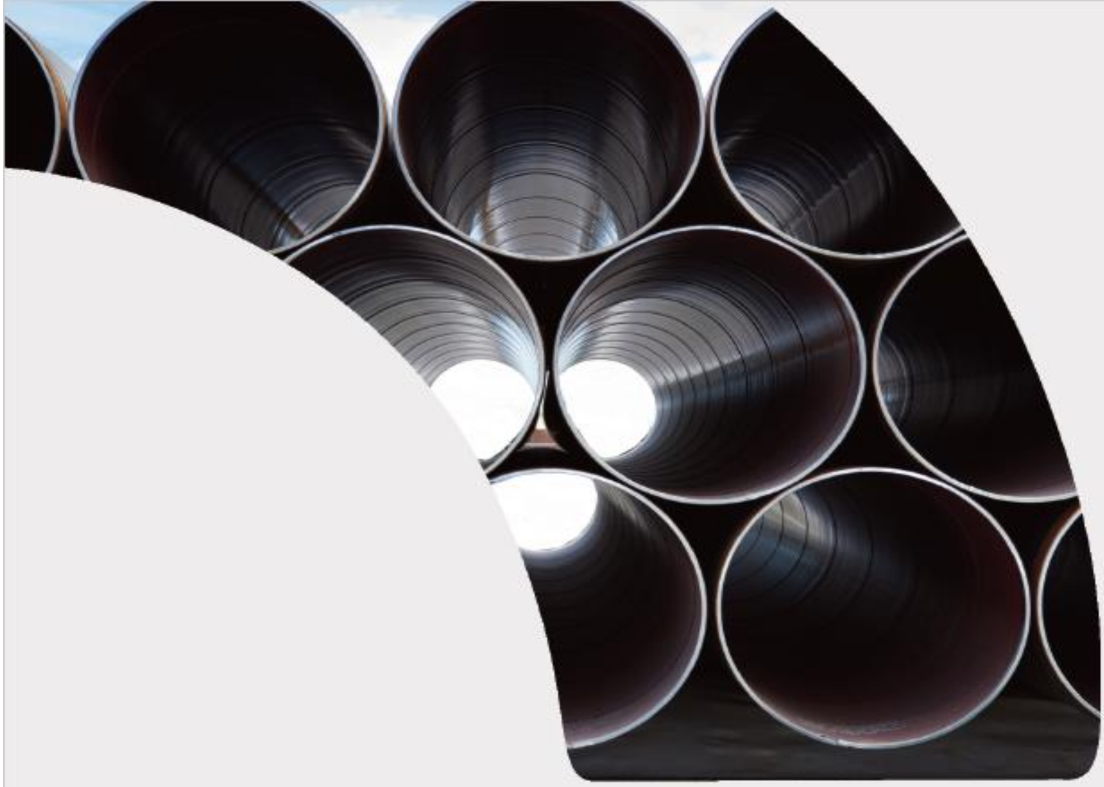


Annual Report 2019

CENERGY HOLDINGS

CORINTH PIPEWORKS

Delivering energy to the world

HELLENIC CABLES

Table of Contents

Cenergy Holdings S.A. (“***Cenergy Holdings***”, “***the Company***”, or “***the Holding***”) invests in industrial companies positioned at the forefront of high growth sectors, such as energy distribution and telecommunications.

Based in Belgium, the Company was founded in 2016 and is listed on Euronext Brussels and the Athens Stock Exchange (Athex).

Cenergy Holdings is a subsidiary of Viohalco S.A, a holding company of several leading metal processing companies across Europe. Viohalco’s subsidiaries specialise in the manufacture of aluminium, copper and steel products, steel pipes and cables, as well as other technologically advanced industrial applications. They have production facilities in Greece, Bulgaria, Romania, the United Kingdom, North Macedonia, Russia and Turkey.

The Management Report attached to the Consolidated Financial Statements (*Rapport de Gestion sur les Comptes Consolidés*), prescribed by article 3:32 of the Belgian Companies and Associations Code, includes the regulatory disclosure obligations of the Company and consists of the following sections:

A. Business Review (pages 9-30)
B. Non-financial information (pages 31-42).
C. Corporate Governance Statement (pages 43-58)

The Management Report should be read in conjunction with Cenergy Holdings’ audited consolidated financial statements.

Message from the Chairman

Dear Shareholders,

2019 was a milestone year for Cenergy Holdings as it marks essentially the first step in our company's journey to the international energy market. We had many successes to celebrate, although the year was not without its challenges. Our focus was to ensure organic and profitable growth, while deleveraging towards our optimal capital structure.

Despite intense competition in the energy infrastructure procurement market, high global macroeconomic uncertainty and a difficult financial environment, Cenergy Holdings came out as a strong provider of energy distribution solutions, not only in Europe but all over the world. All signs continue to point towards a vigorous global energy market in the years to come, and our Company will be there to reap opportunities on both the legacy (oil & gas) and the green energy (renewables) fields.

2019 was a year of change, all around the globe. In particular, the overall positive climate in European markets and the stronger than expected economic growth in the US led to a significant uptick in our individual companies. Coupled to an economic improvement in Greece where most of our production capacity is located, new opportunities and prospects have arisen for both the cables and steel pipes segments.

More specifically, in the cables segment, the substantial investment in technology of the previous years and 2018's significant order portfolio, bore fruits for the Fulgor plant. Operating at high capacity utilization, the company successfully implemented challenging high-value projects in the submarine electricity transmission market.

The other two companies in our cables segment, Hellenic Cables and ICME, recorded higher volumes compared to 2018 as well as an improved sales mix, mainly due to the continued good performance of the Greek market, the gradual recovery of traditional markets in the UK, Germany and central Europe, further penetration into new markets (such as Scandinavia and the Middle East) and the dynamic demand for telecommunications and signaling cables in Europe.

Despite a very competitive environment, Cenergy's cable companies have a strong position to further their long-term strategy, focusing on research and development of new technologies, product diversification and resource optimization. On this path they will be able to penetrate new geographic markets and expand alliances with large companies specialized in cable protection and installation.

For our steel pipes segment, 2019 was equally successful, with high capacity utilization, a dynamic presence in the world markets and steady profitability, despite a sales decline from last year. As its strategic investments mature, Corinth Pipeworks has earned the confidence of the largest oil and gas companies worldwide and distinguished itself among the most important pipe producers for its excellent quality and high technology standards.

CPW's presence in the European market was enhanced by the commissioning of significant offshore and offshore projects, most notably in the South-Eastern Mediterranean and the Baltic Sea. On the other side of the Atlantic, CPW has maintained its long-standing presence in the US, albeit with reduced volumes in an environment of strong protectionism due to "Section 232" tariffs, anti-dumping duties and falling steel prices. As part of its diversification strategy, our company has invested in a double-jointing unit and plans on upgrading the OCTG pipes' production line.

To further enhance its competitiveness, CPW keeps a close eye on international developments, focusing on renewable energy (green hydrogen) transport, new technologies for deep-field energy exploitation, continuous improvement and digitization of its operations and the transition to a “smart factory” (4^{th} Industrial Revolution).

Cenergy Holdings ensures that its portfolio companies place great emphasis on teamwork, integrity, politeness and respect for diversity. We firmly believe that this is the only way we can achieve our long-term goals. For this reason, development of Human Resources, at all levels, remains at the top of our priorities and at the center of our attention and efforts.

Despite the pressure to achieve production targets on tight schedules, all companies in our portfolio realized significant improvements in both occupational accident and environmental indicators thanks to systematic work from all our workforce. There are, however, still steps needed for an “accident-free” working environment, hence investment in health and safety will continue in 2020.

One of Cenergy’s priorities for the coming years is our Industrial Excellence (BEST) program, which will help us work more safely, more efficiently and more cooperatively. The program contains a series of focused cost reduction projects, realized during 2019 in most of our production units, while transformational projects are going to take place in 2020 changing, among other areas, the way plants manage waste.

From the outbreak of the COVID-19 pandemic earlier this year, our top priority has been protecting the health of our employees. This is why we immediately implemented strict health and safety measures for all plants and offices of our companies and used remote working extensivel where possible. The companies’ management is working hard to ensure the greatest possible supply chain continuity, protection of cash-flow generation, and the adoption of all possible cost containment and cash-flow retention measures.

As our subsidiaries, however, deliver complex infrastructure projects to large and financially sound clients spanning a broad geographical area, we retain our confidence for 2020, only constrained now by global developments. I still remain positive that our top-notch production facilities, strong R&D teams and workforce professionalism and passion for success will allow Cenergy Holdings to retain its position in the global energy and data transmission markets in the coming difficult year.

Jacques Moulaert

Chairman of the Board of Directors

Segments & Companies

Cenergy Holdings' companies provide turnkey solutions and services to a large number of clients in the energy, telecommunications and construction sectors. With significant experience implementing large-scale projects globally and a strong focus on customer satisfaction, the companies are considered to have a leading role in their respective sectors.

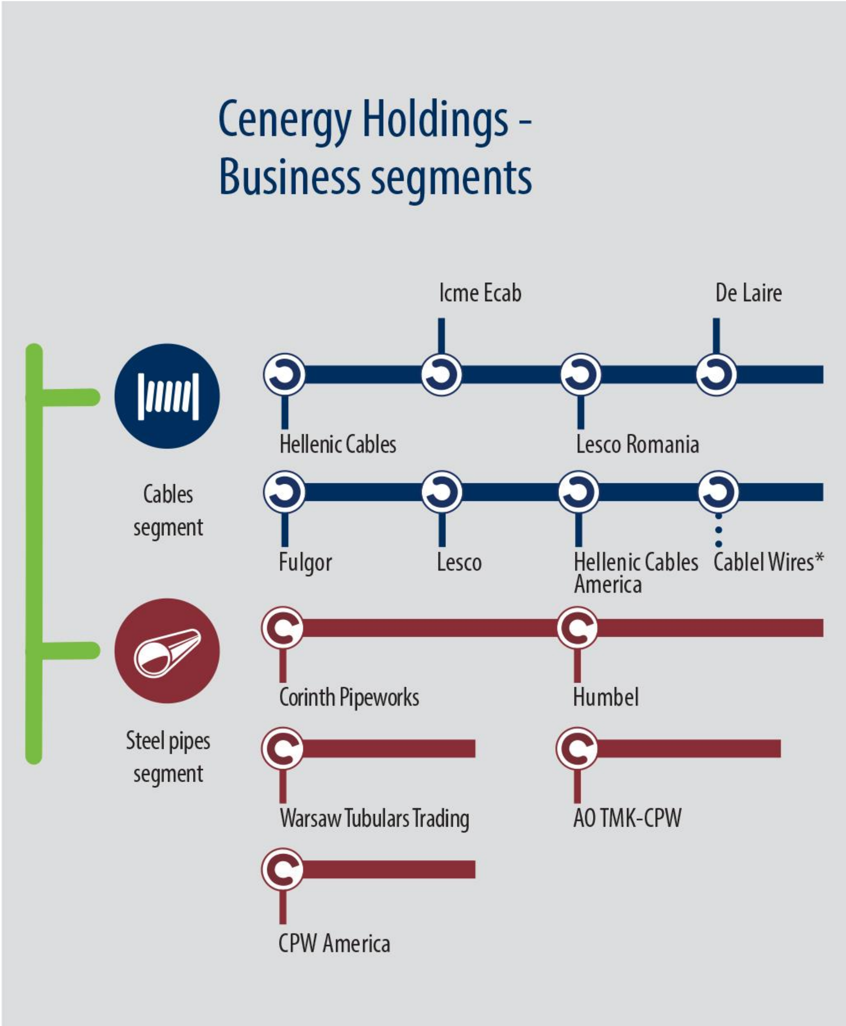
Cenergy Holdings' portfolio operates under the following organisational structure which comprises two business segments:

➢ **Cables segment:**

- Hellenic Cables S.A. ("***Hellenic Cables***"), one of the largest cable producers in Europe, manufacturing power and telecom cables for various sectors including oil and gas, renewables, energy transmission and distribution, construction and telecommunications.
- Fulgor S.A. ("***Fulgor***"), a subsidiary of Hellenic Cables, which manufactures submarine cables (ranging from medium to extra high voltage), submarine fibre optic cables, composite cables, special purpose cables, and copper and aluminium wires and rods.
- Icme Ecab S.A. ("***Icme***"), which manufactures cables for indoor installations, energy, control, industrial and external applications, low and medium voltage, fire-retardant, fire-resistant and halogen-free cables, mine cables, marine and special-requirement cables, telecommunication cables, signaling, remote control and data transmission cables, copper and aluminium conductors, and plastic and rubber compounds
- Lesco O.o.d. (Bulgaria), a subsidiary of Hellenic Cables, located in Bulgaria producing wooden packaging products.
- Lesco Romania, based in Bucharest, Romania, assembles, repairs, and recycles wooden packaging products.
- De Laire Ltd, incorporated in Cyprus, an acquisition vehicle (holding company).
- Hellenic Cables America, a wholly owned subsidiary of Hellenic Cables, providing US customers with direct support and expertise throughout the entire lifetime of energy projects in the US market.

