-	-38,108
Dividends distributed	-	-	-	-	-	-	-	-398	-398
Purchase of treasury shares (note 13)	-	-	-	-12,196	-	-	-12,196	-	-12,196
Sale - disposal of treasury shares for option plan (note 13)	-	-	-	432	-	-206	226	-	226
Transfer among reserves (note 13)	-200,000	-	-1,663	-	211,900	-	-	-	-
									1,453,745
Balance at 30 June 2022	959,348	5,974	2,250	-43,537	-883,797	-10,237	1,385,621	27,886	1,425,859

The primary financial statements should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Cash Flow Statement

(all amounts in Euro thousands)		For the six months ended 30/6	
		2022	2021
Cash flows from operating activities			
	<i>Notes</i>	45,407	58,012
Profit after taxes		69,999	65,599
Depreciation and amortization of assets	8,10	10,390	-
Impairment of goodwill	9	17,122	15,439
Interest and related expenses		5,103	2,104
Provisions		-14,841	-
Hyperinflation adjustments		8,410	3,039
Other non-cash items		-8,969	-4,037
Income tax paid		-94,140	-29,350
Changes in working capital		38,481	110,806
Net cash generated from operating activities (a)		-92,097	-49,965
		-4,364	-4,364
		-1,380	-91
		974	1,506
Cash flows from investing activities			
Payments for property, plant and equipment	8	27	47
Payments for intangible assets	10	294	320
Payments for other investing activities		-96,546	-52,547
Proceeds from sale of PPE, intangible assets and investment property	8	-	-40,817
Proceeds from dividends		-	-767
Interest received		-296	-289
Net cash flows used in investing activities (b)		-12,196	-
		226	826
		-15,511	-18,133
		-8,599	-8,254
Cash flows from financing activities			
Acquisition of non-controlling interests		208,848	121,070
Payments due to share capital transactions		-105,882	-226,769
Dividends paid		66,590	-173,133
Payments for shares bought back		8,525	-114,874
Proceeds from sale of treasury shares		79,882	206,438
Interest and other related charges paid		-510	2,131
Principal elements of lease payments		87,897	93,695
Proceeds from borrowings and derivative financial instruments			
Payments of borrowings and derivative financial instruments			
Net cash flows from/(used in) financing activities (c)			

Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)

Cash and cash equivalents at beginning of the year

Effects of exchange rate changes

Cash and cash equivalents at end of the period

The primary financial statements should be read in conjunction with the accompanying notes.

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1. General information

TITAN Cement International S.A. (the Company or TCI) is a société anonyme incorporated under the laws of Belgium. The Company's corporate registration number is 0699.936.657 and its registered address is Rue de la Loi 23, 7th floor, box 4, 1040 Brussels, Belgium, while it has established a place of business in the Republic of Cyprus in the address Andrea Zakou 12 & Michail Paridi str, MC Building, 2404 Egkomi, Nicosia, Cyprus. The Company's shares are traded on Euronext Brussels, with a parallel listing on Athens Stock exchange and Euronext Paris.

The Company and its subsidiaries (collectively the Group) are engaged in the production, trade and distribution of a wide range of construction materials, including cement, concrete, aggregates, cement blocks, dry mortars and fly ash. The Group operates primarily in Greece, the Balkans, Egypt, Turkey, the USA and Brazil.

These interim condensed consolidated financial statements (the financial statements) were approved for issue by the Board of Directors on 27 July 2022.

2. Basis of preparation and summary of significant accounting policies

These financial statements for the six-month period ended 30 June 2022 have been prepared by management in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2021.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual group financial statements.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021, except for the application of the IAS 29 "Financial Reporting in Hyperinflationary Economies" and the new or revised standards, amendments and/or interpretations that are mandatory for the periods beginning on or after 1 January 2022.

