



**1 January – 30 June 2021**

**Interim Condensed Financial  
Statements  
of Titan Cement Group**

## Index

Declaration by the persons responsible.....	2
Financial performance overview.....	3
Report on review of interim financial information.....	6
Interim condensed consolidated financial statements.....	7
Notes to the interim condensed consolidated financial statements.....	13

The Interim Condensed Consolidated Financial Statements, presented through pages 7 to 27, have been approved by the Board of Directors on 28<sup>th</sup> of July 2021.

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

**Managing Director and Group CFO**  
Michael Colakides

**Company CFO**  
Grigorios Dikaios

**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 2021 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 2021 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**  
Efstratios - Georgios (Takis) Arapoglou

**Managing Director and Group CFO**  
Michael Colakides

## Financial Performance Overview

### TITAN Group - Overview of the first half 2021

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Sales volume trends were positive in all product lines in the first half of the year. Group cement and clinker sales, including exports, increased by 11% supported by higher demand across most markets. Aggregates and ready-mix sales volumes increased by 4% and 5% respectively.

Consolidated revenue reached €821.1m, up 4.4% versus the first half of 2020, reflecting growing demand in most markets and a supportive pricing environment. Top line growth was held back by weaker US\$ and US\$-linked currencies. In local currencies, growth was 11.7%. EBITDA reached €142.6m, up 4.2% (and +10.3% in local currencies), held back by the spike in energy costs and freight rates. Net profit after taxes and minority interests more than doubled reaching €58.0m vs €22.4m aided by a significant decline in finance costs. To put those figures in context, it should be noted that - as most of the Group's countries of operation were not among those hard hit in the early days of the pandemic – our H1 2020 had been resilient and ahead of H1 2019.

### Regional review of the first half 2021

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The positive momentum in US fundamentals continued in the first half of the year. In the prevalent favorable macroeconomic environment, the robust housing market aided by low interest rates and a shortage of available housing stock, combined with growing number of infrastructure projects, provide the impetus of demand. The Mid-Atlantic region continued developing strongly and demand continued to grow in Florida, with differing trajectories along geographies. New York metro also confirmed the green shoots observed in Q1. Overall market tightness has manifested itself in increased logistics and raw materials costs, as well as labor shortages, resulting in a squeeze of profitability margins. Revenue in the USA recorded a 10.2% increase in US \$ terms in the first half of 2021 but was almost flat in Euro terms (+0.8%) at €479.3m. EBITDA reached €81.2m, (1.9% growth in US \$) in Euro 6.8% below the first half of 2020. The discrepancy is due to higher maintenance costs in H1 as well as increased logistics and labour costs.

In Greece, the encouraging trends of demand recorded in 2020 continued in H1 2021, supporting the notion that the sector is entering a growth cycle. Demand continued to increase in the 2nd quarter after an already strong Q1. Residential development has picked up in the main urban centers while many peripheral construction projects and private investments are continuing across the country more than compensating for a small decline in tourism-related construction. The healthy market environment has been supportive of prices, which helped contain rising energy and freight costs. Group exports also increased during the period in response to the upsurge in global demand across markets served by our network. Export sales denominated in US \$ were however penalized by the weaker US \$ and profitability suffered from higher freight costs.

Total revenue for region Greece and Western Europe in the first half of 2021 grew by 17.4% to €133.5m while EBITDA came in at €17m versus €8.2m in the first half of 2020.

Performance in Southeastern Europe continued being strong across markets, with robust volume development. Although rising energy prices, electricity in particular, have softened profitability margins, thanks to higher levels of utilization of the cement plants overall performance remained at high levels. Key demand drivers, residential and commercial construction remain strong in the cluster of countries where the Group operates.

Revenue for the region as a whole increased by 14.1% to €132.3m while EBITDA increased by 7.5% to €42m in the first half of 2021.

In Egypt, cement consumption was flat in the first half of the year. The trend however in March and in April leading up to the start of the Ramadan was indicative of a timid uptick of market demand. The drive from private residential and New Cities development remained in place. Although the pricing environment has significantly improved since the beginning of the year from low levels, higher costs partially offset improvement of margins. Still, Egypt in H1 turned a small positive EBITDA.

In Turkey, Adocim domestic sales volumes surged year on year, along with prices also reflecting the supply tightness of the market. Investment into new residential construction continues to provide a safe haven for savings, addresses the housing needs of the growing population and abides to the requirements of the new anti-seismic regulation. Furthermore, a multitude of small-scale manufacturing and industrial private investment projects enhance demand. The weakening of the local currency as well as exposure to foreign currency-denominated input costs, limited Turkey's profitability to a low contribution.

Total revenue in the Eastern Mediterranean reached €75.9m, a decline of 6.4% year on year, though there was a +8.6% growth in local currencies. EBITDA reached €2.4m posting a 1.4% increase versus the first half of 2020.

The market in the North East of Brazil has continued to grow, posting a 15% increase versus the first half of 2020, continuing the upswing recorded for the last four quarters. Sales of our joint venture Apodi increased, based on stronger demand coming from the residential and commercial sectors. In the first half of the year Apodi posted an increase in Revenue to €36.7m (vs €29.9m in H1 2020) as well as in EBITDA at €8.8m vs €3.5 m in 2020, enhancing its contribution to the Group's net results.