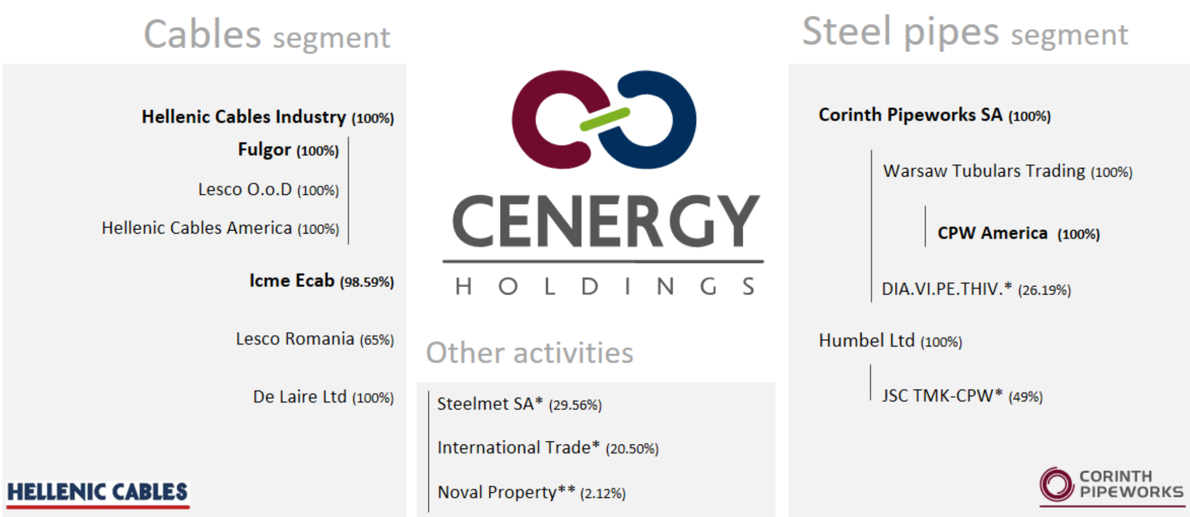
➢ **Steel pipes segment:**

- Corinth Pipeworks Pipe Industry S.A. ("***Corinth Pipeworks***", ***CPW***) is a leading manufacturer of steel pipes for the oil and gas sector and a major producer of hollow sections for the construction sector, with production facilities located in Thisvi, Greece.
- CPW America is based in Houston, USA and aims to promote Corinth Pipeworks' products and provide customer service to the Group's customers, as well as to customers of other Viohalco companies located in North and South America.
- Warsaw Tubulars Trading, incorporated in Poland, an acquisition vehicle.
- AO TMK-CPW is an associate company of Cenergy Holdings (49% ownership) formed between Corinth Pipeworks and TMK, the largest manufacturer of steel pipes in Russia and one of the top three globally. AO TMK-CPW has its production facilities in Polevskoy, Russia, where it manufactures pipes and hollow structural sections.
- Humbel Ltd. is a Cenergy Holdings 100% subsidiary, incorporated in Cyprus and holding 49% of shares in AO TMK-CPW.



*: During 2019, Hellenic Cables sold its 100% subsidiary Cablel Wires, which had absorbed its enameled wires sector during the year.

In detail:



Notes:
** Consolidated as equity accounted investees*
*** Non-consolidated entities (other significant investments)*

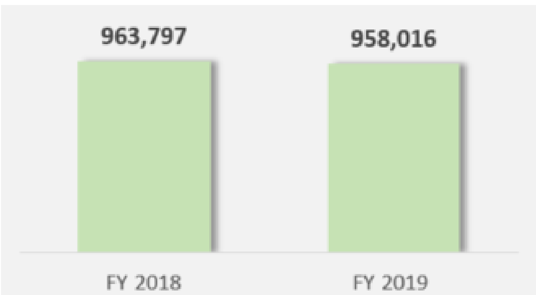
Key Figures 2019

The companies in Cenergy Holdings’ portfolio:

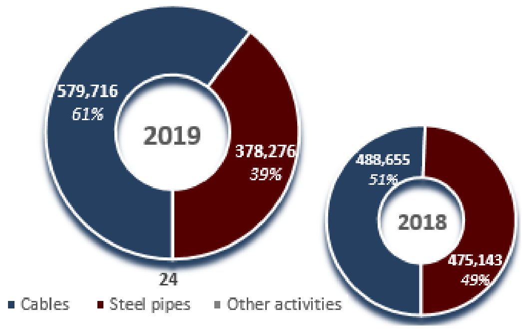
- have a long history of implementing large-scale projects in more than 70 countries;
- have served major customers worldwide for nearly 70 years;
- provide value-added products for niche markets; and
- employ more than 2,000 highly skilled people.

- Revenue: €958 million
- Adjusted EBITDA: €90 million
- Adjusted EBIT: €63 million
- Profit before tax: €28.5 million
- Profit after tax of the year from continuing operations: €20 million
- Equity: €232 million
- Total assets: €1,048 million
- Net debt: €414 million

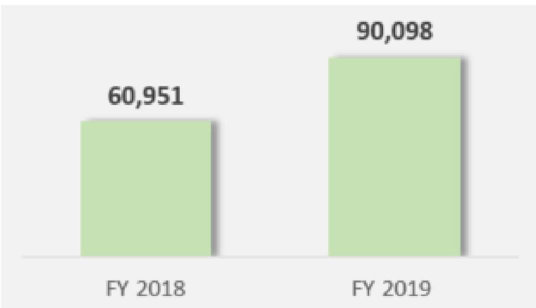
Revenue (in EUR thousand)



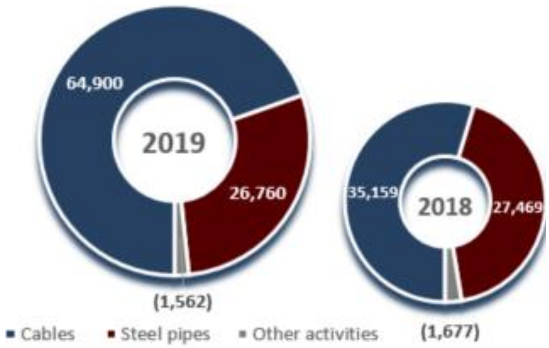
Per segment:



a-EBITDA (in EUR thousand)



Per segment:



For the steel pipes segment, 2019 was a very challenging year: strong protectionism, particularly in the USA, limited considerably the company’s operating field, so top quality products and an aggressive commercial approach were essential in order to maintain market share while entering new markets and product segments such as the technically demanding deep offshore market. The company kept a high utilization rate for its Thisvi plant and was present in all regional markets, mainly North and South Europe and Eastern Mediterranean.

Turning to the cables segment, for the first time after the completion of its investment programme in the offshore business that started back in 2011, the companies demonstrated solid financial performance and a high utilization of all available production lines. Several projects awarded to Hellenic Cables and its specialized subsidiary, Fulgor, during the last semester of 2018, served as the backbone of a strong 2019 performance, founded on the segment's ability to provide cost-effective, reliable and innovative solutions to changing market needs. Over the year, high and extra high voltage, subsea and land cable projects realized excellent results through swift and sound execution. On the other hand, the products business also delivered satisfactory profits with demand in traditional markets being rather stable, despite challenges faced (such as Brexit). The segment's robust performance was further encouraged by recent initiatives to enter new geographical markets, such as the US, as well as the persistent determination to be on the forefront of technology with industrial developments such as direct current (DC) cables and dynamic cables for floating offshore wind platforms.

Financial highlights of the year

2019 emerged as a very successful year for Cenergy Holdings. Operational profitability reached **EUR 90 million** (EUR 61 million in 2018) driven mainly by the successful execution of projects in both segments. This notable increase in profitability allowed the Holding to create high free cash flows and **decrease net debt** by EUR 60 million. On the other hand, investment expenditure, both strategic and operational, necessary to keep on providing customers with high-end solutions, continued during 2019. At a consolidated level, companies invested **EUR 53 million** in all their production sites to further support the key objective of the Holding, namely to create value (rather than increasing volumes) and become key players in energy distribution.

The financial year finds Cenergy Holdings with a **net profit after tax of EUR 20 million**, higher than ever since its creation. Such profitability could have been anticipated given the record order backlog as of December 2018 for both segments; it was, however, far from granted. Its realization was the result of a well-executed strategy, focusing and successfully delivering high-margin, high-technology, challenging projects in the energy transfer markets within a tricky global economic environment. Our commercial teams' persistent effort secured another strong order backlog for the following years, amounting to EUR 530 million as of December 31st, 2019.

Thousand EUR	FY 2019	FY 2018
Revenue	**958,016**	**963,797**
Gross profit	98,514	69,244
a-EBITDA	**90,098**	**60,951**
EBITDA	90,273	56,223
a-EBIT	**62,942**	**37,647**
EBIT	63,117	32,919
Net finance costs	(34,626)	(32,211)
Profit / (Loss) before income tax	**28,492**	**708**
Profit / (Loss) of the year	20,177	6,888
Profit / (Loss) attributable to owners of the Company	20,189	6,861

- *Source: Consolidated Statement of Profit or Loss (Appendix A) and APMs (Appendix C)*

	FY 2019	FY 2018
Earnings per share (EUR)	***0.1062***	***0.0361***

Consolidated **revenue** for 2019 stands at EUR 958 million and remained stable compared to 2018. On the contrary, **adjusted EBITDA** increased by 48% y-o-y to EUR 90 million, with the cables segment realizing a considerable increase of EUR 30 million (EUR 65 million versus EUR 35 million in 2018). The steel pipes segment, though it did not reach its record 2018 level of sales (EUR 97 million lower turnover), managed to keep operational profitability at the same level of EUR 27 million, as a result a more profitable projects mix.

Group net finance costs were higher at EUR 34.6 million (+ EUR 2.4 million over 2018) due to higher working capital for steel pipes and some FX losses recorded in 2019. Nevertheless, following 2018's debt reprofiling of EUR 118.7 million, improved interest rates and lower net debt at the end of 2019, the consolidated financing position is getting stronger.

A stronger EBITDA and contained financing costs led to a healthy EUR 28.5 million profit before income tax, compared to an almost breakeven 2018 (EUR 0.7 million). This is the **third consecutive semester** that the Group discloses positive profits before tax (H2 2019: EUR 20.5 million, H1 2019: 8.0 million and H2 2018: 3.2 million).

Profit after tax for the period almost tripled and rose to EUR 20.2 million, compared to EUR 6.9 million in 2018.

Thousand EUR	**31 Dec 2019**	**31 Dec 2018**
ASSETS		
Property, plant and equipment	422,066	405,330
Investment property	764	5,837
Other non-current assets	73,982	44,140
Non-current assets	**496,812**	**455,306**
Inventories	228,495	221,105
Trade and other receivables	112,577	199,648
Contract assets	118,573	114,327
Cash and cash equivalents	90,408	65,203
Other current assets	760	3,107
Current assets	**550,814**	**603,390**
TOTAL ASSETS	**1,047,626**	**1,058,696**
EQUITY	**231,862**	**203,298**
LIABILITIES		
Loans and borrowings	177,730	173,605
Lease liabilities	3,990	1,187
Deferred tax liabilities	22,985	16,781
Other non-current liabilities	29,395	23,208
Non-current liabilities	**234,100**	**214,781**
Loans and borrowings	320,827	363,402
Lease liabilities	1,768	452
Trade and other payables	213,794	209,587
Contract liabilities	43,528	62,147
Other current liabilities	1,746	5,030
Current liabilities	**581,663**	**640,618**
TOTAL LIABILITIES	**815,763**	**855,399**
TOTAL EQUITY & LIABILITIES	**1,047,626**	**1,058,696**

Source: Consolidated statement of financial position

To keep core businesses operating at a promising efficiency pace for the future, Cenergy companies continued to invest in capital and technology: total **capital expenditure** for the cables segment reached EUR 42.5 million while for the steel pipes segment, it equalled EUR 10.9 million. Consolidated depreciation & amortization for 2019 amounted to EUR 27 million and non-current assets increased from EUR 455 million to EUR 496 million on December 31st, 2019. Part of this increase is due to the fact that, during 2019, CPW acquired an additional percentage in the affiliate “International Trade”, leading to an increase in “Other non-current assets”.

As expected, lower turnover led to lower **working capital** (incl. contract assets & liabilities): this stood at EUR 195 million on December 31st, 2019, down by 26% y-o-y (EUR 263 million on 31.12.2018). This decrease was driven mainly by collecting a sizeable part of trade receivables outstanding on December 31st, 2018 while inventories and trade payables remained at the levels of 2018.

Net debt fell considerably to EUR 414 million on December 31st, 2019 (31.12.2018: EUR 473 million), demonstrating the Group’s commitment to deleveraging. Cenergy Holdings’ debt on that date comprised of long term and short-term facilities, at 36% and 64%, respectively, an improvement versus last year’s mix. All new credit facilities signed during 2019 included much improved credit terms.

Outlook

2020 started with cautious optimism that the operating environment would improve further as European markets continued to grow and both demand and prices in our operating markets demonstrated positive trends. The outbreak of the COVID-19 virus during the first quarter forced every company in the world to reconsider its estimates. As the pandemic continues to progress, the prediction of the full extent and duration of its business and economic impact remains challenging and the range of potential outcomes for the global economy are difficult to predict.