Application of IAS 29 - Hyperinflation in Turkey

The Turkish economy was designated as hyperinflationary from June 2022. As a result, IAS 29 "Financial Reporting in Hyperinflationary Economies" has been applied to the Group subsidiaries (Adocim Cimento Beton Sanayi ve Ticaret A.S. and Adocim Marmara Cimento Beton Sanayi ve Ticaret A.S.), whose functional currency is the Turkish Lira, and they prepare financial statements based on a historical cost approach. IAS 29 requires to report the results of the Group's operations in Turkey, as if these were highly inflationary as of 1 January 2022. Specifically, IAS 29 requires:

- Adjustment of historical cost of the non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the end of the reporting date;

- Non-adjustment of the monetary assets and liabilities, as they are already expressed in the measuring unit current at the end of the reporting period;
- Adjustment of the income statement for inflation and its translation with the closing exchange rate instead of an average rate; and
- Recognition of gain or loss on net monetary position in profit or loss in order to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

The financial statements of Group subsidiaries, whose functional currency is the currency of a hyperinflationary economy, are adjusted for inflation and then translated into euros. Prior year comparatives have not been restated for hyperinflation in the consolidated financial statements. The difference between the closing balance of Group's equity on 31.12.2021 and its opening balance on 01.01.2022 was recognised in equity. Any difference from the ongoing application of re-translation to closing exchange rates and hyperinflation adjustments will be recognised in other comprehensive income.

In the consolidated income statement for the six months ended on 30.6.2022, the Group recognized a total gain on net monetary position of €17.4 mil., including current period's credit of goodwill's inflation of €10.4 mil. in operating profit, €2.8 mil. in cost of sales and the remaining amount of €4.2 mil. in net finance cost.

On the application of IAS 29, the Group used the conversion coefficient derived from the consumer price index published by TurkStat (TUIK). The conversion coefficient was 977.90 and 686.95 on 30.6.2022 and 31.12.2021 respectively.

New or revised standards, amendments and/or interpretation

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2022 and have been endorsed by the European Union:

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (effective 1 January 2022). The package of amendments includes narrow-scope amendments to three Standards as well as the Board's Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards.
 - Amendments to IFRS 3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - Amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making.
 - Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

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Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions beyond 30 June 2021 (effective 01/04/2021, with early application permitted). The amendments extend, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. In particular, the amendment permits a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021). The amendment is effective for annual reporting periods beginning on or after 1 April 2021 (earlier application permitted, including in financial statements not yet authorised for issue at the date the amendment is issued).

The Group had either no impact or an immaterial impact from the adoption of the aforementioned amendment of standards.

The following new standard and amendments have been issued, are not mandatory for the first time for the financial year beginning 1 January 2022 but have been endorsed by the European Union:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The IAS 1 amendment requires companies to disclose their material accounting policy information rather than their significant accounting policies. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted (subject to any local endorsement process).

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Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective 1 January 2023). The amendment to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted (subject to any local endorsement process).

The Group is currently assessing possible impacts in its financial statements from the adoption of the aforementioned standard or/and amendment of standards.

The following amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2022 and have not been endorsed by the European Union:

- Amendments to IAS 1 ‘Presentation of Financial Statements: Classification of Liabilities as current or noncurrent’ (effective 01/01/2023), affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:
 - Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
 - Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023). The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change in the amendments is an exemption from the initial recognition exemption of IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.

3. Estimates

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and consequently the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Any update in estimates of specific topics is included in the related note of these consolidated interim financial statements.

4. Seasonality of operations

The Group is a supplier of cement, concrete, aggregates and other building materials. The demand for these products is seasonal in temperate countries such as in Europe and North America. Therefore, the Group generally records lower revenues and operating profits during the first and fourth quarters when adverse weather conditions are present in the northern hemisphere. In contrast, sales and profitability tend to be higher during the second and third quarters, as favorable weather conditions support construction activity.

5. Operating segment information

For management information purposes, the Group is structured in five operating segments: Greece and Western Europe, North America, South Eastern Europe, Eastern Mediterranean and Joint Ventures. Each operating segment is a set of countries. The aggregation of countries is based mainly on geographic position.

Each region has a regional Chief Executive Officer (CEO) who is a member of the Group Executive Committee and reports to the Group's CEO. In addition, the Group's finance department is organized by region for effective financial control and performance monitoring.