## Financing and Investments

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Group operating free cash flow reached €60.5m, a decrease of €8.4m compared to the first half of 2020. Cash flow generation benefited from higher EBITDA levels, but capital expenditure was €54.3m, increased by €13.8m compared to the covid restrained capex in 2020.

Net finance costs in the first half of 2021 were lower by €16.4m and came to €15.7m. This partly reflects lower debt balances and lower interest rates charged, as well as a positive variance vs last year's one-off €7m mark to market losses on US\$ interest rate hedges.

Group net debt at the end of the first half of 2021 was €691.4m, higher by €7m from the end of 2020. Cash balances were reduced to €93.7m, after repayment of €166m for matured bonds in June 2021.

On March 23, 2021 the Board of Directors decided the return of capital of €0.40 per share to all shareholders of the Company on record on April 29, 2021 which was paid on July 2<sup>nd</sup> 2021.

On 22<sup>nd</sup> June, 2021 the process for the cancellation of 5% of TCI's shares was completed. Following this transaction, the share capital of the company amounts to €1,159,347,807.86 and is represented by 78,325,475 shares. On June 30, 2021 TITAN Cement Group owned 1,307,520 own shares representing 1.67% of total voting rights.

## Outlook

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Construction activity has proved resilient to the challenging circumstances posed by COVID. With the worst of the global pandemic hopefully behind us, market fundamentals and the key drivers of demand are in place to support growth in 2021 and beyond. At the same time, operating profitability is held back by the spike in energy and freight costs, as well as by broader supply bottlenecks, in part a reflection of the sudden buoyancy of activity.

In the US, housing and infrastructure spending should continue to drive demand growth. Titan America backlogs are strong and growing. At the same time, labour shortages, logistics bottlenecks and growing input costs are impacting the entire value chain.

In Greece, demand is also on a growth path, driven by the recovery in housing in the key urban centres along with the many peripheral infrastructure projects across the country. The Greek market pick-up has so far taken place without any volumes being yet absorbed by the major planned infrastructure projects. These are expected to enhance consumption levels towards the end of the year and into 2022, laying the foundations for growth in the years ahead. The Group will continue to leverage its international trading network so as to optimize supply-demand dynamics across its geographic footprint. The tightness of global freight markets at present however and the attendant surge in freight rates, will challenge the profitability of this activity, as long as such conditions persist.

In Southeastern Europe, momentum in the sector is set to continue. A mix of residential, private commercial/industrial as well as infrastructure projects provide the varying backdrop of demand across the different countries in our cluster of operations. Macroeconomic conditions remain supportive with investment flowing into the region.

In Egypt, the recently (as of 1st July) imposed production quotas by the authorities, applicable to all cement producers, aim to address the long-standing structural imbalance in the country. While it is too early to gauge their full impact, the more favourable demand-supply balance seems to providing support for an improvement in prices. Coupled with improving macroeconomic prospects and recovering cement demand, this should lead to improved operating performance.

In Turkey, supportive government policies seem set to continue driving construction demand growth despite the precarious, state of the economy.

In Brazil, the National Union of Cement Industry expects that in 2021 cement demand will increase by 6% compared to 2020 levels with home renovations and new construction projects driving demand. Both consumer and construction confidence indices are increasing, reflective of both the activity in the residential housing market and public investment in infrastructure, generating good prospects for the industry into 2022.



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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 2021**

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### ***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Titan Cement International SA and its subsidiaries as of 30 June 2021 and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated cash flow statement 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.

Sint-Stevens-Woluwe, 28 July 2021

The statutory auditor  
PwC Bedrijfsrevisoren BV / PwC Réviseurs d'Entreprises SRL  
Represented by

Didier Delanoye  
Bedrijfsrevisor / Réviseur d'Entreprises

## Interim Condensed Consolidated Income Statement

(all amounts in Euro thousands)

	Notes	For the six months ended 30/6	
		2021	2020
Revenue	5	821,068	786,285
Cost of sales		-661,553	-640,930
<b>Gross profit</b>		<b>159,515</b>	<b>145,355</b>
Other operating income		5,036	5,935
Administrative expenses		-70,466	-67,741
Selling and marketing expenses		-12,400	-12,124
Net impairment losses on financial assets		-536	-1,257
Other operating expenses		-4,157	-3,824
<b>Operating profit</b>		<b>76,992</b>	<b>66,344</b>
Finance income		3,393	336
Finance costs		-19,111	-32,457
Gain/(loss) from foreign exchange differences		3,159	-4,057
Share of profit/(loss) of associates and joint ventures	11	1,144	-1,785
<b>Profit before taxes</b>		<b>65,577</b>	<b>28,381</b>
Income tax expense	7	-7,565	-6,337
<b>Profit after taxes</b>		<b>58,012</b>	<b>22,044</b>
<b>Attributable to:</b>			
Equity holders of the parent		57,961	22,411
Non-controlling interests		51	-367
		<b>58,012</b>	<b>22,044</b>
<b>Basic earnings per share (in €)</b>		<b>0.7551</b>	<b>0.2897</b>
<b>Diluted earnings per share (in €)</b>		<b>0.7520</b>	<b>0.2884</b>

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



## Interim Condensed Consolidated Statement of Comprehensive Income

(all amounts in Euro thousands)