Cenergy Holdings companies have already activated protection mechanisms for their human resources and their partners in compliance with health authorities guidelines, while closely monitoring the developments and assessing the implications on their operations. At the same time, governments in the countries in which we operate (mainly Greece) have also announced the implementation of government assistance measures which may mitigate the impact of the COVID-19 outbreak on our results and liquidity. We currently investigate the extent to which we can apply for such government assistance.

The spread of COVID-19 is expected to affect both business and financial results of 2020, but the extent of the impact depends on a number of factors amongst which the most important relate to government restrictions, the duration of such restrictions and logistics constraints. Regarding the energy projects business, given the existing backlog and the nature of projects assigned, the impact from COVID-19 outbreak on Cenergy Holdings long term business plan and its short term financial results is expected to be limited, based on currently available data and information. A more prolonged spread, however, could have a more important impact on next year's financial results.

In order to mitigate any emerging operational issues that may arise, Cenergy Holdings companies have ensured the availability of raw materials for their smooth operation during the forthcoming months. In addition, the subsidiaries' available cash and operating cash flows and sufficient unutilised credit lines will provide the necessary liquidity for the following twelve months.

As global political, environmental and health factors continue to weigh heavily on 2020's performance, the solid order backlog generated and the companies' diverse business model and strong organizational structure continue to provide resilience in this challenging environment. Looking ahead, the subsidiaries will benefit from continuing global population growth and urbanization, remaining well placed to take advantage of improving market conditions in the energy transfer and data transmission sectors.

Segments' Activities & Outlook

Cables

Activities

The cables segment of Cenergy Holdings is made up of three companies, hereafter collectively referred as "***Hellenic Cables (HC) companies***":

- Hellenic Cables Industry and its subsidiary Fulgor S.A., operating in Greece, and
- Icme Ecab S.A., operating in Romania.

Hellenic Cables companies are an approved supplier of the largest international electricity network operators and have one of the largest and most advanced submarine cable plants in the world, located in Corinth, Greece. Ever since their beginning, all have adopted modern technologies to develop a wide range of innovative cable solutions, aiming to provide competitive, cutting-edge products and services targeting international markets. Their product range includes a variety of cables and wires that cater to a number of different market demands. It consists of submarine and land cables, low, medium, high and extra high voltage power cables, umbilicals, fibre optic, data, signaling and telecommunication cables as well as flexible subsea pipes.

Hellenic Cables has more than 60 years of experience in the manufacture of power and telecom cables and owns two plants in Greece located in Thiva and Oinofyta. It manufactures submarine and land power cables, ranging from low to extra high voltage, telecom cables, all individually tailored to customers' specifications.

Fulgor was established in 1957 and acquired by Hellenic Cables in 2011. Over the past forty years, it has installed a large proportion of all power and telecommunications networks and most submarine cable links in Greece. Its plant manufactures submarine cables (ranging from medium to extra high voltage), submarine fibre optic cables, composite cables, special purpose cables, and copper and aluminium wires and rods.

An intensive capital investment program in the last few years has enabled it to successfully implement cost-effective, reliable and innovative solutions in complex turnkey projects and won it a leading position in the submarine cable manufacturing market and in the global offshore energy industry.

Icme, with over 50 years' experience in the Romanian and international cable markets, joined Hellenic Cables companies in 1999. It has a diverse product portfolio, focusing on cables for indoor installations and selling both to the local and international markets, either through the Hellenic Cables network or directly to end customers.

Corporate strategy

The strategic objectives that guide the operational activities of the companies comprising the Cables segment are as follows:

- Capitalise commercially on investments by focusing on added value products such as high and extra high voltage submarine cables and extra high voltage underground cables;
- Promote activities in geographical regions such as Europe and the USA. These are markets which invest heavily in the development of power and telecommunication networks and in renewable energy projects;
- Increase the level of direct sales to Transmission System Operators ("TSOs") and Distribution System Operators ("DSOs");
- Boost productivity by further rationalising the cost base, enforcing stricter inventory management and further improving the operational performance of the production units;
- Further improve liquidity through prudent working capital management; and
- Preserve focus on human capital and on the sustainable development of its companies.

Product portfolio

Hellenic Cables companies offer a wide range of submarine and land power cables (from low to extra high voltage), overhead conductors and turnkey installation services for interconnection of power grids, offshore and onshore wind farms, solar energy projects, oil and gas platforms and heavy industries. They also produce telecommunication and data transmission cables, gauging and control cables, optical fibre cables (submarine, single-mode and multi-mode), signaling and railway signaling cables, etc.

Turnkey solutions

HC companies, and Fulgor foremost, not only provide cables for diverse applications but have gone the extra step in undertaking a large number of "turnkey" projects for the supply and installation of submarine power cables as well as high voltage underground cables. For that reason, they have established specialized Project Management Offices (PMO) which employ trained personnel and experienced subcontractors to accommodate the supply and installation of medium to extra high voltage submarine cable systems, repeaterless optical fibre submarine cable systems, underground power and composite power with rated voltage up to 400kV and optical fibre underground systems.

Their capabilities include:

- Project Management according to international standards;
- System engineering according to specifications and/or in consultation with the customer;
- Cable route surveys at shore ends and the open sea as well as in underground segments;
- Design and manufacture of suitable cable types;
- Transportation and installation onsite of cables using specialised cable laying vessels;
- Supply of joints, passive branching units (repeaterless optical fibre links), transition joints, terminations and repair joints, as required;
- Protection of cables as necessary, through related civil works;
- Commissioning of installed systems; and
- Training customer personnel in operation and maintenance of the system.

Production and port facilities

Having invested significantly in the expansion and improvement of its manufacturing facilities, Hellenic Cables Group and its subsidiaries operate an effective production base comprising three plants in Greece, one in Romania and one in Bulgaria:

Power and Optical Fibre Cables plant | Thiva (Greece)

Annual production capacity: 60,000 tons

The Thiva plant, owned by Hellenic Cables, covers a total surface area of 175,082m^2, including 53,237m^2 of building facilities. It specialises in the production of land power and telecommunications cables.

Submarine Cables plant and port |Corinth (Greece)

Annual production capacity: 60,000 tons of cables and 90,000 tons of 8mm diameter copper wire rod

The plant, owned by Fulgor, is located in Soussaki, Corinth, on a 210,630 sq.m. land plot, with a covered area of 87,292 sq.m. facilities (incl. copper and aluminium foundries). Following the implementation of an extensive investment plan during the last decade, the plant is now one of the most advanced factories in the world for high and extra high voltage submarine cables. Among its many unique advantages is vertical integration through in-house production of copper and aluminium wire rod, the production of submarine cables up to 500 kV in very long continuous lengths, direct loading on board cable-laying vessels at plant's own port, accessible all year around and one of the highest storage capacities (4 turntables with 8,000 – 12,000 tons of storage) in the world.

Power and Telecom Cables plant | Bucharest (Romania)

Annual production capacity: 50,000 tons

The plant, owned by Icme Ecab, is located in Bucharest, Romania on a plot with a total surface area of 268,000sq.m. including buildings of 102,138 sq.m. It produces a wide range of land power and telecom cables as well as other special-requirement cables.

Plastic and rubber compounds plant | Oinofyta (Greece)

Annual production capacity: 24,000 tons

The Compounding Plant in Oinofyta, Greece supports Hellenic Cables for the production of PVC and rubber compounds and covers a total surface area of 21,263sq.m., including 9,072sq.m. of building facilities. A state-of-the-art, advanced polymer laboratory is part of the plant and allows polymer analysis and specialised chemical testing focused on quality control.

Wooden packaging products plant | Blagoevgrad (Bulgaria)

Annual production capacity: 16,500 tons of wooden packaging products

The plant, owned by Lesco O.o.d., is a modern timber company founded in 1998, located in Blagoevgrad, Bulgaria and exclusively involved in the manufacturing of wooden packaging products (pads, reels, pallets, packing cases) for the reeling of various cables.

Innovation, Technology and Investments

Following a comprehensive investment program during the last decade, the Cables segment invested further in 2019 EUR 42.5 million. This allowed the Fulgor plant to manufacture submarine cables of up to 500kV in long continuous lengths and expand its annual capacity to exceed 400km of high voltage cables. As further proof of HC companies' strong commitment to support the growing offshore wind market, Fulgor is currently also expanding its inter-array cables production capacity to supply a wide range of offshore wind developers worldwide.

More important than investment in capital is, however, the continued dedication of all HC companies to Research and Development (R&D). A team of highly skilled R&D engineers, supported by advanced software tools and modern testing facilities, pursue core research on product development, innovation, redesign / optimization of existing products and technical support in four business units, three in Greece and one in Romania. This effort supports further the strategy to more *green* products, with less environmental impact.

HC companies collaborate with a number of universities and research institutions to build research networks and foster new technologies. Among those, we note numerous institutions in Greece (National Technical University of Athens, University of Patras, Aristotle University of Thessaloniki, Democritus University of Thrace), Exeter University (UK), Southampton University (UK), University of Montpelier (FR), Univeristy of Torino (IT), as well as certification bodies such as SINTEF (NO), KEMA-DNV GL (NL), EdF (FR).

In 2019, Fulgor was invited to participate in a new "Horizon 2020" consortium and Hellenic Cables was awarded part of the Carbon Trust research and development tender with regard to the Floating Wind Joint Industry Project. This aims at designing and developing commercial-scale floating wind farms and the necessary dynamic export cables for the transmission of power from wind farms to shore, a new critical technology for their commercial deployment.

The total R&D research and development expenditure for 2019 for the Cables segment amounted to EUR 7.5 million (2018: EUR 9 million), out of which EUR 3 million (2018: EUR 1.5 million) concerned fundamental research activities & customer specific research activities.

2019 activities

During 2019, Hellenic Cables companies were awarded several projects while in parallel they have partially or in total delivered a number of turnkey contracts. Among the more notable ones are the Rio-Antirio submarine interconnection (400kV), Crete – Peloponnese submarine interconnection (150kV), Hollandse Kust Alpha & Beta and Seamade Wind farms.

They also engaged in ongoing activities to complete a type test qualification plan of a complete High Voltage DC system for a cross-linked-polyethylene (XLPE) cable with accessories. In parallel, the new facilities for the in-house development of AC and DC accessories are in full production operation, and a qualification plan is on track.

The segment's clients include E.ON, Vattenfall, Tennet, Energinet.dk, Ørsted, Enel, DEME, Tideway, SSE, Iberdrola, Electricity Northwest, Terna, DEWA, HEDNO S.A., ADMIE S.A., EAC Cyprus, Litgrid, Sonelgaz, Takreer, Motor Oil, Hellenic Petroleum, Carillion, Semco Maritime, Aktor, Metka, ABB, Schneider Electric, Landis+Gyr, Siemens, Hyundai, Sagem, Thales, Vivacom, Vodafone, Cyta, DNO, Cosmote, Cosmote, GO (Malta), Armentel, Santerne, ALSTOM Transport, Bombardier, Siemens, Network Rail (U.K.), OSE (Greece), MAV (Hungary), Bulgarian Railways, BKV (Hungary), Attiko Metro (Greece), and TE connectivity (Belgium).

Projects awarded or completed in 2019

A list of the projects awarded or completed in 2019 follows. More information about each one can be found at the Press Release page of the Group's webpage:

Customer	Description	Execution period
TenneT NL	Design, engineering, manufacturing, testing and supply of two export cables of approx. 158 km to connect platforms Alpha and Beta of Hollandse Kust South to the onshore grid.	2019-2022
ADMIE[1]	***Crete Interconnection 150kV Turnkey Project*** Lot A: Supply and installation of one of the two submarine cables (135km, 150kV) to connect the island of Crete to the national power transmission grid in Peloponnese, plus all required underground cables (87km, 150kV) for the connection. Lot C: Supply and installation of the required underground cables (204km, 150kV) to connect the two submarine cables to the power transmission grid of Crete in Chania area	2019-2021
ADMIE	***2nd phase of Cyclade Islands Interconnection in Greece*** Supply of HV submarine systems (52Km, 150kV) to connect the islands Paros, Naxos and Mykonos in the Aegean Sea with the onshore HV grid of ADMIE on the mainland	2018-2020

[1] The Transmission System Operator (TSO) for electrical power in Greece

Customer	Description	Execution period
Seamade NV	Design, engineering, manufacturing, testing and supply of two submarine cables of approx. 30 km length to interconnect MOG OSY platform with Mermaid OSS and Seastar OSS platforms	2019-2020
ADMIE	***Interconnection of Skiathos island (Aegean Sea) to mainland grid*** Supply and installation of submarine (18km, six 400kV single core power and optical fiber cables) and land cables (42km, 400kV) in the Rio – Antirrio area for the extension of the 400kV grid towards Peloponnese, Greece.	2019-2020
Ørsted	Supply of 23km of subsea cables	2019-2020
ADMIE	Design, supply and installation of 30 km, 150 kV submarine cable system and connection to the 150kV transmission grid in the Mantoudi area, Euboea (Evia)	2020-2021
Semco Maritime A/S	Supply of inter-array cables for the Mayflower Wind project, U.S.A.	2022-2025

2019 financial performance

The 2019 results confirmed a positive performance by all business units in the cables segment, with revenue growth reaching 19%. This growth was particularly supported by the solid performance of the energy projects unit and translated into a profit boost for the whole segment. On the other hand, a high capacity utilization level for all production units greatly assisted the financial performance of the year, which reached an impressive **85% increase** of its operational profitability (adjusted EBITDA) compared to 2018.