Management monitors the operating results of its business units separately for the purpose of making decisions, allocating resources and assessing performance. Segment performance is evaluated based on earnings before interest, taxes, depreciation, amortization & impairment (EBITDA). EBITDA calculation includes the operating profit plus depreciation, amortization and impairment of tangible and intangible assets and amortization of government grants.

Information by operating segment

(all amounts in Euro thousands)

Period from 1/1-30/6	Greece and Western Europe		North America		South Eastern Europe		Eastern Mediterranean		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Gross revenue	190,784	159,817	595,440	482,333	168,647	132,258	115,241	75,941	1,070,112	850,349
Inter-segment revenue	-32,473	-29,279	-	-	-	-2	-2,139	-	-34,612	29,281
Revenue from external customers	158,311	130,538	595,440	482,333	168,647	132,256	113,102	75,941	1,035,500	821,068
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	16,055	14,777	66,826	83,414	43,813	42,039	12,377	2,361	139,071	142,591
Depreciation, amortization and impairment of tangible and intangible assets	-11,580	-10,950	-36,359	-32,571	-12,062	-12,665	-9,998	-9,413	-69,999	-65,599
Operating profit before gain on goodwill restatement in hyperinflationary economies and impairment losses on goodwill	4,475	3,828	30,467	50,843	31,751	29,374	2,379	-7,053	69,072	76,992
	Greece and Western Europe		North America		South Eastern Europe		Eastern Mediterranean		Total	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021	30/6/2022	31/12/2021	30/6/2022	31/12/2021	30/6/2022	31/12/2021
Total assets of segments excluding joint ventures	598,482	549,401	1,319,879	1,133,309	478,503	467,146	523,954	447,222	2,920,818	2,597,078
Investment in joint ventures									90,844	81,563
Total assets									3,011,662	2,678,641
	Greece and Western Europe		North America		South Eastern Europe		Eastern Mediterranean		Total	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021	30/6/2022	31/12/2021	30/6/2022	31/12/2021	30/6/2022	31/12/2021
Total liabilities	495,141	369,927	768,069	644,084	140,515	147,085	154,192	180,659	1,557,917	1,341,755

Reconciliation of profit

Net finance costs, and other income/loss are not allocated to individual segments as the underlying instruments are managed on a Group basis.

(all amounts in Euro thousand)

	For the six months ended 30/6	
	2022	2021
Operating profit	69,072	76,992
Net finance costs	-12,248	-12,559
Share of profit of associates	726	-
Share of (loss)/profit of joint ventures	-3,526	1,144
Profit before taxes	54,024	65,577

6. Number of employees

The average number of Group employees for the reporting period was 5,393.

7. Income tax

The Group calculates the period income tax using the tax rate that would be applicable to the expected total annual earnings.

The major components of income tax in the interim consolidated income statement and the interim statement of comprehensive income are:

(all amounts in Euro thousands)

	For the six months ended 30/6	
	2022	2021
Current income tax - expense	-7,222	-6,786
Provision for other taxes	-468	-78
Deferred tax expense	-927	-701
Income tax recognised in income statement	-8,617	-7,565
Income tax (expense)/benefit recognised in other comprehensive income	-5,361	-809
Total income tax - (expense)	-13,978	-8,374

The movement of the net deferred tax liabilities is analyzed as follows:

(all amounts in Euro thousands)

	2022	2021
Opening balance 1/1	104,737	86,877
Hyperinflation restatement	7,827	-
Restated opening balance 1/1	112,564	86,877
Tax expenses during the period recognised in the income statement	-750	701
Deferred tax on treasury shares held by subsidiary (note 14)	-544	10,196
Income tax expense/(benefit) recognised in other comprehensive income	5,361	809
Deferred tax adjustment on revaluation reserves	-	215
Hyperinflation adjustment	7,753	-
Exchange differences	3,261	1,037
Ending balance 30/6	127,645	99,835

Deferred income taxes are calculated in full on temporary differences under the liability method using the principal tax rates that apply to the countries in which the companies of the Group operate.