	Notes	For the six months ended 30/6	
		2021	2020
<b>Profit after taxes</b>		<b>58,012</b>	<b>22,044</b>
<u>Other comprehensive income/(loss):</u>			
<u>Items that may be reclassified to income statement</u>			
Exchange differences on translation of foreign operations	14	10,010	-47,907
Currency translation differences on transactions designated as part of net investment in foreign operation		2,629	-555
Gains on cash flow hedges		553	-
Income tax relating to these items	7	-764	125
<u>Items that will not be reclassified to income statement</u>			
Effect due to changes in tax rates		-45	-
<b>Other comprehensive income/(loss) for the period net of tax</b>		<b>12,383</b>	<b>-48,337</b>
<b>Total comprehensive income/(loss) for the period net of tax</b>		<b>70,395</b>	<b>-26,293</b>
<u>Attributable to:</u>			
Equity holders of the parent		72,684	-22,608
Non-controlling interests		-2,289	-3,685
		<b>70,395</b>	<b>-26,293</b>

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

## Interim Condensed Consolidated Statement of Financial Position

(all amounts in Euro thousands)

		<b>30/06/2021</b>	<b>31/12/2020</b>
<b>Assets</b>	<i>Notes</i>		
Property, plant and equipment	8	1,531,708	1,529,243
Investment properties		10,368	11,720
Goodwill	9	270,687	268,013
Intangible assets	10	88,191	84,279
Investments in associates and joint ventures	11	91,838	85,610
Derivative financial instruments		-	2,291
Receivables from interim settlement of derivatives	12	1,262	-
Other non-current assets	17	16,489	16,957
Deferred tax assets	7	10,746	15,201
<b>Total non-current assets</b>		<b>2,021,289</b>	<b>2,013,314</b>
Inventories	18	276,053	248,586
Receivables and prepayments	19	226,780	185,247
Income tax receivable		628	4,744
Derivative financial instruments	12	2,949	16,462
Receivables from interim settlement of derivatives	12	5,682	4,142
Cash and cash equivalents		93,695	206,438
<b>Total current assets</b>		<b>605,787</b>	<b>665,619</b>
Assets held for sale	8	1,281	-
<b>Total Assets</b>		<b>2,628,357</b>	<b>2,678,933</b>
<b>Equity and Liabilities</b>			
Equity and reserves attributable to owners of the parent		1,274,269	1,242,693
Non-controlling interests		21,278	23,990
<b>Total equity (a)</b>		<b>1,295,547</b>	<b>1,266,683</b>
Long-term borrowings	12	636,768	628,172
Long-term lease liabilities		43,007	38,821
Derivative financial instruments	12	1,389	-
Payables from interim settlement of derivatives		-	2,291
Deferred tax liability	7	110,581	102,078
Retirement benefit obligations		33,687	34,234
Provisions		49,135	49,550
Non-current contract liabilities		1,833	1,991
Other non-current liabilities		12,355	9,864
<b>Total non-current liabilities</b>		<b>888,755</b>	<b>867,001</b>
Short-term borrowings	12	87,734	205,656
Short-term lease liabilities		17,596	18,194
Derivative financial instruments	12	7,715	5,113
Payables from interim settlement of derivatives	12	1,350	12,957
Trade and other payables	20	305,970	278,370
Current contract liabilities		10,858	8,215
Income tax payable		3,052	4,054
Provisions		9,780	12,690
<b>Total current liabilities</b>		<b>444,055</b>	<b>545,249</b>
<b>Total liabilities (b)</b>		<b>1,332,810</b>	<b>1,412,250</b>
<b>Total Equity and Liabilities (a+b)</b>		<b>2,628,357</b>	<b>2,678,933</b>

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						Total	Non-controlling interests	Total equity
	Ordinary shares	Share premium	Share options	Ordinary treasury shares	Other reserves (note 14)	Retained earnings			
<b>Balance at 31 December 2019</b>	<b>1,159,348</b>	<b>5,974</b>	<b>4,904</b>	<b>-117,139</b>	<b>-106,947</b>	<b>429,025</b>	<b>1,375,165</b>	<b>34,626</b>	<b>1,409,791</b>
Profit for the period	-	-	-	-	-	22,411	22,411	-367	22,044
Other comprehensive loss	-	-	-	-	-45,019	-	-45,019	-3,318	-48,337
<b>Total comprehensive (loss)/income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-45,019</b>	<b>22,411</b>	<b>-22,608</b>	<b>-3,685</b>	<b>-26,293</b>
Deferred tax on treasury shares held by subsidiary	-	-	-	-	9,299	-	9,299	-	9,299
Distribution of reserves	-	-	-	-	-15,414	-	-15,414	-	-15,414
Dividends distributed	-	-	-	-	-	-	-	-1,318	-1,318
Treasury shares purchased (note 13)	-	-	-	-8,816	-	-	-8,816	-	-8,816
Sale - disposal of treasury shares for option plan	-	-	-	818	-	-471	347	-	347
Share based payment transactions	-	-	925	-	-	-	925	-	925
Acquisition of non-controlling interest	-	-	-	-	852	-481	371	-1,826	-1,455
Transfers among reserves	-	-	-1,067	-	-2,569	3,636	-	-	-
<b>Balance at 30 June 2020</b>	<b>1,159,348</b>	<b>5,974</b>	<b>4,762</b>	<b>-125,137</b>	<b>-159,798</b>	<b>454,120</b>	<b>1,339,269</b>	<b>27,797</b>	<b>1,367,066</b>

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 thousands)