2019 for the projects business unit is best portrayed by the following events:

- The extension of the 400kV power grid system in the Peloponnese is on time: production of the extra-high voltage submarine cables was completed in the early summer and during August, the installation of the first 400kV submarine cable in Greece was completed (seabed clearance, trenching, cable laying and protection) in the Rio-Antirio area.
- The production stages for the Hollandze Kust Alpha project in the Netherlands and for the interconnection of Crete – Peloponnese started, while those for the second phase of Cyclades islands' interconnection project and for the Seamade-Mermaid project in Belgium were concluded. The installation of both projects is expected to take place during 2020.
- The submarine cables for the Modular Offshore Grid project in the North Sea, Belgium and the interconnection of the Kafireas wind park in Evia, Greece, with the national power grid via submarine cables, were successfully finished.

During the second half of 2019, Hellenic Cables and Fulgor participated in several tenders across geographical areas and markets and succeeded to secure, among other awards, their first US project (Mayflower Wind project) with Shell / EDPR and their first contract for inter-array cables with Ørsted, the global leader in offshore wind. Current **backlog** of the segment stood on December 31st, 2019 at EUR 350 million.

The product business units achieved steady sales volumes compared to 2018 along but with an improved sales mix. The solid demand from the Balkans, the Middle East and the Nordic countries counterbalanced a slight lag observed in the markets of Germany and Central Europe.

Driven by the above, namely, a remarkable progress in the project-based business along with the steady growth in the product business units, the cables segment exhibited a EUR 30 million increase in **adjusted EBITDA**, reaching EUR 65 million in 2019, up from EUR 35 million in 2018.

Net finance costs were stable compared to 2018, at EUR 22.2 million. If one excludes foreign exchange effects, they are slightly lower (-2%) for the year, as a result of improved interest rates.

Profit before income tax in 2019 was a healthy EUR 26.1 million, compared to a loss of EUR 4.5 million recorded in 2018. Finally, **net profit after tax** followed the same trend and reached EUR 18.5 million versus losses after tax of EUR 1.3 million in 2018.

The **investments** in the cables segment amounted to EUR 42.5 million in 2019, largely attributable to:

- the expansion and upgrade of the high voltage submarine cables unit in Fulgor to meet future demand levels; works started during 2018 and were concluded by the end of 2019.
- the initiation of a new investment plan, also in Fulgor, aiming at expanding the inter-array cables production capacity in order to supply offshore wind developers worldwide with a wide range of cables and, more generally, support the growing offshore wind market.

The above capital expenditure was financed through the segment's inflows from operating activities. Free cash flow generated throughout the year was also used to push **down** the segment's net debt by more than 12% y-o-y (from EUR 291 million on 31.12.2018 to EUR 256 million on 31.12.2019). The determination to restructure long-term debt, securing lower financing costs for the future, continued with measures including, among others, the issuance of a EUR 11.4 million bond loan for Fulgor.

During 2019, Hellenic Cables has sold its 100% subsidiary **Cablel Wires**, which had absorbed its enameled wires sector during the year.

Finally, Hellenic Cables consolidated its presence in the US offshore wind market with the establishment of **Hellenic Cables America Inc.,** a wholly owned subsidiary, providing US customers with direct support and expertise throughout the entire lifetime of their project.

The summary P/L consolidated statement of the cables segment is as follows:

EUR thousand	31/12/2019	31/12/2018
Revenue	579.716	488.655
Gross profit	**66.674**	**38.467**
Gross profit (%)	11,5%	7,9%
a-EBITDA	64.900	35.159
a-EBITDA (%)	11,2%	7,2%
EBITDA	64.905	31.481
EBITDA (%)	11,2%	6,4%
a-EBIT	**48.374**	**21.485**
a-EBIT (%)	8,3%	4,4%

EBIT	**48.380**	**17.808**
EBIT (%)	8,3%	3,6%
Net finance costs	**(22.273)**	**(22.285)**
Profit / (Loss) before income tax	**26.107**	**(4.477)**
Net margin before income tax (%)	4,5%	-0,9%
Profit of the year	**18.504**	**1.316**
Profit attributable to owners of the Company	**18.516**	**1.290**

Source: Consolidated statement of profit or loss and APMs (Alternative Performance Measures)
All percentages are versus revenue.

Outlook

Given the strong forecast of new projects and the potential of expanding to new markets, the considerable backlog of orders and the growth potential of the offshore cables sector, the overall outlook remains positive for 2020, despite the volatility noticed in the global economic environment. Fulgor is expected to retain the high utilization capacity throughout 2020 and this will be the main driver for segment's profitability. The Thiva plant is also expected to operate at high utilization levels throughout 2020.

Furthermore, in the products unit, there are signs of stability in the low and medium voltage cables markets in our main markets in Western Europe, as demand from building & industrial market has recovered. Such markets, however, continue to experience competitive challenges and the segment will actively seek to geographically diversify its revenue streams through expansion to new markets, such as Nordic countries and Middle East.

Finally, the main focus remains the successful execution of existing projects, the award of new ones in existing and new markets and the optimization of internal processes in order to take advantage of any arising market opportunity.

Further information is available on the Hellenic Cables Cablel® website:

www.cablel.com

Steel pipes

Activities

With a manufacturing plant in Greece and extensive expertise in delivering complex projects on a global scale, Corinth Pipeworks is the supplier of choice for oil, gas and international construction companies with its production of steel pipes used in the extraction and transportation of oil and gas, and hollow structural sections for construction applications.

Corinth Pipework's clients include ABB, Allseas, AnlgoAmerican, BP, Cheniere Energy, Chevron, DCP Midstream, Denbury, DEPA, DESFA, DNOW, E.ON, EDF, Enbridge, Energy Transfer, ENGIE, ENI, EPCO, EXXON MOBIL, GASCO, Gaz System, Genesis, KPO, MRC Global, National Grid, Noble Energy, OGC, OMV, PDO, PEMEX, Plains All American, Qatar Petroleum, Repsol, Saipem, Sapura energy, Saudi Aramco, Shell, Snam, Socar, Sonatrach, Spartan, Spectra Energy, STEG, Subsea 7, TechnipFMC, Terega, Total, Whitewater Midstream, Wintershall etc.

The segment's ability to manufacture cutting edge products and remain at the forefront of its industry through investment in R&D, drives operational efficiency and commercial achievements across the world. Corinth Pipeworks often collaborates with international research organisations, including the European Pipeline Research Group (EPRG) and the Welding Institute, as well as regularly participates in research projects linked to its core business activities.

Product portfolio

CPW produces high-quality steel pipes to safely transport oil, gas and water, to carry CO_2 and slurry, as well as casing pipes for drilling operations. Its key products include longitudinal and helical seam welded steel pipes (with medium and large diameters), as well as hollow structural sections for construction applications. Its long history of innovation and integrated services have cemented its position as a major steel pipe supplier.

CPW's three main product categories are:

- Line pipes – manufactured either in the plant's high frequency induction welding unit (HFW), or the helically submerged arc welding unit (HSAW) and the longitudinal submerged arc welding unit (LSAW/JCOE).
- Casing pipes – these high-frequency induction welded pipes (HFW) are used in oil and gas extraction drills; their product range was expanded by the installation of the new LSAW mill in 2016.
- Hollow structural sections – used in the construction sector.

Services

- Internal and external coating of pipes produced by other pipe manufacturers;
- Accredited laboratory for raw material and pipe testing, in accordance with ISO 17025:2006;
- In-house corrosion testing laboratory for sour service applications;
- Weld-on connector facilities for casing pipes;
- Pipe storage;
- Supply of pipes or assignment of pipe coating to third party authorised subcontractors in the context of a major project implementation;
- Pipe transportation.

Production and port facilities

CPW's industrial plants are located in Thisvi, Viotia, Greece and Polevskoy, Russia.

Corinth Pipeworks Pipe Industry plant and port | Thisvi (Greece)

Annual production capacity: 925,000 tons

CPW's owns a state-of-the-art production plant in Thisvi, in the Viotia province of Greece, covering a total surface area of 103,000 sq.m. inside a larger area of 497,000 sq.m. The plant has the exclusive use of port facilities located approximately 1.5 km away, a strategical advantage as it enables Corinth Pipeworks to reduce transportation costs on raw materials and offer more competitive pricing and faster delivery of its products. The port includes a fully operational set of cranes, forklifts and other machinery, in line with the provisions of the International Ship and Port Facility Security Code.

Inside that plant, CPW has recently installed a concrete weight coating facility, enabling it to offer, in one location, all pipe manufacturing and pipe coating operations required for the supply of a complete offshore pipeline package.

AO TMK-CPW plant | Polevskoy (Russia)

Annual production capacity: 200,000 tons

AO TMK-CPW plant in Russia manufactures high frequency welded pipes and hollow structural sections. It uses equipment with very high technical specifications, which allows for the production of pipes measuring 168-530mm in diameter, with 2.9-12.7mm wall thickness and up to 18m in length, and hollow sections in line with international quality standards.

Corporate Strategy

Corinth Pipeworks has extensive experience and a strong track record of implementing complex projects for the energy sector worldwide, both onshore and offshore. Furthermore, the Company is an approved supplier to major oil and gas companies and EPC contractors. It offers a comprehensive set of services to customers from initial evaluation of a project and compliance with its technical requirements, to completion and delivery to the final site.

CPW aims to meet the needs of the international energy market by focusing on the following strategic priorities:

- Growth across Europe, the Middle East, North Africa, North America and the emerging markets of East and West Africa and the CIS;
- Leveraging LSAW investment to offer one of the widest product ranges of welded products in the world (HFW, HSAW, LSAW), which meet the highest international standards. Corinth Pipeworks acts as an integrated "one-stop-shop" for energy steel pipe products and related services;
- Constant improvement of the operating efficiency of production plants to strengthen CPW's competitive and financial position;
- Cultivating long-term strategic cooperation with top quality raw material manufacturers for the steel industry worldwide.

Recent projects

2019 was a successful year for Corinth Pipeworks, achieving high utilization rate, strong presence in the world markets and same level of profitability, no matter the decrease in sales volumes compared to the 2018 record year

Operating under adverse market conditions characterized by strong protectionism, particularly in the USA, CPW leveraged its reputation as a top-quality producer to maintain and increase its market share, and successfully enter new markets.

2019 was also an important milestone year as the Company produced its first deep sea offshore pipes project. Karish is a strategic project in the Southeastern Mediterranean at a maximum depth of 1,750m and a highly complex one, that only few companies worldwide could accomplish.

Apart from this, other major projects awarded to CPW during 2019 include:

- Energinet, Baltic Pipe, a 114 km gas pipeline of 32-36” pipes.
- Midia Gas Development Project, a 145 km of 8” & 16” offshore pipeline in Romania.
- Snam, 150 km of gas pipeline of 26” pipes in Italy.
- I.G.B. (Gas Interconnector Greece-Bulgaria), 187km gas pipeline of 32” pipes.

Last but not least, in the course of the year, the Company successfully continued its intense program of qualifications from major Oil 7 gas companies along with innovative programs to enhance competiveness like “Manufacturing Excellence”, the road to digitalization of processes and the revolution of Industry 4.0.

2019 financial performance

A difficult US market, with tariffs on large diameter welded steel pipes exceeding 30% did not allow the segment to reach 2018’s turnover levels. Revenue fell by about 20%, to EUR 378 million, but instead gross profit increased to EUR 31.8 million in 2019 (vs. EUR 30.8 million in 2018) as gross margin, attained in other markets, improved (8.4% in 2019 vs. 6.5%). Adjusted EBITDA remained almost constant at EUR 26.8 million, as a long-dated impaired receivable was fully provided for with a final charge of EUR 1.65 million.

Profit before income tax was down to EUR 4 million from EUR 7.2 million last year, mainly attributable to higher net finance costs of EUR 2.4 million.

Operating profits produced strong free cash flows, financing entirely the segment’s yearly **capital expenditure** of EUR 10.9 million. This was largely attributable to:

- the initiation of a new investment plan for a “double jointing” project that will position Corinth Pipeworks in the 500k Tns US pipe market of 24m length pipes; this will be completed in 2020.
- selected strategic and operational investments in logistics to enhance safety, optimize cost basis and improve quality.
- selected productivity improvements and cost reduction schemes, across all bare and coating / lining production lines.

As turnover was reduced, so was working capital, contributing to a **decline in net debt** from EUR 183 million as of December 31st, 2018 to EUR 160 million. Finally, long-term debt was partially refinanced with more favourable terms, through the issuance of a EUR 12.6 million bond loan with a major Greek bank.