8. Property, plant and equipment

(all amounts in Euro thousands)

	Property, plant and equipment	Right of use assets	Total property, plant and equipment
Balance at 1/1/2022	1,490,564	54,818	1,545,382
Hyperinflation restatement	38,977	52	39,029
Restated balance at 1/1/2022	1,529,541	54,870	1,584,411
Additions	87,077	5,020	92,097
Interest capitalization	1	-	1
Disposals (net book value)	-151	-156	-307
Depreciation/impairment	-57,423	-7,368	-64,791
Transfers from/to other accounts	-1,584	-	-1,584
Hyperinflation adjustment	38,421	-	38,369
Exchange differences	26,316	3,431	29,747 -52
Ending balance 30/6/2022	1,622,198	55,745	1,677,943

Balance at 1/1/2021	1,477,210	52,033	1,529,243
Additions		10,074	
Interest capitalization	460	-	460
Disposals (net book value)	-1,074	-127	-1,201
Depreciation/impairment	-56,056	-7,094	-63,150
Transfers from/to other accounts	331	-1,563	-1,232
Exchange differences	16,270	1,353	17,623
Ending balance 30/6/2021	1,477,032	54,676	1,531,708
39,891			49,965

8. Property, plant and equipment (continued)

On the Turkish subsidiary Adocim Cimento Beton Sanayi ve Ticaret A.S. assets, there are mortgages of €28.3 mil., securing bank credit facilities. On 30.6.2022, utilization under these credit facilities amounted to €3.0 mil..

Assets with a net book value of €307 thousand were disposed by the Group during the six months ended 30 June 2022 (1.1-30.6.2021: €1,201 thousand) resulting in a net gain of €167 thousand (1.1-30.6.2021: gain €305 thousand).

In the first half of 2022, the Group's subsidiary, Titan Cement S.A., completed the sale of the remaining land plots located in Elefsina-Attika, which was classified as asset held for sale. The transaction resulted in a gain of €262 thousand, as the selling price of the plots was €500 thousand and their net book value was €238 thousand.

9. Goodwill

(all amounts in Euro thousands)

	2022	2021
Opening balance 1/1		268,013
Hyperinflation restatement		-
Restated opening balance 1/1	271,986	268,013
Hyperinflation adjustment	10,202	-
Impairment	282,188	-
Exchange differences	10,390	2,674
Ending balance 30/6		270,687
	-10,390	
North America	15,501	184,048
Bulgaria		45,440
Egypt	297,689	-
Turkey		24,050
Other	210,565	17,149
Total	45,440	270,687
	-	
	24,532	
	17,152	
	297,689	

In Turkey, demand has declined however with notable price increases well above inflation. Adocim's revenue and operating profit growth is strong, supporting a positive outlook. Though the continuous high inflationary environment requires the application of IAS 29 Financial Reporting in Hyperinflationary Economies. This increased goodwill by 20.6 mil. Overall, the increased carrying value exceeds its recoverable amount, resulting in an impairment loss of 10.4 mil.

10. Intangible assets

(all amounts in Euro thousands)

	2022	2021
Opening balance 1/1		
Hyperinflation restatement	91,444	84,279
Restated opening balance 1/1	19	-
Additions	91,463	84,279
Transfers from/to other accounts		
Amortization/impairment	4,364	4,364
Hyperinflation adjustment	91	367
Exchange differences	-3,676	-2,551
Ending balance 30/6	10	-
	341	1,732
	92,593	88,191

11. Investments in associates and joint ventures

The movement of the Group's participation in associates and joint ventures is analyzed as follows:

(all amounts in Euro thousands)

	30/06/2022	31/12/2021
Opening balance 1/1		
Share of (loss)/gain of associates and joint ventures	88,753	85,610
Dividends received	-2,800	3,291
Share capital decrease	-923	-475
Foreign exchange differences		
Other comprehensive loss	-	-336
Ending balance	12,806	668
	-	-5
	97,836	88,753

12. Financial instruments and fair value measurement

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial instruments.