	Attributable to equity holders of the parent							Non-controlling interests	Total equity
	Ordinary shares	Share premium	Share options	Ordinary treasury shares	Other reserves (note 14)	Retained earnings	Total		
<b>Balance at 31 December 2020</b>	<b>1,159,348</b>	<b>5,974</b>	<b>5,307</b>	<b>-124,120</b>	<b>-266,314</b>	<b>462,498</b>	<b>1,242,693</b>	<b>23,990</b>	<b>1,266,683</b>
Profit for the period	-	-	-	-	-	57,961	57,961	51	58,012
Other comprehensive income/(loss)	-	-	-	-	14,723	-	14,723	-2,340	12,383
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,723</b>	<b>57,961</b>	<b>72,684</b>	<b>-2,289</b>	<b>70,395</b>
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	-	-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
Transfer among reserves	-	-	-1,996	-	6,803	-4,807	-	-	-
<b>Balance at 30 June 2021</b>	<b>1,159,348</b>	<b>5,974</b>	<b>3,741</b>	<b>-29,440</b>	<b>-351,286</b>	<b>485,932</b>	<b>1,274,269</b>	<b>21,278</b>	<b>1,295,547</b>

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

## Interim Condensed Consolidated Cash Flow Statement

<i>(all amounts in Euro thousands)</i>		<b>For the six months ended 30/6</b>	
		<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>			
<b>Profit after taxes</b>	<i>Notes</i>	<b>58,012</b>	<b>22,044</b>
Depreciation and amortization of assets	<i>8,10</i>	65,599	70,448
Interest and related expenses		15,439	31,479
Provisions		2,104	3,693
Other non-cash items		3,039	13,340
Income tax paid		-4,037	-2,144
Changes in working capital		-29,350	-31,535
<b>Net cash generated from operating activities (a)</b>		<b>110,806</b>	<b>107,325</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	<i>8</i>	-49,965	-39,833
Payments for intangible assets	<i>10</i>	-4,364	-685
Payments for share capital increase in associates and joint ventures		-	-355
Payments for acquisition of subsidiaries and joint ventures, net of cash acquired		-41	-
Payments for financial assets at fair value through profit or loss		-50	-
Proceeds from sale of PPE, intangible assets and investment property	<i>8</i>	1,506	187
Proceeds from dividends		47	646
Interest received		320	336
<b>Net cash flows used in investing activities (b)</b>		<b>-52,547</b>	<b>-39,704</b>
<b>Cash flows from financing activities</b>			
Acquisition of non-controlling interests		-40,817	-1,455
Payments due to share capital transactions		-767	-
Dividends paid		-289	-239
Payments for shares bought back		-	-8,816
Proceeds from sale of treasury shares		826	347
Interest and other related charges paid		-18,133	-24,271
Principal elements of lease payments		-8,254	-7,896
Proceeds from borrowings and derivative financial instruments		121,070	171,736
Payments of borrowings and derivative financial instruments		-226,769	-46,283
<b>Net cash flows (used in)/from financing activities (c )</b>		<b>-173,133</b>	<b>83,123</b>
<b>Net (decrease)/increase in cash and cash equivalents (a)+(b)+(c)</b>		<b>-114,874</b>	<b>150,744</b>
Cash and cash equivalents at beginning of the year		206,438	90,388
Effects of exchange rate changes		2,131	-793
<b>Cash and cash equivalents at end of the period</b>		<b>93,695</b>	<b>240,339</b>

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

## Contents of the notes to the interim condensed consolidated financial statements

<b>1. General information</b>	<b>14</b>
<b>2. Basis of preparation and summary of significant accounting policies</b>	<b>14</b>
<b>3. Estimates</b>	<b>17</b>
<b>4. Seasonality of operations</b>	<b>17</b>
<b>5. Operating segment information</b>	<b>18</b>
<b>6. Number of employees</b>	<b>18</b>
<b>7. Income tax</b>	<b>19</b>
<b>8. Property, plant and equipment</b>	<b>19</b>
<b>9. Goodwill</b>	<b>20</b>
<b>10. Intangible assets</b>	<b>20</b>
<b>11. Investments in associates and joint ventures</b>	<b>20</b>
<b>12. Financial instruments and fair value measurement</b>	<b>21</b>
<b>13. Share capital and premium</b>	<b>23</b>
<b>14. Other reserves</b>	<b>24</b>
<b>15. Dividends and return of capital</b>	<b>25</b>
<b>16. Contingencies and commitments</b>	<b>25</b>
<b>17. Other non-current assets</b>	<b>26</b>
<b>18. Inventories</b>	<b>26</b>
<b>19. Receivables and prepayments</b>	<b>26</b>
<b>20. Trade and Other Payables</b>	<b>26</b>
<b>21. Events after the reporting period</b>	<b>26</b>
<b>22. Covid-19 implications</b>	<b>26</b>
<b>23. Principal exchange rates</b>	<b>27</b>

## 1. General information

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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 28 July 2021.

## 2. Basis of preparation and summary of significant accounting policies

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These financial statements for the six-month period ended 30 June 2021 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 2020.

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 2020, except for the new or revised standards, amendments and/or interpretations that are mandatory for the periods beginning on or after 1 January 2021.

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2021 and have been endorsed by the European Union:

- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (effective 01/01/2021). This amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective 01/01/2021). These amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.
- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (effective 01/06/2020, with early application permitted). If certain conditions are met, the Amendment would permit lessees, as a practical expedient, not to assess whether particular covid-19-related rent concessions are lease modifications. Instead, lessees that apply the practical expedient would account for those rent concessions as if they were not lease modifications.