The summary P/L consolidated statement of the steel pipes segment is as follows:

EUR thousand	31/12/2019	31/12/2018
Revenue	378.276	475.143
Gross profit	**31.816**	**30.777**
Gross profit (%)	8,4%	6,5%
a-EBITDA	26.760	27.469
a-EBITDA (%)	7,1%	5,8%
EBITDA	26.744	26.409
EBITDA (%)	7,1%	5,6%
a-EBIT	**16.340**	**18.159**
a-EBIT (%)	4,3%	3,8%
EBIT	**16.324**	**17.099**
EBIT (%)	4,3%	3,6%
Net finance costs	**(12.336)**	**(9.921)**
Profit / (Loss) before income tax	**3.988**	**7.178**
Net margin before income tax (%)	1,1%	1,5%
Profit of the year	**3.276**	**7.686**
Profit attributable to owners of the Company	**3.276**	**7.686**

Source: Consolidated statement of profit or loss and APMs (Alternative Performance Measures)
All percentages are versus revenue.

Outlook

In the steel pipes segment, the global economic environment in which Corinth Pipeworks operates remains volatile. The imposition of tariffs and antidumping duties by the USA triggered severe competition pressure from local US mills to worldwide pipemakers, such as CPW. Despite these headwinds, Corinth Pipeworks remains focused on maintaining its leading position, through new investments and the penetration of new geographical and product markets. It intensifies its efforts to enhance competitiveness and qualify for tenders offered from major Oil & Gas companies. This effort involves, among other projects, the “Manufacturing Excellence” program, an attempt to process digitization and schemes to introduce Industry 4.0 into CPW’s production lines. The transformation of CPW to a more diversified product profile is an essential part of its innovation agenda throughout 2019 and 2020. Corinth Pipeworks maintains its positive outlook for 2020, with the execution of the G.I.G.B. pipeline (Gas Interconnector Greece-Bulgaria) and other major, offshore and onshore, project awards expected.

Further information on the Corinth Pipeworks’ Group is available on the corporate website:

www.cpw.gr

Subsequent Events

In early 2020, there was a global outbreak of coronavirus (COVID-19) that has resulted in changes in global supply and demand, including Greece and other countries in which the subisidiaries of Cenergy Holdings operate. The spread of the COVID-19 is a non-adjusting post balance sheet event as of 31 December 2019.

As the outbreak of COVID-19 continues to progress and evolve rapidly, the prediction of the full extent and duration of its business and economic impact remains challenging and the range of potential outcomes for the global economy are difficult to predict. Cenergy Holdings companies have already activated protection mechanisms for their human resources and their partners in compliance with health authorities guidelines, while closely monitoring the developments and assessing the implications on their operations. At the same time, governments in the countries in which we operate (mainly Greece) have also announced the implementation of government assistance measures which may mitigate the impact of the COVID-19 outbreak on our results and liquidity. We currently investigate the extent to which we can apply for such government assistance in the countries in which we operate.

A prolonged spread of COVID-19 is expected to affect both business and financial results of 2020, but the extent of the impact depends on a number of factors amongst which the most important relate to government restrictions, the duration of such restrictions and logistics constraints. Regarding the energy projects business, given the existing backlog and the nature of projects assigned, the impact from COVID-19 outbreak on Cenergy Holdings long term business plan and its short term financial results is expected to be limited, based on currently available data and information, however, given the current uncertainty, in case of a prolonged spread the impact could be more significant. On the other hand, products business will be affected more, as short term demand, linked to the construction sector, is expected to decline.

Cenergy Holdings companies, in order to mitigate any emerging operational issues that may arise, have ensured the availability of raw materials for their smooth operation during the forthcoming months. In addition, the subsidiaries' available cash and operating cash flows and sufficient unutilised credit lines will provide the necessary liquidity for the following twelve months. If any loan covenant is breached at the next measurement date, scheduled for December 31st, 2020, we will make every effort and obtain a waiver from our banking partners, as it has always been the case in the past, whenever such a waiver was necessary. In the unlikely event that no waivers will be obtained, our credit lines will cover any obligations that may arise from such breaches.

Finally, Cenergy Holdings companies' diverse business model and solid organizational structure basis continue to provide resilience in this challenging environment, providing confidence for long-term sustainable growth.

Risks and Uncertainties

Cenergy Holdings' Board of Directors is the highest body responsible for assessing the risk profile of its companies. Being a holding company, Cenergy does not have itself any production operations, customers, suppliers, or personnel (besides employees for administrative tasks), therefore any risks affecting it originate at its subsidiaries and their operations, suppliers, clients and personnel.

Cenergy Holdings' companies operate in dynamic markets with quite different characteristics, hence risks are to be managed in a structured way in order to reduce potential negative financial impact. The goal for each company is consequently to identify, measure and prioritize risks and to react appropriately with suitable actions that mitigate, reduce or control the impact of negative events. Cenergy views risk management as a tool which adds value by raising awareness of risks and places focus on efficient daily operations in line with each company's strategy.

Still, a set of common guidelines for an Entreprise-wide Risk Management (ERM) framework across Cenergy Holdings' subsidiaries exist: these include principles for effectively managing risks in all subsidiaries. Furthermore, the framework provides guidelines on how best to address these risks and facilitates discussion on risk management issues.

In turn, Cenergy Holdings' executive management in consultation with the Board of Directors is responsible with successfully exploring business opportunities, whilst at the same time assessing possible risks and their control mechanisms across subsidiaries, with the help of an independent Internal Audit department. The objective of this evaluation is to enable the Company to determine whether the subsidiaries have managed risks in a proactive and dynamic way to mitigate them down to an acceptable level.

The ERM process in Cenergy's subsidiaries comprises the following steps:

a) Identify key risks and measure / analyse their potential impact and likelihood. This is done at company level as all financial, operational, compliance and strategic risks are associated with each company's operation.
b) Manage (i.e., respond to) those risks by considering existing controls as well as selecting, prioritising and implementing appropriate actions. This step is also done at company level, following the general principles outlined in the ERM framework.
c) Control and monitor internal and external environment for potential changes to risks, ensuring risk responses continue to be effective. Each company monitors its risks and risk responses, using the common ERM guidelines but separate procedures, systems and mechanisms put in place by each company's management.
d) Finally, companies report both internally and at Cenergy Holdings' level, a consolidated evaluation on their risks, integrated with a review of their financial performance. Hence, Cenergy Holdings' executive management judges their overall risk – return tradeoff and presents the outcome to the Audit Committee and the Board of Directors. Needless to say that the Audit Committee monitors the effectiveness of the subsidiaries' internal controls and looks into specific aspects of controls and risk responses on an on-going basis.

The fact that each company's main revenue streams originate from separate markets with independent market dynamics provides, to some degree, a "natural" risk diversification effect. Still, the fact that Cenergy companies are in one way or another, related to the global trends of the energy markets, means that they would in principle, face similar risks. We could, however, say that the businesses of the HV cables segment of cables and of the large diameter pipes segment are primarily driven by large infrastructure projects and are, hence, essentially decoupled from short-term macroeconomic developments. On the other hand, a part of cables sales and the hollow section of CPW is linked to construction activities, a highly cyclical sector.

In pages 9-23, the development per business line in 2019 is described. The company's enterprise risk management (ERM) model outlined above ensures that risks are captured and dealt with primarily by the business line managements and, if needed, by the support functions. This tailored reporting structure ensures company-wide awareness of risks, opportunities and mitigating actions.

Key risks

Risks are classified into two major families, Financial and Business Risks. The former includes different types of market risk affecting the activity of each subsidiary (mainly, exchange rate, interest rate and commodities risk) as well as credit risk, counterparty risk and liquidity risk.

The Business Risk family, broadly defined as all risks that are not balance-sheet related, is broken down into further sub-categories, to help better understand and react to the different risk events:

A. Operational and technology risks defined as the risk of loss resulting from inadequate or failed processes, people and systems or from external events. Operations risks comprise all risks associated with the day-to-day operations such as Health & Safety, environmental issues, legal risk (as it refers to processes) but not strategic or reputational risks.

B. Compliance and reputational risks include possible negative impacts (economic – fines, penalties, etc. and other – exclusion from markets, etc.) from noncompliance with existing regulations and standards. Also included are potential impacts to the subsidiaries' (and the Holdings's) brand image and business[2] reputation, as well as accounting risk[3].

C. Strategic risks include risks related to the wider business environment (e.g. the macroeconomic environment, the sector / industry conditions, etc.) the market and the competition, and medium to long-term decision making that may impact on business continuity and profitability.

A brief business risk taxonomy for Cenergy Holdings' subsidiaries is presented below, together with the actions taken to identify, measure, react, control and monitor them. Then it is prudent to sketch a "risk matrix" for the 5 most important risks faced by Cenergy companies.

Business Risks

Operations and technology

Channel effectiveness risk

Poorly performing or positioned distribution channels may threaten the companies' capacity to effectively and efficiently access current and potential customers and end users, so in turn, they manage it through experienced commercial executives per project / market; periodic financial reviews serve as the main monitoring tool.

Procurement risk

Since a disruption in the supply of energy, metals and other key raw materials and component parts may threaten the companies' ability to produce quality products at competitive prices on a timely basis, they all take relevant measures to reduce such risks (e.g. a diverse supplier base, alternate material lists, Service Level Agreements with key vendors, lower spot market exposure).

Operation interruption risk

Apart from the unexpected unavailability of raw materials or other crucial resources, a lack of skilled labor, a delay in adapting new technologies and / or the danger for equipment breakdowns may threaten all subsidiaries' capacity to continue operations. Consequently, all companies use specialized maintenance departments to minimize the latter, upgrade plant equipment and production lines to reduce obsolescence risk and constantly monitor safety stock levels. Moreover, some of the plants, facilities and production lines are interchangeable and have been mapped to ensure shifting and continuation of production if such a need arises. Any residual risk is mitigated through business interruption insurance policies.

Product failure risk

Faulty or non-performing products may expose companies to penalties, complaints, claims and returns, which lead to loss of revenues, market share and business reputation. To proactively mitigate such risk, all companies follow rigorous quality management systems at their plants and maintain appropriate insurance coverage against such claims as well as product liability insurance. Quality control includes batch or item sample testing, defect

---

[2] The set of perceptions about the company by the different stakeholders with whom it interacts, both internal and external.

[3] The risk which concerns the proper and true economic and financial reflection of the companies' reality as well as compliance with all related regulations (IFRS, etc.).

capturing monitoring systems spread out in production phases, end-to-end traceability systems, etc.

Information technology (IT) risk

IT risk is usually defined as the likelihood of occurrence of a particular threat (accidentally triggered or by intentionally exploiting a vulnerability) and the resulting impact of such an occurrence.

Most of Cenergy Holdings' subsidiaries being capital intensive, they rely on IT systems to guide and optimize their production. IT equipment failure, human errors and/or the unauthorized use, disclosure, modification or destruction of information, pose serious risks to the companies' operation and profitability. Hence, the continuous identification and application of appropriate and proportional controls that limit exposure against the aforementioned threats is vital to the integrity of IT systems in all companies as well as against legal requirements.

Furthermore, all subsidiaries are complying with 2016/679 EU General Data Protection Regulation (GDPR), taking this opportunity to evaluate and ameliorate their overall IT risk posture, beyond regulatory requirements.

Compliance and reputation risks

Financial Regulation risk

In regards with the requirements arising from its stock exchange listings, Cenergy Holdings has established necessary structures and procedures in order to ensure continuous compliance, including the adoption of its Corporate Governance Charter, which covers issues such as directors' and managers' accountability, good governance principles, insider dealing, and conflicts of interest.

Compliance Risk

Laws and regulations apply to many aspects of subsidiaries' operations including but not limited to, labor laws, Health & Safety, environmental regulations, building and operational permits, etc.

Cenergy Holdings requires all companies in its holding portfolio to abide by all laws and regulations, whether at the local, European or international level accordingly, regarding Health and Safety in the production plants, labor and human rights, the protection of the environment, anti-corruption, bribery and financial fraud. Being a holding company, Cenergy Holdings requires its subsidiaries to develop their own policies for all such matters and the subsidiaries are exclusively responsible for the compliance with these policies.

Additional details are further given in the Non-Financial Information section (pp. 32-42).

Strategic risks

Country risk

Political risk of countries where Cenergy's companies are active, commercially or in production, may threaten future product and cash flows, both upstream and downstream. The main ansçer to that risk is geographical diversification, in manufacturing, supply chain and distribution.

For manufacturing, Cenergy companies are currently present in 3 EU countries (Greece, Romania and Bulgaria) that pose a minimum, if not zero, political risk. The availability and prices of basic raw materials, such as copper, aluminium and steel follow international markets, not affected by development in any particular country. Finally, subsidiaries distributed their products in more than 50 countries worldwide in 2019, with more than 70% of any company's 2019 turnover derived from markets outside their production sites.

Cenergy Holdings' subsidiaries follow closely and on a continuous basis the developments in the international and domestic environment and timely adapt their business strategy and risk management policies in order to minimize the impact of the macroeconomic conditions on their operations.

Concerning potential implications from the Brexit, Cenergy Holdings is closely monitoring relevant developments and taking measures to mitigate any disruption. Although Brexit occurred on January 31st 2020, there is no agreement yet with regards to any potential trade barriers and custom duties that may be imposed by both the EU and the United Kingdom. Exports to the United Kingdom accounted for approximately 9.4% of total revenues for 2019 while most of direct competitors in the cables and steel pipes segments operate within the Eurozone. Thus, it is likely they will react to currency fluctuations accordingly. To summarize, from the analysis performed up to date, Brexit is not expected to have any material adverse effect on the operations of Cenergy Holdings.