(all amounts in Euro thousands)

	Carrying amount		Fair value	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Financial assets				
At amortised cost				

Other non-current financial assets				9,249	9,249
Trade receivables	8,332		128,447	8,332	128,447
Cash and cash equivalents	186,462		79,882	186,462	79,882
Other current financial assets	87,897		52,860	87,897	52,860
Fair value through other comprehensive income					
Derivative financial instruments - non current	67,722		2,488	67,722	2,488
Derivative financial instruments - current			-		-
Fair value through profit and loss					
Derivative financial instruments - non current	1,933		-	1,933	-
Receivables from interim settlement of derivatives - non current		296	6,185	296	6,185
Other non-current financial assets			230		230
Derivative financial instruments - current			1,715		1,715
		15,855		15,855	
Receivables from interim settlement of derivatives - current		1,610	9,079	1,610	9,079
Other current financial assets		2,057	30	2,057	30
	641,461		659,678		
680,250	17	641,327	17	11,434	11,434
16	89,242	16	89,242	30	30
	281,727		281,727		
139,592		139,592			
348,973	1,084	348,973	1,084		
	6,185		6,185		
	1,070	15,850	1,070		
	7,658		7,658		
	-		-		
10,184		10,184			
14,496		14,496			
5,669		5,669			



Titan Cement Group

Notes to the Interim Condensed Consolidated Financial Statements

Derivative financial instruments - current	
Payables from interim settlement of derivatives - current	

The management assessed that the cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities (excluding the put option) approximate their carrying amounts largely due to the short-term maturities of these instruments.

On 30.6.2022, the Group derivative balances consist of the fair values of:

- Cross currency interest rate swap agreements (CCS), interest rate swaps (IRS) and EUR-USD forward contracts that hedge interest rate risk and/or foreign currency related to loans,
- Forward freight agreements (FFAs) with the purpose of hedging against the volatility of freight rates,
- Energy swap agreements for hedging exposure to price changes of coal,
- Natural gas forward purchase contracts to fix a portion of the monthly NYMEX component of the natural gas costs in USA. The Group designated a cash flow hedge relationship between the highly probable forecast monthly purchase of natural gas and the forward contracts,
- Forward starting interest rate swap agreements (IRS) to partially lock the interest rate cost of the forecast bond issue, which will refinance the guaranteed notes due in 2024. The Group designated a cash flow hedge relationship between the IRS agreements and the interest rate cost of the highly probable forecast issuance of a 5-year new bond. On 18.6.2022, one of the two IRS agreements was

terminated with a gain of €17.9 mil. that will remain in the cash flow hedge reserve until the future cash flows from the forecast bond issuance occur.

12. Financial instruments and fair value measurement (continued)

Offsetting derivative financial instruments with interim settlement of derivatives

The next table shows the gross amounts of the aforementioned derivative financial instruments in relation with their interim settlement, that is received or paid, as they are representing in the statements of financial position as at 30.6.2022 and

31.12.2021, in order to summarize the total net position of the Group.

(all amounts in Euro thousands)

Asset /(Liability)

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of the assets and liabilities by valuation method:

Level 1: based on quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: based on valuation techniques whereby all inputs having a significant effect on the fair value are observable, either directly or indirectly and includes quoted prices for identical or similar assets or liabilities in markets that are not so much actively traded.

Level 3: based on valuation techniques whereby all inputs having a significant effect on the fair value are not observable market data. 0 0 0 0 0

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	-10,724	14,194	3,470
	Fair value of derivatives	Interim settlement of derivatives	Net balance
Balance at 30 June 2022			
Forwards - expired in 2022	-9,406	6,229	-3,177
Energy swap - expired in 2022	1,073	-1,010	63
Natural gas forwards - expired in 2022	1,933	-1,530	403
Forward freight agreements - expired in 2022	984	-1,091	-107
Interest rate swap - expired in 2023	9,713	-10,000	-287
Cross currency swaps - expired in 2024	-20,939	19,016	-1,923
Interest rate swaps - expired in 2026	295	-178	117
	-16,347	11,436	-4,911
Balance at 31 December 2021			
Forwards - expired in 2022	-3,290	3,754	464
Energy swap - expired in 2022	-27	-	-27
Natural gas forwards - expired in 2022	-1,084	-	-1,084
Forward freight agreements - expired in 2022	1,715	794	2,509
Interest rate swap - expired in 2023	2,488	-1,070	1,418
Cross currency swaps - expired in 2024	-10,526	10,716	190