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

The following amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2021 and have not been endorsed by the European Union:

- Amendments to IAS 1 ‘Presentation of Financial Statements: Classification of Liabilities as current or non-current’ (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.
- IFRS 17 ‘Insurance contracts’ (effective 1 January 2023). This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. On 17 March 2020, IASB decided to defer pop effective date to annual reporting periods beginning on or after 1 January 2023. The endorsement includes the amendments issued by the Board in June 2020, which are aimed at helping companies implement the Standard and pp making it easier for them to explain their financial performance.
- 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.



- 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).
- 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).
- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions (effective 1 April 2021). 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).
- 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.

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 standard is mandatory since the financial year beginning 1 January 2016 (however not yet subjected to EU endorsement). The European Commission has decided not to launch the endorsement process of this interim standard but to wait for the final standard:

- IFRS 14, 'Regulatory deferral accounts' (effective 1 January 2016). It concerns an interim standard on the accounting for certain balances that arise from rate-regulated activities. IFRS 14 is only applicable to entities that apply IFRS 1 as first-time adopters of IFRS. It permits such entities, on adoption of IFRS, to continue to apply their previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The interim standard also provides guidance on selecting and changing accounting policies (on first-time adoption or subsequently) and on presentation and disclosure.

### **3. Estimates**

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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 the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2020.

### **4. Seasonality of operations**

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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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Gross revenue	162,816	147,958	479,334	475,532	132,258	115,940	75,941	81,097	850,349	820,527
Inter-segment revenue	-29,279	-34,242	-	-	-2	-	-	-	-29,281	-34,242
<b>Revenue from external customers</b>	<b>133,537</b>	<b>113,716</b>	<b>479,334</b>	<b>475,532</b>	<b>132,256</b>	<b>115,940</b>	<b>75,941</b>	<b>81,097</b>	<b>821,068</b>	<b>786,285</b>
Earnings before interest, taxes, depreciation, amortization and impairment (EBITDA)	16,994	8,245	81,197	87,118	42,039	39,100	2,361	2,329	142,591	136,792
Depreciation, amortization and impairment of tangible and intangible assets	-11,278	-10,876	-32,243	-37,137	-12,665	-12,428	-9,413	-10,007	-65,599	-70,448
Operating profit/(loss)	5,716	-2,631	48,955	49,981	29,374	26,672	-7,053	-7,678	76,992	66,344

ASSETS	Greece and Western Europe		North America		South Eastern Europe		Eastern Mediterranean		Total	
	30/6/2021	31/12/2020	30/6/2021	31/12/2020	30/6/2021	31/12/2020	30/6/2021	31/12/2020	30/6/2021	31/12/2020
<b>Total assets of segments excluding joint ventures</b>	<b>561,087</b>	<b>563,338</b>	<b>1,038,394</b>	<b>1,095,754</b>	<b>459,173</b>	<b>456,883</b>	<b>484,811</b>	<b>484,770</b>	<b>2,543,465</b>	<b>2,600,745</b>
Investment in joint ventures									84,892	78,188
<b>Total assets</b>									<b>2,628,357</b>	<b>2,678,933</b>

  

LIABILITIES	Greece and Western Europe		North America		South Eastern Europe		Eastern Mediterranean		Total	
	30/6/2021	31/12/2020	30/6/2021	31/12/2020	30/6/2021	31/12/2020	30/6/2021	31/12/2020	30/6/2021	31/12/2020
<b>Total liabilities</b>	<b>264,308</b>	<b>299,887</b>	<b>601,307</b>	<b>639,163</b>	<b>124,319</b>	<b>146,993</b>	<b>342,876</b>	<b>326,207</b>	<b>1,332,810</b>	<b>1,412,250</b>

### 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 thousands)

	For the six months ended 30/6	
	2021	2020
<b>Operating profit</b>	<b>76,992</b>	<b>66,344</b>
Net finance costs	-15,718	-32,121
Gain/(loss) from foreign exchange differences	3,159	-4,057
Share of profit of associates	-	306
Share of profit/(loss) of joint ventures	1,144	-2,091
<b>Profit before taxes</b>	<b>65,577</b>	<b>28,381</b>

## 6. Number of employees

The average number of Group employees for the reporting period was 5,372.

## 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:

	For the six months ended 30/6	
	2021	2020
(all amounts in Euro thousands)		
Current income tax - expense	-6,786	-3,587
Provision for other taxes	-78	130
Deferred tax expense	-701	-2,880
<b>Income tax recognised in income statement</b>	<b>-7,565</b>	<b>-6,337</b>
Income tax (expense)/benefit recognised in other comprehensive income	-809	125
<b>Total income tax - (expense)</b>	<b>-8,374</b>	<b>-6,212</b>

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

	2021	2020
	(all amounts in Euro thousands)	
<b>Opening balance 1/1</b>	<b>86,877</b>	<b>82,380</b>
Tax expenses during the period recognised in the income statement	701	2,880
Deferred tax on treasury shares held by subsidiary (note 14)	10,196	-9,299
Income tax expense/(benefit) recognised in other comprehensive income	809	-125
Deferred tax adjustment on revaluation reserves	215	-
Exchange differences	1,037	-2,956
<b>Ending balance 30/6</b>	<b>99,835</b>	<b>72,880</b>