Industry risk

Industry risk of Cenergy companies related to the specific sector they operate in, is associated either with the cyclicality of demand or the substitution rate of some of their products. The former is mitigated by expanding into global markets, so that the cycle effects are differentiated away across geographical areas. As for the latter, substitution risk is addressed through the differentiation of their product mix, shifting for example into lower substitution rate products.

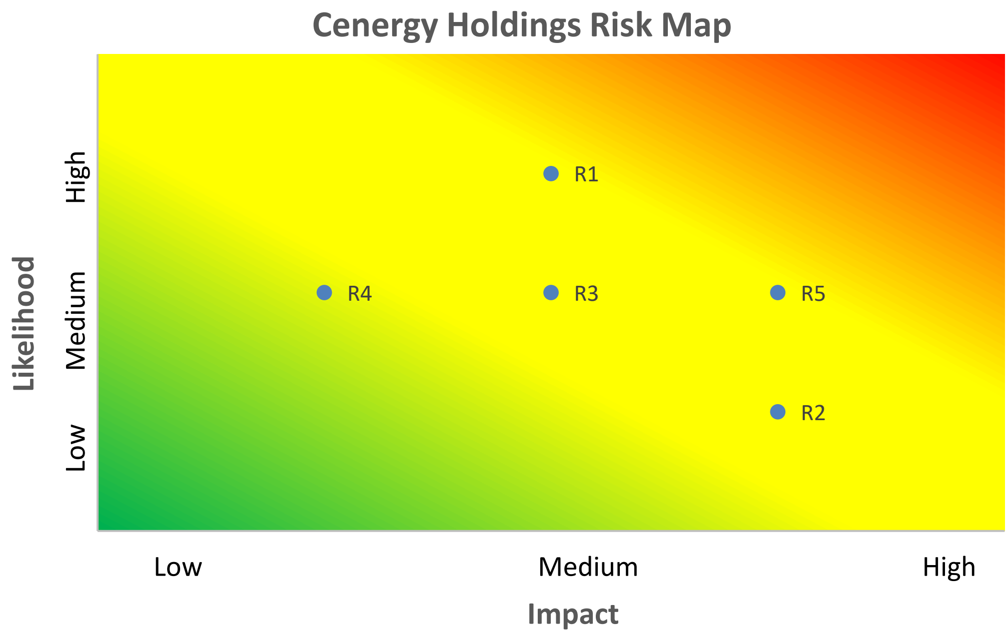
Competitor risk

Strategic issues regarding competition are assessed as part of the annual budget process of all Cenergy Holdings' subsidiaries, as well as the strategic markets plan of each company. Daily management of competitor risk, on the other hand, is captured through daily review of market information and mitigated by a strong commitment to quality, a competitive pricing policy in commodity products and a targeting on high-margin products.

Technological innovation risk

In a world of rapidly changing technology, not following the technology wave in an efficient manner or not investing in the necessary IT infrastructure may seriously affect current and future business results. Alternatively, companies that do not leverage such technology advancements to extend their competitive advantage, may be "left out in the dark" and suffer from competition. This strategic risk is primarily managed by Cenergy's subsidiaries through the establishment of technical assistance and knowledge transfer agreements with global leaders in their sectors. All companies invest strongly in research and development (R&D), cooperating with scientific bodies and prominent international research centres, and most of them host dedicated R&D departments.

The segments' primary business risks are shown in the risk matrix below according to probability and impact.



No.	Segment / Taxonomy	Identification	Monitoring	Mitigation
R1	Steel Pipes / Competitor risk	Sales risk – ensure ERW orders to optimize earnings going forward	US projects expected to slow down in 2020-21 with local suppliers favoured due to tariffs	Although CPW is expected to be in a good position to capture a fair share of ERW global orders, competition is intense. CPW is analyzing relevant markets to find new market and customer opportunities that may have not been pursued in the past.
R2	Cables / Technological innovation risk	DC qualification	Ongoing test processing for 320kV	Adequate resources are allocated to DC qualification and the process is monitored closely to ensure timely completion
R3	Steel Pipes / Procurement risk	Steel prices	Price pressure & High WC	Establishment of adequate credit limit with its suppliers in order to minimize working capital needs
R4	Both / Product failure risk	Claims and litigation	Product and warranty claims are closely monitored to identify potential failures in either production and/or product designs.	Strengthening Quality Control departments to ensure high quality and zero failures. Systematic root cause analysis on product issues and subsequent setup of corrective measures.
R5	Steel Pipes / Industry risk	De- carbonization trend in energy	CPW closely follows infrastructure projects in oil & gas in order to be present in all of them	Though such trend is slow-moving, CPW is examining new business opportunities and markets, away from the Oil & Gas sector, in order to reduce its revenue dependence on this sector.

Financial risks

As complex, international businesses Cenergy Holdings' companies are also exposed to financial risks not covered in the above risk matrix. These risks arise from financial market fluctuations and primarily consist of currency and commodity risk exposures. Cenergy companies first try, if possible, to "naturally hedge" any such risks, and then utilize varied financial derivatives to hedge large exposures and protect earnings and assets from significant fluctuations.

Interest rate risk

As a rule, Cenergy entities do not enter into speculative positions on interest rates of any kind and always try to follow natural immunization strategies. On the other hand, given the current low interest rate environment, each entity tries, in the measure possible, to secure fixed and low rate credit lines to avoid cash flow shocks and facilitate capital budgeting.

The interest rate profile of Cenergy Holdings, on a consolidated basis, as of 31 December 2019 consists of EUR 37.6 million of fixed-rate financial instruments and EUR 466.8 million of variable-rate instruments. Moreover, a change of 25 basis points in interest rates of variable-rate financial liabilities would have a positive or negative effect of EUR 1.48 million after tax in the Consolidated Profit / Loss statement of 2019.

Currency risk

Cenergy Holdings holds stakes in companies with production plants and commercial relations spanning the globe. As such, they are exposed to financial (transaction), accounting (translation) and economic losses due to volatility in foreign exchange rates. Companies manage this risk in a prudent manner, trying for natural hedges whenever possible (i.e. matching currencies in anticipated sales and purchases, as well as receivables and liabilities) and using standard hedging products, such as forward contracts, if necessary.

Commodity risk

Cenergy Holdings' subsidiaries are using metal raw materials as inputs, so price fluctuations (esp. aluminium, copper, nickel and zinc) may expose them to lower product margins or trading losses.

Future contracts traded in the London Metal Exchange (LME) offer the obvious hedging choice for them: first, all Cenergy Holdings' subsidiaries record metal positions resulting from LME price fixing for purchases and sales. They monitor the metal price risk and try to match purchases with sales. The resulting net exposure is centrally hedged using LME contracts, resulting in almost immune margins.

Liquidity risk

Cenergy's subsidiaries constantly monitor cash flow needs on a monthly basis, reporting liquidity and leverage ratios and continuously assessing available funding, both in the local and international markets. They mitigate liquidity risk by maintaining unused, committed financing facilities from a diversified number of financial institutions, a task made easier after the major improvement in the macroeconomic and financial environment in Greece, where most of the plants are located, as well as the abolition of capital controls in the country in late 2019.

Cenergy Holdings' total debt (incl. lease liabilities) amounts to EUR 504.3 million (31/12/2018: EUR 538.6 million). Considering EUR 90.4 million of cash & cash equivalents, Net Debt amounts to EUR 413.9 million with 36% (31/12/2018: 32.5%) of total debt being long-term and the rest, short-term. Loans and borrowings are held with banks and financial institutions, which are rated from A+ to B based on ratings of Standard & Poor's. Approximately 89% of these loans and borrowings are held with Greek banks.

Long term facilities have an average maturity of five years, whereas short term ones are predominately revolving lines, reviewed annually with anniversaries spread out through the year and renewed automatically at maturity, if necessary. There are sufficient credit limits in place to serve working capital requirements and refinance short term loans.

Credit risk

Cenergy Holdings' subsidiaries sell to a large number of customers across countries and sectors, trying to avoid customer concentration, if possible. For large infrastructure projects, though, that make a significant portion of both segments' turnover, this is however unavoidable. Hence, companies mitigate this risk by executing robust creditworthiness checks of final customers via credit rating agents and carefully setting relevant payment.

For the product business units, the use of real or financial security and of credit insurance contracts is standard.

Non-Financial Information

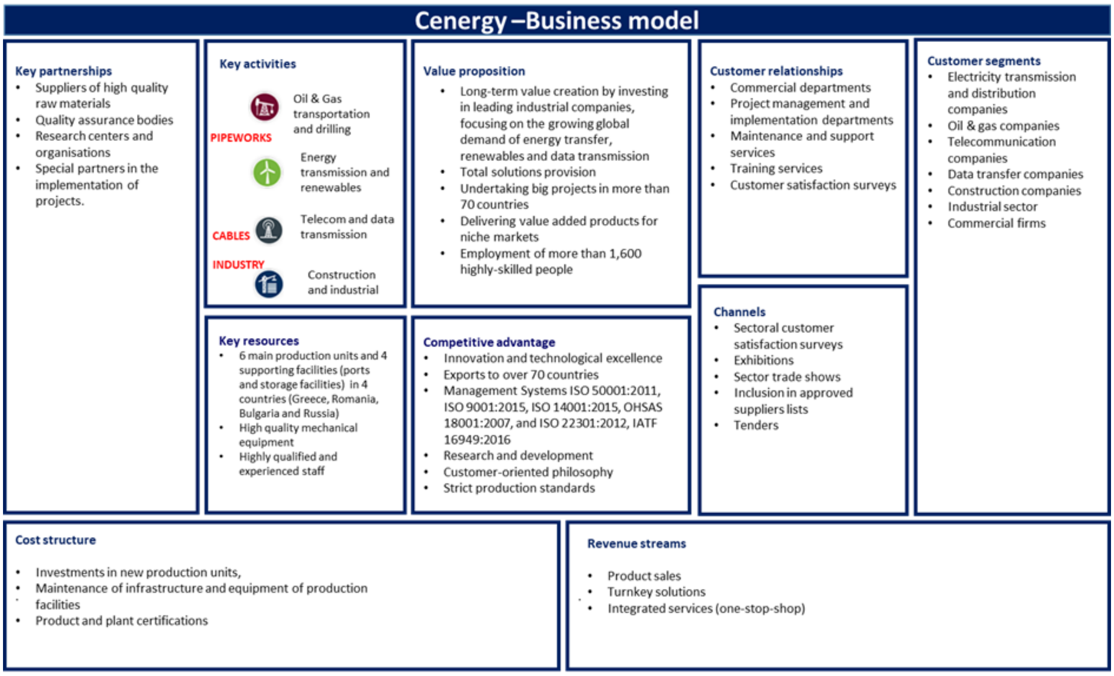
This Non-Financial Statement addresses the requirements of the Belgian Companies and Associations Code (article 3:32§2), as amended by the Belgian Law of September 3rd, 2017, on the disclosure of non-financial and diversity information by certain large companies and groups [which transposes Directive 2014/95/EU '*Disclosure of non-financial and diversity information*' into Belgian law].

Cenergy Holdings (the ***Company,*** *the* ***Holding***) is a Belgian listed company holding participations positioned in the energy and telecommunications sectors. The Holding's portfolio comprises companies with a global presence; the management report on pages 9-23 presents a thorough description of each business segment.

The UN's Sustainable Development Goals (SDGs) reporting framework serves as the basis for the reporting structure of non financial issues of the Company. This Non-Financial Statement includes non-financial information of the Holding and its material subsidiaries in both operating segments (Cables and Steel Pipes); it focuses on values and policies, due diligence, performance monitoring and main risks related to these non-financial matters.

Business Model

The Holding invests with a long-term view, among others in significant (controlling or non-controlling) equity investments. It invests without a defined investment and divestment policy and is not bound by any specific target or criteria regarding geographical and industrial features of its investments, holding period and achievements of targets. The Company generates returns, which may be reversed, reinvested or distributed to shareholders at the absolute discretion of the company (subject only to shareholder vote on dividend distribution). It is an active shareholder, combining its entrepreneurial approach with sound financial discipline. It brings in finance for the development of its companies, to improve their competitive position and profitability, and maintains a constant dialogue with the top management of the companies in which it invests, while fully respecting their operating autonomy.



Business Model Generation template by Alexander Osterwalder & Yves Pigneur

The most significant outcomes of Cenergy Holdings' activities are related to its employees. To describe these outcomes, specific non-financial KPIs have been identified and are reported below. With regard to environmental matters, Cenergy Holdings commits to the respect and protection of the environment, however due to the nature of its activities, the impact of its holdings system are considered negligible. This topic, along with the rest of sustainability matters, are therefore covered in detail for the important operating entities in both segments.

Core values

Cenergy Holdings is a listed holding company, with a very lean structure, making long-term investments focused on companies active in South Eastern Europe in the energy and telecommunications sectors.