(all amounts in Euro thousands)

	Fair value		Fair value hierarchy
	30/06/2022	31/12/2021	
Assets			
Investment property	10,976	10,980	Level 3
Other financial assets at fair value through profit and loss	1,640	260	Level 3
Derivative financial instruments	13,999	4,203	Level 2
Receivables from interim settlement of derivatives	27,289	15,264	Level 2
Liabilities			
Long-term borrowings	557,708	614,391	Level 2
Long-term borrowings	83,619	45,287	Level 3
Short-term borrowings	139,592	89,242	Level 3
Derivative financial instruments	30,346	14,927	Level 2
Payables from interim settlement of derivatives	15,853	1,070	Level 2

There were no transfers between level 1 and 2 fair value measurements during the period and no transfers into or out of level 3 fair value measurements during the six-month period ended 30 June 2022.

13. Share capital and premium

(all amounts are shown in Euro thousands unless otherwise stated)

	Ordinary shares		Share premium	Total	
	Number of shares	€'000	€'000	Number of shares	€'000
Shares issued and fully paid					
Balance at 1 January 2021	82,447,868	1,159,348	5,974	82,447,868	1,165,322
Cancellation of own shares	-4,122,393	-	-	-4,122,393	-
Balance at 30 June 2021	78,325,475	1,159,348	5,974	78,325,475	1,165,322
Balance at 1 January 2022	78,325,475	1,159,348	5,974	78,325,475	1,165,322
Share capital decrease	-	-200,000	-	-	-200,000
Balance at 30 June 2022	78,325,475	959,348	5,974	78,325,475	965,322

(all amounts are shown in Euro thousands unless otherwise stated)

Treasury shares

	Number of shares	€'000
Balance at 1 January 2021	5,512,502	124,120
Cancellation of treasury shares	-4,122,393	-92,820
Treasury shares sold	-82,589	-1,860
Balance at 30 June 2021	1,307,520	29,440
Balance at 1 January 2022	1,497,149	31,773
Treasury shares purchased	943,076	12,196
Treasury shares sold	-22,607	-432
Balance at 30 June 2022	2,417,618	43,537

In the first half of 2022, the average shares stock price of TCI is €12.91 (2021: €15.69) and the closing stock price on 30 June 2022 is €11.00 (2021: €16.40).

On 9.5.2022, the Extraordinary Shareholder's Meeting of TCI approved the actual capital reduction by an amount of €200 mil. by way of reimbursement in cash to the shareholders pro rata to the number of shares they hold in the Company. This capital reduction was carried out without cancellation of shares with the purpose of bringing the capital of the Company into line with the present and future needs of the Company. The Meeting granted the Board of Directors the power to decide, at its own discretion, the date of repayment to the shareholders of the aforementioned amount in one or several times.

On 22.6.2021, TCI cancelled 4,122,393 treasury shares, which represented 5% of its voting rights. Following this transaction, the number of shares with voting rights amounts to 78,325,475. The aforementioned cancellation of own shares did not have any change in the value of Company's Share Capital.



14. Other reserves

<i>(all amounts in Euro thousands)</i>													
Distribu- Legal table special laws	Distribu- table organization reserve	Re- Contingency hedges	Re- reserves under hedging position	Hyper- valuation currency	Tax exempt differences	Re- cash flow derivative	Currency Actuarial reserve	Non- reserve from reserve	Hedging reserve reserve	translation differences on reserves	Foreign inflation reserve	translation reserves	Total other reserve