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

	Property, plant and equipment	Right of use assets	Total property, plant and equipment
	(all amounts in Euro thousands)		
<b>Balance at 1/1/2021</b>	<b>1,477,210</b>	<b>52,033</b>	<b>1,529,243</b>
Additions	39,891	10,074	49,965
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
<b>Ending balance 30/6/2021</b>	<b>1,477,032</b>	<b>54,676</b>	<b>1,531,708</b>
<b>Balance at 1/1/2020</b>	<b>1,637,242</b>	<b>57,483</b>	<b>1,694,725</b>
Additions	33,791	6,042	39,833
Interest capitalization	279	-	279
Disposals (net book value)	-217	-29	-246
Depreciation/impairment	-60,789	-7,414	-68,203
Transfers from/to other accounts	4,179	-75	4,104
Exchange differences	-21,392	-75	-21,467
<b>Ending balance 30/6/2020</b>	<b>1,593,093</b>	<b>55,932</b>	<b>1,649,025</b>

## 8. Property, plant and equipment (continued)

On the Turkish subsidiary Adocim Cimento Beton Sanayi ve Ticaret A.S. assets, there are mortgages of €32.1 mil., securing bank credit facilities. On 30.6.2021, utilization under these credit facilities amounted to €7.0 mil..

Assets with a net book value of €1,201 thousand were disposed by the Group during the six months ended 30 June 2021 (1.1-30.6.2020: €246 thousand) resulting in a net gain of €305 thousand (1.1-30.6.2020: loss €59 thousand).

The Board of Directors of the Group subsidiary in Greece, Titan Cement S.A., decided to sell its land plots located in Elefsina-Attika. The plots are expected to be sold to a particular buyer during the year at a selling price that will exceed their carrying amount. Hence, the plots of land were transferred from the account of "investment properties" to the account of "assets held for sale".

## 9. Goodwill

(all amounts in Euro thousands)

	2021	2020
<b>Opening balance 1/1</b>	<b>268,013</b>	<b>344,523</b>
Exchange differences	2,674	-4,617
<b>Ending balance 30/6</b>	<b>270,687</b>	<b>339,906</b>
North America	184,048	195,319
Bulgaria	45,440	45,440
Egypt	-	49,736
Turkey	24,050	32,337
Other	17,149	17,074
<b>Total</b>	<b>270,687</b>	<b>339,906</b>

## 10. Intangible assets

(all amounts in Euro thousands)

	2021	2020
<b>Opening balance 1/1</b>	<b>84,279</b>	<b>85,170</b>
Additions	4,364	685
Transfers from/to other accounts	367	-4,513
Amortization/impairment	-2,551	-2,349
Exchange differences	1,732	-199
<b>Ending balance 30/6</b>	<b>88,191</b>	<b>78,794</b>

## 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)

	30/06/2021	31/12/2020
<b>Opening balance 1/1</b>	<b>85,610</b>	<b>113,858</b>
Share of gain of associates and joint ventures	1,144	3,200
Dividends received	-475	-2,348
Share capital increase	-	355
Foreign exchange differences	5,559	-29,440
Other comprehensive loss	-	-15
<b>Ending balance</b>	<b>91,838</b>	<b>85,610</b>

## 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	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
<b>Financial assets</b>				
<b>At amortised cost</b>				
Other non-current financial assets	7,059	6,275	7,059	6,275
Trade receivables	132,729	107,964	132,729	107,964
Cash and cash equivalents	93,695	206,438	93,695	206,438
Other current financial assets	41,939	36,831	41,939	36,831
<b>Fair value through other comprehensive income</b>				
Derivative financial instruments - current	644	-	644	-
<b>Fair value through profit and loss</b>				
Derivative financial instruments - non current	-	2,291	-	2,291
Receivables from interim settlement of derivatives - non current	1,262	-	1,262	-
Other non-current financial assets	231	181	231	181
Derivative financial instruments - current	2,305	16,462	2,305	16,462
Receivables from interim settlement of derivatives - current	5,682	4,142	5,682	4,142
Other current financial assets	30	30	30	30
<b>Financial liabilities</b>				
<b>At amortised cost</b>				
Long term borrowings	636,768	628,172	660,219	645,374
Other non-current financial liabilities	15	16	15	16
Short term borrowings	87,734	205,656	87,734	208,137
Other current financial liabilities	276,036	256,486	276,036	256,486
<b>Fair value through other comprehensive income</b>				
Derivative financial instruments - current	-	47	-	47
<b>Fair value through profit and loss</b>				
Derivative financial instruments - non current	1,389	-	1,389	-
Payables from interim settlement of derivatives - non current	-	2,291	-	2,291
Derivative financial instruments - current	7,715	5,066	7,715	5,066
Payables from interim settlement of derivatives - current	1,350	12,957	1,350	12,957

Note: Derivative financial instruments consist of fx forwards, cross currency interest rate swaps (CCS), interest rate swaps (IRS), natural gas forwards, forward freight agreements (FFA) and interim settlements for derivatives that consist of cash, which covers fluctuations in the market value of the aforementioned derivatives.

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 30.6.2021, the Group derivative balances consist of the fair values of:

- Cross currency interest rate swap agreements (CCS) and EUR-USD forward contracts that hedge foreign currency risk or/and interest rate risk created by intercompany loans,
- Forward freight agreements (FFA) with the purpose of hedging against the volatility of freight rates,
- Natural gas forward purchase contract to fix a portion of the monthly NYMEX component of the natural gas costs for the duration of the 1-year purchase contract in USA. The Group designated a cash flow hedge relationship between the purchase and the forward contract,
- Forward starting interest rate swap agreements (IRS) with notional amount of €250 mil. and effective date within 2023. The IRSs partially lock the interest rate cost of the upcoming 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.