The values on which the Company bases its actions are, in particular:

- Excellence: Cenergy Holdings aims to achieve excellence, encouraging and aspiring to continuous improvement in all its activities.
- Respect - Trust: Cenergy Holdings aims to establish a relationship of trust with its counterparties and to meet expectations by keeping faith with its commitments. Respect for persons is at the center of all the actions companies undertake; entities try to make the most of the characteristics, dignity and uniqueness of each individual.
- Responsibility: Cenergy Holdings is a responsible investor and asks its companies to behave responsibly as concerns the impact of their activities on the environment, on society and on the economy ("triple bottom line").
- Purpose: Cenergy Holdings unites its entrepreneurial approach with sound financial discipline and aims at developing its companies to aid all their stakeholders now and in the future.
- Prevention: The subsidiaries are required to develop a proper risk management approach in all their transactions and daily operation in order to resolve potential

issues on a forward-looking basis and before these issues create disruptive conditions for their sustainable operation.

Policy – Reference Code

Cenergy Holdings strongly believes that its subsidiaries must demonstrate the same responsibility and share the same principles and commitment in sustainability issues in order to foster resilient and sustainable growth and employment, provide transparency to all its stakeholders (including employees and customers) and preserve long term value for its shareholders.

The Holding Company defines a "***Reference Code***" that all its entities should at a minimum follow regarding sustainability matters. Then subsidiaries develop their own respective policies based on this "code" and are responsible for compliance to their own policies.

Cenergy's policy principles are reflected in its ***"Sustainability policy***".[4] The policy covers all important sustainability issues and non financial issues required by Belgian Companies and Associations Code. More specifically, the following matters are included:

Business Ethics & Anti-Corruption

Cenergy Holdings' companies are committed to conducting their business with honesty and integrity and in compliance with all relevant laws. All companies ensure transparency in all interactions and acknowledge that they have a moral and legal obligation to act responsibly in all jurisdictions. Companies' business growth and success shall rest on the excellence of their products and services and under no circumstances, may tolerate illegal or unethical business activity. Their performance and competitiveness are strengthened solely through lawful conduct.

Cenergy Holdings and its companies are fully opposed to all kinds of bribery and corruption. They are determined to maintain a culture of honesty and opposition to fraud and corruption. They also vouch they maintain a system of internal accounting controls and keep their books and records in reasonable detail that accurately and fairly reflect transactions and dispositions of assets.

Environment

Cenergy Holdings subsidiaries are committed to operate with *absolute responsibility and respect for the environment*. Sound environmental management of production and storage installations is one of the most important targets and is absolutely essential to the sustainability of the Companies' activities.

All companies operate in full compliance with applicable national and EU environmental legislation, as well as with the specific environmental operational terms of each plant. They also operate in a state of absolute transparency and participate in an open dialogue on environmental issues with all the stakeholders.

Labor and Human Rights

Cenergy Holdings and its companies have zero tolerance for any discrimination of race, gender, religion, age, nationality, social or ethnic origin, disability, sexual orientation, or political and trade union engagement. These principles apply to the recruitment of new employees, to employees with an employment contract and to the professional promotion of their employees. The only decisive factors of employment are performance, experience, personality, efficiency, skills and qualifications.

---

[4] For more information, please refer to http://www.cenergyholdings.com/sustainability/overview/

The Holding and its subsidiaries reject any form of forced labor. All work performed in the companies must be voluntary. The employment of individuals under the applicable statutory minimum age for workers is prohibited.

All Cenergy Holdings companies are committed to continually promote health and safety for their employees as well as for their partners, including customers, suppliers, contractors and visitors. Cenergy companies strictly comply with all applicable legislation and fully implement all suitable standards, instructions and procedures regarding health and safety.

The Holding and its companies recognise the right of all employees and stakeholders to work with dignity and believe that everyone in the Companies is responsible for having due regard for human rights.

All entities support and respect the fundamental principles, as articulated in the Universal Declaration of Human Rights. All Companies support the protection of international human rights within the sphere of their influence, and will not be complicit in human rights abuses. The Companies' policies and procedures adhere to all applicable domestic laws concerning freedom of association and collective bargaining, non-discrimination, forced labor and underage workers in the workplace.

Social issues

Cenergy Holdings and its companies are committed to operate responsibly in all their business activities while at the same time expecting the same responsibility from its business partners. Concern for employee health and safety, respect and protection of the environment, comprehensive coverage of customer needs, responsible business practices from its suppliers and harmonious coexistence with the local communities in which they operate are the main issues with a wider social impact.

Outcome of the policy

All companies operate in full compliance with applicable European and local environmental and labor laws.

The policies' implementation is ensured by due diligence actions performed by Steelmet S.A. (***Steelmet)*** a Cenergy Holdings affiliate. Steelmet is responsible, among other things, for the monitoring of all companies' performance in these matters. Steelmet employs proficient auditors in their respective field of expertise and they perform periodic reviews and assessments of the subsidiaries. During their periodic business reviews, the top management of Cenergy companies reports to Steelmet on performance metrics, where applicable, and analyses risks and challenges as well as corrective actions that they deem necessary. Steelmet reports on a regular basis to Cenergy Holdings' Audit Committee identifying potential.

In addition, due diligence in the issues of environment and health and safety is performed by external auditors during periodic management system certification reviews. The entirety (100%) of the Holding's production companies under the scope of this report are certified with the environmental Management System ISO 14001:2015, the Occupational Health and Safety Management System OHSAS 18001:2007 and the Energy management System 50001:2015.

Based on the above assessments, the principles of Cenergy Holdings' sustainability policy are all in compliance although there is room for improvement in several areas that are elaborated in the Risk Management section below.

Materiality Analysis and KPIs

The scope of Non-Financial Information reporting focuses on "material" production companies in terms of revenue and personnel employed. The criteria used for their selection are

- ✓ Contributing more than 1% of the total Cenergy Holdings' consolidated revenue, and
- ✓ Having a minimum of 100 employees.

These criteria lead to the selection of the following four (4) entities:

1. Hellenic Cables
2. Fulgor
3. ICME
4. CPW

These companies, due to their comparatively large labor force, raw materials used and energy intensity, present the highest potential overall impact in terms of the non financial issues under scope in this report.

As for the selection of "material issues" in this report, this was based on an extensive materiality analysis performed by each of the companies in the list above. Based on these analyses, the major and more commonly found issues to be further analyzed in the report were selected. Then, these different challenges and issues identified in the materiality analysis (MA) phase were correlated to the UN's Sustainable Development Goals (SDGs) reporting framework which serves as the basis for the reporting structure of the non financial issues.

The **Sustainable Development Goals** ("***SDGs***") are a collection of 17 global goals, adopted by all United Nations Member States in 2015 and designed to provide a "*blueprint to achieve a better and more sustainable future for all*" that address current challenges facing societies all over the globe. The 17 goals have a large number of specific targets that address the issues at stake. Cenergy Holdings identified the major and most commonly found issues that were selected through the individual companies' materiality analysis and stakeholder assessments and presents them in the Table below. The issues have then been associated with the relevant SDGs. These topics have then been associated with the relevant SDGs and fall under the topics required to be addressed in the Belgian Code of Companies and Associations.

Issue identified in MA	Category under Belgian Companies Code	Relevant SDG	Description	Key Issues of Cenergy companies
Energy consumption, sources of energy	Environment		Affordable and clean energy	Large energy consumers, availability of low carbon energy at competitive cost
Health and safety, labor rights	Social & Labor, Human rights, Diversity		Decent work and economic growth	Labor conditions and safety performance, equal rights among workers
Climate change	Environment		Climate action	Carbon intensity, metals supply chain, transformation of energy mix to a low carbon future
Waste management, production of circular products	Environment, Human rights		Responsible consumption and production	Waste intensity, production process related to circular economy, supply chian responsibility
Transparency,Anti-Corruption	Business Ethics, anti-bribery, anti-corruption		Peace, justice and strong institutions	Business transactions, regulatory compliance

Based on the SDGs selected and the scope of the materiality issues, the following KPIs were selected to be assessed for Cenergy Holdings' companies. Wherever a relevant SDG indicator already exists from the SDG reporting framework, that indicator is used; otherwise, other indicators (such as UNCTAD's indicators or KPIs commonly used by standard industrial practice – marked with an asterisk *) are used.

Relevant SDG	Relevant SDG target(s)	KPIs representing key issues[5]
7 AFFORDABLE AND CLEAN ENERGY	7.2	7.2.1 Renewable energy share of total energy consumption
8 DECENT WORK AND ECONOMIC GROWTH	8.5 8.8	*Average hours of training per employee per year* 8.8.1 Frequency incident rates of occupational injuries (LTIR, SR, fatalities) Annual employee turnover* Percent of women in labor force* Incidents of discrimination*
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.4	9.4.1 Total greenhouse gas emissions per tn product
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5	*Reduction of waste generation* *Waste reused, remanufactured and recycled*
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5 16.B	*Fines paid due to settlements* Incidents of corruption or bribery*

The reporting structure for each of the companies in the scope will be analyzed per selected SDG.

SDG 7 – Energy consumption – Clean energy

Cenergy companies generally purchase electricity from the main energy suppliers of the countries they operate as none of the companies own their own energy source. The numbers shown in the following table reflect the grid energy mix and renewable energy share for the respective grid.

In 2019, three out of the four material companies in the Holdings' portfolio (Hellenic Cables, Fulgor and CPW) managed to source 100% of their electricity needs from renewable sources. Consequently, they may provide products with minimal carbon footprint and support the renewable energy market for further investments in the years to come.

	Hellenic Cables			**Fulgor**			**ICME**			**CPW**		
Year	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**
RE share[6]	24.7	28.3	100.0	24.7	28.3	100.0	15.6	15.7	14.5	24.7	28.3	100.0

SDG 8 – Health & Safety – Labour issues

The nature of the portfolio of Cenergy companies results in different occupational health and safety risk profiles per company. The difference is attributed to many factors, namely technology of production, infrastructure, manufacturing processes and materials used. Irrespective of those, however, the health and safety of the companies' personnel is of utmost

[5] Issues in italics originate from the "*Guidance on Core Indicators for Entity Reporting on Contribution Towards Implementation on the Sustainable Development Goals*" by the UN Conference on Trade and Development (UNCTAD, 25 July 2019).

[6] Renewable energy share expressed as a proportion of total electrical energy consumed.

priority and all subsidiaries invest significant amount of resources in order to improve and create a safer working environment.

Regarding health and safety metrics, the main one used for the performance of companies is the LTIR which measures the number of incidents per working hours that led to an employee's absence from work. Severity rate, on the other hand, reflects how serious the incident was. All Cenergy subsidiaries showed improvement in both these metrics in 2019 compared to the previous year.

	Hellenic Cables			Fulgor			ICME			CPW		
Year	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**
LTIR[7]	11.9	10.5	6.8	11.2	11.6	8	6.4	5.7	2.1	3	3.4	1
SR[8]	116	283	169	335	300	147	116	78	77	375	118	106
Fatalities	0	0	0	0	0	0	0	0	0	0	0	0

Since, however, the aim is for a "zero accident" working environment in all Cenergy Holdings companies, the effort by all companies' management to promote Health and Safety at work and to inform and raise safety awareness in a timely fashion (alert – analysis) is ongoing and continuous.

Cenergy companies recognise the decisive contribution of their people to the companies' current success and future growth. In line with this, all subsidiaries are committed to implementing responsible working practices. So, they seek to offer their employees an equal opportunities workplace that respects the personality of each one, by investing materially and steadily in their training and development. All companies focus on creating a work environment of fair reward, respecting human rights and diversity, applying objective evaluation systems, and ensuring ongoing employee training and education.

	Hellenic Cables			Fulgor			ICME			CPW		
Year	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**
Turnover[9]	6.9	6.1	6.9	6.7	11.8	10.1	39	35	34	2.8	2.7	3.1
% of women	7	8	8	10.4	7.9	7.8	22.6	22.2	22.3	8.5	8.6	9.7
Training hrs[10]	8	7.5	7.6	8	12	22.6	8.3	8.9	17.4	12.0	19.3	14.8

The proportion of women in the workforce is explained by the nature of the companies' business, all belonging to those sectors considered as "heavy" industry. ICME, on the other hand, employees more than one woman in five in its personnel as its focus is low voltage cables for household use, but exhibits a much higher turnover in its workforce, due to particular conditions of the Romanian labour market. The national unemployment rate in Romania was around 3% while it was lower than 1% for the Bucharest region, where the plant is located. The demand for skilled workers is higher in this region, while the employment opportunities provided by the capital city are numerous. Hence, employed people with a

[7] Lost time incident rate: number of LT incidents per million working hours
[8] Severity rate: number of lost work days per million working hours
[9] Percentage of employees who left the company (due to resignation, dismissal, retirement, etc.) in total company's workforce.
[10] Average hours of training per employee per year.

relatively high level of training and qualifications tend to move away from blue-collar jobs towards white-collar ones. ICME has put in place induction training programs and focuses more on retention of its employees through variable remuneration schemes.

During 2019, as in previous years, no incident of discrimination was recorded or reported and there has been no incident of forced or voluntary child labor in any Cenergy Holdings company.

SDG 9 – Climate change

All Cenergy Holdings' companies commit to sound environmental management, paying strict attention to their environmental footprint and building their actions on risk management principles. This approach is reflected on the implementation of management systems that regulate the environmental protection during daily operations. The common biggest challenges they face is the minimisation of carbon emissions. It is noted that the carbon footprint is inclusive of the direct and indirect emissions.