Balance at 31 December 2020	101,263	88,870	180,337	-1,188,374	274,202	25,595	67,145	-3,285	-36	41,115	-	-464,898	-878,066
Change in accounting policy	-	-	-	-	-	-	-	2,574	-	-	-	-	2,574
Restated Balance at 31 December 2020	101,263	88,870	180,337	-1,188,374	274,202	25,595	67,145	-711	-36	41,115	-	-464,898	-875,492
Other comprehensive income	-	-	-	-	-	-	71	-116	380	-	-	14,388	14,723
Deferred tax on treasury shares held by subsidiary	-	-	-	-	-	-	-10,196	-	-	-	-	-	-10,196
Cancellation of 4,122,393 treasury shares	-	-65,318	-	-	-	-	-	-	-	-	-	-	-65,318
Distribution of reserves	-	-	-30,780	-	-	-	-	-	-	-	-	-	-30,780
Acquisition of non-controlling interest	1	-	-	-	-	-	7	-	-	-	-	1	9
Deferred tax adjustment on revaluation reserves	-	-	-	-	-	-	-213	-	-	-	-	-	-213
Transfer from/to retained earnings	6,881	-	-422	-	-	1,526	-3,178	-	-	-	-	-	4,807
Transfer from share options	-	-	-	-	1,996	-	-	-	-	-	-	-	1,996
Transfer among reserves	-	-1,578	1,578	-	-	2,556	-2,556	-	-	-	-	-	-
Restated balance at 30 June 2021	108,145	21,974	150,713	-1,188,374	276,198	29,677	51,080	-827	344	41,115	-	-450,509	-960,464
Balance at 1 January 2022	108,178	23,603	149,084	-1,188,374	68,098	27,238	49,115	152	1,609	41,115	-	-446,516	-1,166,698
Hyperinflation restatement	-	-	-	-	-	-	-	-	-	-	35,699	-	35,699
Restated balance at 1 January 2022	108,178	23,603	149,084	-1,188,374	68,098	27,238	49,115	152	1,609	41,115	35,699	-446,516	-1,130,999
Other comprehensive income	-	-	-	-	-	-	-	-	27,203	-	24,379	21,284	72,866
Deferred tax on treasury shares held by subsidiary	-	-	-	-	-	-	544	-	-	-	-	-	544
Distribution of reserves	-	-	-38,108	-	-	-	-	-	-	-	-	-	-38,108
Capital reduction/transfer to distributable reserves	-	-	200,000	-	-	-	-	-	-	-	-	-	200,000
Transfer from/to retained earnings	21,277	-	-757	-	-14,390	5,419	-1,312	-	-	-	-	-	10,237
Transfer from share options	-	-	-	-	1,663	-	-	-	-	-	-	-	1,663
Transfer among reserves	-	11,832	-11,832	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2022	129,455	35,435	298,387	-1,188,374	55,371	32,657	48,347	152	28,812	41,115	60,078	-425,232	-883,797

In the statement of other comprehensive income, the exchange differences resulting from the translation of foreign operations in the first six months of 2022 amounted to a net gain of €57.9 mil. (30.6.2021: gain of €10 mil.), of which gain €51.9

mil. (30.6.2021: gain €12.4 mil.) are attributable to the shareholders of the Parent Company and gain €6.0 mil. (30.6.2021: loss €2.4 mil.) to the non-controlling interests. The increase in net gain of €47.9 mil. between the two periods is mainly

due to the positive impact of hyperinflation in Group's Turkish subsidiaries amounted to €31.1 mil., as well as the strengthening of both US dollar and Brazilian real against Euro. Page 25

15. Return of capital

For the period ended 30.6.2022

Following the authorization granted to the Board of Directors by the Extraordinary Meeting of the company's Shareholders on the 13th of May 2019, the Board of Directors of Titan Cement International SA decided on the 16th of March 2022 the return of capital of €0.50 (50 cents) per share to all the Shareholders of the Company on record on the 28th of April 2022, which was paid on the 5th of July 2022.

For the period ended 30.6.2021

Following the authorization granted to the Board of Directors by the Extraordinary Meeting of the company's Shareholders on the 13th of May 2019, the Board of Directors of Titan Cement International SA decided on the 22nd of March 2021 the return of capital of €0.40 (40 cents) per share to all the Shareholders of the Company on record on the 29th of April 2021.