## 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 30.6.2021 and 31.12.2020, in order to summarize the total net position of the Group.

	Asset /(Liability)		Net balance
	Fair value of derivatives	Interim settlement of derivatives	
<i>(all amounts in Euro thousands)</i>			
<b>Balance at 30 June 2021</b>			
Forwards - expired in 2021	-2,717	1,111	-1,606
Natural gas forwards - expired in 2021	644	-	644
Forward freight agreement - expired in 2021 & 2022	1,274	-382	892
Interest rate swap - expired in 2023	-127	-	-127
Cross currency swaps - expired in 2024	-5,229	4,865	-364
	<b>-6,155</b>	<b>5,594</b>	<b>-561</b>
<b>Balance at 31 December 2020</b>			
Forwards - expired in 2021	15,238	-11,977	3,261
Natural gas forwards - expired in 2021	-47	-	-47
Cross currency swaps - expired in 2024	-1,551	871	-680
	<b>13,640</b>	<b>-11,106</b>	<b>2,534</b>

### 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.

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

	Fair value		Fair value hierarchy
	30/06/2021	31/12/2020	
<i>(all amounts in Euro thousands)</i>			
<b>Assets</b>			
Investment property	10,368	11,720	Level 3
Other financial assets at fair value through profit and loss	261	211	Level 3
Derivative financial instruments	2,949	18,753	Level 2
Receivables from interim settlement of derivatives	6,944	4,142	Level 2
<b>Liabilities</b>			
Long-term borrowings	619,169	612,463	Level 2
Long-term borrowings	41,050	32,911	Level 3
Short-term borrowings	4,325	170,196	Level 2
Short-term borrowings	83,409	37,941	Level 3
Derivative financial instruments	9,104	5,113	Level 2
Payables from interim settlement of derivatives	1,350	15,248	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 2021.

### 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
<b>Shares issued and fully paid</b>					
Balance at 1 January 2020	82,447,868	1,159,348	5,974	82,447,868	1,165,322
Balance at 30 June 2020	82,447,868	1,159,348	5,974	82,447,868	1,165,322
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	-
<b>Balance at 30 June 2021</b>	<b>78,325,475</b>	<b>1,159,348</b>	<b>5,974</b>	<b>78,325,475</b>	<b>1,165,322</b>

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

#### Treasury shares

	Number of shares	€'000
Balance at 1 January 2020	4,804,140	117,139
Treasury shares purchased	786,278	8,816
Treasury shares sold	-34,744	-818
<b>Balance at 30 June 2020</b>	<b>5,555,674</b>	<b>125,137</b>
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
<b>Balance at 30 June 2021</b>	<b>1,307,520</b>	<b>29,440</b>

On 22.6.2021, Titan Cement International SA 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.

In the first half of 2021, the average shares stock price of Titan Cement International S.A. is €15.69 (2020: €13.49) and the closing stock price on 30 June 2021 is €16.40 (2020: €10.80).



## 14. Other reserves

(all amounts in Euro thousands)

	Legal reserve	Special reserve	Non-Distributable reserve	Distributable reserve	Re-organization reserve	Contingency reserves	Tax exempt reserves under special laws	Re-valuation reserve	Actuarial differences reserve	Hedging reserve from cash flow hedges	Currency translation differences on derivative hedging position	Foreign currency translation reserve	Total other reserves
<b>Balance at 1 January 2020</b>	<b>101,034</b>	<b>637,817</b>	<b>84,994</b>	<b>200,654</b>	<b>-1,188,374</b>	<b>272,885</b>	<b>26,457</b>	<b>64,200</b>	<b>-2,064</b>	-	<b>41,115</b>	<b>-345,665</b>	<b>-106,947</b>
Other comprehensive loss	-	-	-	-	-	-	-	-	-	-	-	-45,019	-45,019
Deferred tax on treasury shares held by subsidiary	-	-	-	-	-	-	-	9,299	-	-	-	-	9,299
Distribution of reserves	-	-	-	-15,414	-	-	-	-	-	-	-	-	-15,414
Acquisition of non-controlling interest	220	25	-	-	-	-	7	1,737	-	-	-	-1,137	852
Transfer to retained earnings	-	-	-	-1,027	-	-	-869	-1,740	-	-	-	-	-3,636
Transfer from share options	-	-	-	-	-	1,067	-	-	-	-	-	-	1,067
Transfer among reserves	-	-	4,615	-4,615	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>101,254</b>	<b>637,842</b>	<b>89,609</b>	<b>179,598</b>	<b>-1,188,374</b>	<b>273,952</b>	<b>25,595</b>	<b>73,496</b>	<b>-2,064</b>	-	<b>41,115</b>	<b>-391,821</b>	<b>-159,798</b>
<b>Balance at 1 January 2021</b>	<b>101,263</b>	<b>611,752</b>	<b>88,870</b>	<b>180,337</b>	<b>-1,188,374</b>	<b>274,202</b>	<b>25,595</b>	<b>67,145</b>	<b>-3,285</b>	<b>-36</b>	<b>41,115</b>	<b>-464,898</b>	<b>-266,314</b>
Other comprehensive income/(loss)	-	-	-	-	-	-	-	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	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>108,145</b>	<b>611,752</b>	<b>21,974</b>	<b>150,713</b>	<b>-1,188,374</b>	<b>276,198</b>	<b>29,677</b>	<b>51,080</b>	<b>-3,401</b>	<b>344</b>	<b>41,115</b>	<b>-450,509</b>	<b>-351,286</b>