16. Contingencies and commitments

Contingent liabilities

	30/06/2022	31/12/2021
Bank guarantee letters	15,708	17,142
<i>(all amounts in Euro thousands)</i>	15,708	17,142

	30/06/2022	31/12/2021
<i>(all amounts in Euro thousands)</i>		
Bank guarantee letters for securing trade receivables	24,113	22,350
Other collaterals against trade receivables	6,909	7,099
	31,022	29,449
Collaterals against other receivables	3,781	4,442
Contingent assets	34,803	33,891

Commitments

Capital commitments

Capital commitments contracted for at the balance sheet date but not recognized in the financial statements are as follows:

	30/06/2022	31/12/2021
<i>(all amounts in Euro thousands)</i>		
Property, plant and equipment	2,505	713

Purchase commitments

Energy supply contracts (Gas, electricity, etc.)

	30/06/2022	31/12/2021
<i>(all amounts in Euro thousands)</i>		
	29,783	1,026

The increase in purchase commitments is mainly due to electricity and fossil fuels commitments in South Eastern Europe region.

In addition to the aforementioned purchase commitments, the Group's US subsidiaries entered a contract to purchase raw materials and manufacturing supplies as part of their on-going operations in Florida. This includes a contract to buy construction aggregates through a multi-year agreement at prevailing market prices. Moreover, Titan America LLC (TALLC) entered into a take-or-pay natural gas agreement with the local utility in 2019 that requires TALLC to pay the utility €11.2 mil. (\$11.6 mil.) over a maximum period of 6 years. On 30.6.2022, TALLC had paid €3.7 mil. (\$3.9 mil.) under the agreement.

Simultaneously, TALLC entered into capacity supply agreements (one in 2020 and another in 2021) with a natural gas marketer for a total of 2,026 MMBtu's over the contract period. On 30.6.2022, there is committed volume of 984 MMBtu's remaining through October 2022 under the contract.

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17. Other non-current assets

(all amounts in Euro thousands)

	<u>30/06/2022</u>	<u>31/12/2021</u>
Utility deposits	5,411	5,197
Excess benefit plan assets	2,648	3,307
Other non-current assets	8,834	10,052
	16,893	18,556

18. Inventories

The increase in inventories includes the positive impact of foreign exchange differences and hyperinflation in Group's Turkish subsidiaries amounted to €8.1 mil. and €1.9 mil. respectively. The organic change of €49.5 mil. is mainly due to the increased deliveries of fossil and alternative fuels, raw materials and clinker.

19. Receivables and prepayments

Receivables and prepayments increased by €59.3 mil. due to trade receivables. The increase reflects mainly the increase in revenue due to price increases combined with resilient demand and the seasonality of the business.

20. Trade and Other Payables

The increase in Group "Trade and Other Payables" by €80.8 mil. includes foreign exchange differences of €10.7 mil., trade suppliers increase of €27.6 mil. and the payable of the capital return to the Company's shareholders of €38.1 mil..

21. Events after the reporting period

There are no subsequent events to 30 June 2022, which would materially influence the Group's financial position.

22. Covid-19 implications

Since 31.12.2021, there is no further significant development concerning Covid-19 implications.

23. Principal exchange rates

Spot rates	30/06/2022	31/12/2021	30/6/2022 vs 31/12/2021
€1 = USD	1.04	1.13	-8.3%
€1 = EGP	19.71	17.87	10.3%
€1 = TRY	17.32	15.23	13.7%
€1 = BRL	5.44	6.32	-13.9%
€1 = RSD	117.41	117.58	-0.2%
1USD=EGP	18.97	15.78	20.2%
Average rates	Ave 6M 2022	Ave 6M 2021	6M 2021
€1 = USD	1.09	1.21	-9.3%
€1 = EGP	18.88	18.91	-0.1%
€1 = TRY	16.25	9.52	70.7%
€1 = BRL	5.56	6.49	-14.4%
€1 = RSD	117.59	117.58	0.0%
1USD=EGP	17.27	15.69	10.1%