In the statement of other comprehensive income, the exchange differences resulting from the translation of foreign operations in the first six months of 2021 amounted to a net gain of €10 mil. (30.6.2020: loss of €47.9 mil.), of which gain €12.4 mil. (30.6.2019: loss €44.6 mil.) are attributable to the shareholders of the Parent Company and loss €2.4 mil. (30.6.2020: loss €3.3 mil.) to the non-controlling interests. The increase in net gain of €57.9 mil. between the two periods is mainly due to the strengthening of both US dollar and Brazilian real against Euro.

## 15. Dividends and return of capital

### 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.

### For the period ended 30.6.2020

Following the authorization granted to the Board of Directors by the aforementioned Extraordinary Meeting, the Board of Directors of Titan Cement International SA had decided the return of capital of €0.20 (20 cents) per share to all the Shareholders of the Company on record on 14 May 2020.

## 16. Contingencies and commitments

### Contingent liabilities

(all amounts in Euro thousands)

	30/06/2021	31/12/2020
Bank guarantee letters	24,343	16,606
	<b>24,343</b>	<b>16,606</b>

### Contingent assets

(all amounts in Euro thousands)

	30/06/2021	31/12/2020
Bank guarantee letters for securing trade receivables	23,892	23,493
Other collaterals against trade receivables	7,437	7,227
	<b>31,329</b>	<b>30,720</b>
Collaterals against other receivables	2,546	920
	<b>33,875</b>	<b>31,640</b>

### Commitments

#### Capital commitments

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

(all amounts in Euro thousands)

	30/06/2021	31/12/2020
Property, plant and equipment	658	1,425

#### Purchase commitments

Energy supply contracts (Gas, electricity, etc.)

(all amounts in Euro thousands)

	30/06/2021	31/12/2020
	4,855	651

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 that requires TALLC to pay the utility €9.8 mil. (\$11.6 mil.) over a maximum period of 6 years. On 30.6.2021, TALLC had paid €1.2 mil. (\$1.4 mil.) under the agreement.

Simultaneously, TALLC entered into a base 1-year supply agreement with a natural gas marketer for a total of 2,543 MMBtu's over the contract period. On 30.6.2021, there is committed volume of 994 MMBtu's remaining through October 2021 under the contract.

## 17. Other non-current assets

(all amounts in Euro thousands)

	<b>30/06/2021</b>	<b>31/12/2020</b>
Utility deposits	2,788	2,759
Excess benefit plan assets	2,829	2,572
Other non-current assets	10,872	11,626
	<b>16,489</b>	<b>16,957</b>

## 18. Inventories

The increase of inventories includes the positive impact of foreign exchange differences amounting to €4.3 mil.. The organic change of €23.1 mil. is mainly due to the increased deliveries of solid fuel and spare parts.

## 19. Receivables and prepayments

Receivables and prepayments increased by €41.5 mil. mainly due to trade receivables that increased by €26.4 mil.. This increase reflects mainly the seasonality of the business as well as market conditions in which the Group operates.

## 20. Trade and Other Payables

The increase in Group "Trade and Other Payables" by €27.6 mil. includes the payable of the capital return to the shareholders of the parent company amounting to €30.9 mil..

## 21. Events after the reporting period

There are no subsequent events to 30 June 2021, which would materially influence the Group's financial position.

## 22. Covid-19 implications

After the outbreak of COVID-19 pandemic, the Group continuously re-assesses the on-going economic consequences of the disease and re-examines its estimations and assumptions made in various accounting analyses to include the uncertainty caused by the COVID-19 pandemic.

On 30.6.2021, the Group reviewed accounting estimates and management judgements used in the impairment test of non-financial assets, the measurement of net realizable value of inventories, the test of financial assets' collectability and the calculation of deferred tax assets' recoverability. It concluded that none of the above accounting analyses was impacted by the economic implications of the pandemic.

Moreover, a governmental measure applicable in the USA allowed the Group's subsidiary, Titan America LLC, to accelerate the refund of outstanding alternative minimum tax credits, which was actually received during the first semester of 2021.

The impact of the COVID-19 pandemic on the Group was clearly less severe than what was initially expected. Overall construction activity escaped the full brunt of the downturn, being allowed to continue as an essential activity in most of the Group's operating countries.

## 23. Principal exchange rates

Spot rates	30/06/2021	31/12/2020	30/6/2021 vs 31/12/2020
€1 = USD	1.19	1.23	-3.2%
€1 = EGP	18.60	19.23	-3.3%
€1 = TRY	10.32	9.11	13.3%
€1 = BRL	5.94	6.38	-6.8%
€1 = RSD	117.57	117.57	0.0%
1USD=EGP	15.65	15.67	-0.2%

Average rates	Ave 6M 2021	Ave 6M 2020	Ave 6M 2021 vs 6M 2020
€1 = USD	1.21	1.10	9.4%
€1 = EGP	18.91	17.46	8.3%
€1 = TRY	9.52	7.15	33.2%
€1 = BRL	6.49	5.41	19.9%
€1 = RSD	117.58	117.57	0.0%
1USD=EGP	15.69	15.84	-1.0%