	Hellenic Cables			Fulgor			ICME			CPW		
Year	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**
Total Carbon Emissions[11]	0.462	0.427	0.010	0.417	0.439	0.126	0.414	0.376	0.356	0.074	0.086	0.007

From the table above, it is apparent that all companies improved their carbon footprint due to a combination of energy efficiency measures as well as the decarbonization of the energy grid. T his is manifestly true in the case of Hellenic Cables and CPW which managed to decrease their carbon footprint by a very significant margin, more than 97%, because of their procurement of electricity from renewable sources. All companies are committed to continuously purchase energy from environmentally friendly sources in order to produce products with minimal carbon footprint.

SDG12 – Waste management – Circular economy

Cenergy companies are committed to robust waste management and aim primarily at waste generation reduction and improvements related with reuse and recycling, as well as hazardous materials' suitable treatment.

Although waste generation intensity varies significantly depending on the production process, the waste intensity per company has remained at similar levels in the past three years with fluctuations due to the product mix and shipments of waste accumulated over time that may affect the waste intensity for a single year.

	Hellenic Cables			Fulgor			ICME			CPW		
Year	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
Waste generation[12]	103	99	117	60	72	58	119	122	106	73	83	86
Waste reuse[13]	94.7	93.1	93.9	94.6	92.6	92.9	91.2	90.4	88.6	99.3	99.5	99.3

The portion, however, of generated waste that is sent for reuse, is remanufactured or recycled is very high with CPW approaching almost full reuse of its production waste. Despite this, the

[11] The sum of direct and indirect CO_2 emissions (tn CO_2/ tn products). For the calculation of the indirect emissions for the years 2018 and 2019, the coefficients of the European Residual Mixes 2018, AIB have been used as the final carbon footprint of the energy grids are not available as of the date of the report publication.

[12] Waste generated expressed in Kg of waste/ ton of production

[13] Waste reused, remanufactured, recovered and recycled measured versus total waste generated

effort in all companies is to still increase it towards 100% supporting the transformation to a circular economy.

SDG 16 – Transparency and Anti-Corruption

Cenergy Holdings acknowledges the significance of business ethics and anti-corruption issues. In order to ensure the implementation of the respective policy, it has asked all subsidiaries to apply, with the utmost care, the proper internal controls and procedures of operation demonstrating accountability, fairness and transparency in the relationship with all stakeholders.

During 2019, no incident of corruption or bribery was recorded or reported. In addition, there were no fines paid due to settlements for unethical business practices or corruption issues.

Risk Management

Environmental issues

Climate change or other environmental concerns could have a long-term adverse impact on Cenergy companies, either directly or through legal, regulatory or market measures. Climate is a material issue not only in respect to financial materiality (negative impact on the company) but also from an environmental and social perspective (negative impact to climate, hence to the environment and society).

The **financial materiality** stems from the fact that the subsidiaries have transition as well as physical risks. Transition risks relate to risks that arise from the transition to a low carbon economy such as policies that:

- Require demanding energy efficiency measures;
- Impose carbon pricing mechanisms which intend to increase carbon price, thus, increase cost of electricity;
- Impose carbon border adjustments that can disrupt supply chains as well as cause retributions from other countries where customers are currently located.

Physical risks relate to risks associated with long chronic effects such as rising sea levels and reduced fresh water availability.

The steel pipes segment is the one affected in a negative way by the transition away from fossil fules into low-carbon energy alternatives (cf. risk no. 5 in the “Risks & Uncertainties” section). Though such trend is slow-moving and is not expected to play a major role in the segment’s financial situation in the coming year, CPW is examining new business opportunities and markets, away from the Oil & Gas sector, in order to reduce its revenue dependence on it.

On the other hand, the cable segment seems to profit from the de-carbonization of the economy as it focuses on electricity distribution coming from renewable sources, mainly large wind farms, either offshore or onshore.

The risk mitigation measures taken by the companies are, among others, the following:

- early policy trend identification;
- close cooperation with national and European federations for proper representation of the matters faced by the subsidiaries;
- development of action plans and long term targets for investments in energy efficient equipment and carbon abatement measures;
- procurement of electricity from producers of clean, renewable energy;
- increase of capacity for utilization of secondary raw materials instead of primary; and
- proper budget management practices that incorporate projected carbon costs.

From an **environmental and social perspective,** production plants of Cenergy subsidiaries are characterized by very low direct emissions in greenhouse gases in the atmosphere due to their routine production operations, but higher indirect emissions through consumption of electricity (more than 80% of total emissions of Cenergy companies relate to indirect emissions). CPW participates in the European Trading Scheme due to the existing capacity of stand-by electricity production and not due its emission intensive production process. The sum of the direct and indirect footprint of Cenergy Holdings' subsidiaries is shown in the previous chapter as these are the most closely watched KPIs at each company level.

As for risks related to the supply chain, upstream production of raw materials like aluminium, copper and steel introduce significant carbon emissions to the environment. Careful selection of raw materials suppliers is critical to identify areas of improvement and is considered the highest contributor to the overall emissions of the subsidiaries' products. As more than 80% of the environmental footprint of the final products is carbon footprint attributed to upstream activities, all subsidiaries are in the process of identifying and evaluating different suppliers and their potential exposure to higher carbon costs as the increasing cost of carbon may eventually affect their competitiveness.

Finally, all companies could be affected by their inability to meet EU, current or future, compliance obligations concerning emissions. To mitigate this risk, they are following closely policy trends and actively taking compliance measures related to climate change, together with proper budget management practices (e.g. incorporate projected higher carbon costs in the future).

Social and labor issues

The major risks related to social and labor issues are the occupational health and safety of the labor force as well as employee issues. Regarding the former, all subsidiaries have management systems in place that include a comprehensive approach for improvement that include, among others, equipment upgrading, implementation of management principles (safety audits, guidelines, work instructions, etc.), the establishment of a targeted safety training program and the direct involvement of management.

Health risks, however, emanating from external shocks, outside the control of Cenergy companies, such as the pandemic outbreak of COVID-19, present a serious threat to personnel's wellbeing and may lead to a serious loss of production output. Preventive measures for risk mitigation include, among others, early and immediate possible infection reporting, the use of protective equipment (disinfectant, masks), the promotion of "working from home" arrangements (where possible), business travel limitations, flexible time working schedules, etc.

The pandemic may also seriously disrupt supply chains for raw materials, leading to a significant effect on subsidiaries' operational results, cash flows or financial condition. Measures have already been taken to contain such impact by increasing raw critical material inventories in all plants, ensuring alternative supply sources, reviewing insurance coverage for contractual obligations, etc.

Finally, employee related risks include potential violations of equal treatment and statutory working hours, as well as social action by personnel that may lead to operation interruption risks (stoppages, slowdowns). These risks are mitigated by the subsidiaries through a comprehensive employee Code of Conduct, personnel evaluation, a fair remuneration policy together with proper training and regular internal audits.

Human rights issues

The major risks related to human rights are related to the supply chain of the subsidiaries provided that many suppliers are not located in Europe or North America. Cenergy companies are in the process of developing a proper and comprehensive supplier evaluation management system in order to ascertain that all major suppliers meet certain sustainability standards such as standards in minimum environmental performance and compliance, worker safety, labor conditions, human rights and business ethics.

Anti bribery and corruption risks

The risks related to anti-bribery and corruption lies in the failure to conduct business operations ethically and comply with the laws and regulations in the jurisdictions in which Cenergy Holdings and its companies operate. Examples could be the intentional misstatement of financial reporting or the by-passing of internal controls.

To prevent and mitigate such risks, Cenergy Holdings ensures its "reference code" is applied by its companies in order to raise employee awareness to the Holding's corporate values and related anti-corruption practices. The internal audit function is responsible for monitoring and reporting timely and properly any related deviation or misconduct. Simultaneously, subsidiaries separately organize training courses and communication actions in order to increase awareness and encourage compliance.

Detailed sustainability reports of the major companies in the Holding's portfolio are found on their websites:

- HC companies – http://www.cablel.com/778/en/corporate-responsibility-and-sustainability-reports/
- Corinth Pipeworks – http://www.cpw.gr/en/media-center/Publications/

Corporate Governance Statement

As a company incorporated under Belgian law and listed on Euronext Brussels, Cenergy Holdings is committed to high standards of corporate governance and relies on the 2009 Belgian Corporate Governance Code (the 'Corporate Governance Code') as a reference code. The Corporate Governance Code is available on the website of the Corporate Governance Committee (www.corporategovernance-committee.be).

The Corporate Governance Code is structured around principles, provisions, guidelines, and the "comply or explain" principle. Belgian listed companies must abide by the Corporate Governance Code but may deviate from some provisions, if they provide a considerate explanation for any such deviation.

During the 2019 financial year, the company complied with the principles of the 2009 Belgian Corporate Governance Code, except for the following:

i. **Principle 7.11** "*For the interests of an executive manager to be aligned with those of the Company and its shareholders, an adequate part of an executive manager's remuneration package is structured in such a way as to be linked to both the individual and corporate performance*".

Explanation: The remuneration policy of the Company is set out in the remuneration report. Such policy does not include variable remuneration. The Board of Directors considers the proposals submitted by the Nomination and Remuneration Committee in order to determine whether, and to what extent, a modification of this policy is justified in the light of the Company's specific nature and strategy.

ii. **Principle 2.3 and Principle 5.2/4** *"At least one half of the board should comprise non-executive directors and at least three of them should be independent according to the criteria set out in Appendix A." and "At least a majority of the audit committee's members should be independent. At least one of them shall have accounting and auditing expertise."*

Explanation: Mr. Gallagher, one of the independent members of the Board of directors, does not fulfil one of the independence criteria (Appendix A, 2.4./1, 9° of Corporate Governance Code) since May 2019. Based on his professional profile and experience, the Board takes the view that his independence is not compromised. Cenergy Holdings considers that the composition of the Audit Committee is adequate and does not compromise the exercise of its legal missions by the committee.

As from financial year 2020, the Company has adopted the 2020 Belgian Corporate Governance Code as its reference code. Any deviations to such code during year 2020 will be reported in the 2020 corporate governance statement.

The Board of Directors of Cenergy Holdings has adopted a Corporate Governance Charter to reinforce its standards for the Company, in accordance with the recommendations set out in the Corporate Governance Code. It aims to provide a comprehensive and transparent disclosure of the Company's governance and is reviewed and updated as needed. The

Corporate Governance Charter (the "***Corporate Governance Charter***") is available on the Company's website (www.cenergyholdings.com).

In order to have a complete overview of Cenergy Holdings' corporate governance rules, the Corporate Governance Statement must be read in conjunction with the Company's Articles of Association, the Corporate Governance Charter as well as the corporate governance provisions laid down in the Belgian Companies and Associations Code (the "***BCAC***").

As a company with a secondary listing on the Athens Stock Exchange (Athex), Cenergy Holdings also complies with the provisions of the applicable Greek capital market laws and regulations.

Board of Directors

Role

The Board of Directors (the "***Board***") is vested with the power to perform all acts that are necessary or useful for the Company's purpose, except for those actions that are specifically reserved by law or the Articles of Association to the Shareholders' Meeting or other management bodies.

In particular, the Board is responsible for:

- defining the general orientations of the Company;
- deciding on all major, strategic, financial and operational matters of the Company;
- deciding on the Executive Management structure and determining the powers and duties entrusted to them;
- taking all necessary measures to guarantee quality, integrity and timely disclosure of the Company's financial statements and other material financial or non-financial information about the Company;
- monitoring and reviewing the effectiveness of the Audit Committee and the Nomination and Remuneration Committee;
- approving a framework of internal control and risk management set up by Executive Management and reviewing its implementation;
- monitoring the quality of the services provided by the statutory auditor and the internal audit, taking into account the Audit Committee's review;
- approving the remuneration report submitted by the Nomination and Remuneration Committee; and
- all other matters reserved to the Board.

The Board is entitled to delegate part of its powers related mainly to the day-to-day management of the Company to the members of Executive Management.

Composition of the Board

In accordance with Article 8 of the Articles of Association, the Board is composed of 8 members:

Name	Position	Term started	Term expires
Jacques Moulaert	Chairman - Non-Executive member of the Board	May 2019	May 2020
Dimitrios Kyriakopoulos	Vice-Chairman – Executive member of the Board	May 2019	May 2020
Xavier Bedoret	Non-Executive member of the Board	May 2019	May 2020
Simon Macvicker	Non-Executive member of the Board	May 2019	May 2020
Rudolf Wiedenmann	Non-Executive member of the Board	May 2019	May 2020
Manuel Iraola	Independent, Non-Executive member of the Board	May 2019	May 2020
Joseph Rutkowski	Independent, Non-executive member of the Board	May 2019	May 2020
William Gallagher	Independent, Non-executive member of the Board	May 2019	May 2020

The mandate of all members of the Board will expire at the Annual Ordinary Shareholders' Meeting to be held in 2020.

Information on the members of the Board

Over the past five years, the members of the Board have held the following directorships (apart from their directorship of the Company) and memberships of administrative, management or supervisory bodies and/or partnerships.

Jacques Moulaert (Chairman, Non-Executive member)

Mr Moulaert holds a Ph.D. in Law from Ghent University and a Master in Public Administration from Harvard University. He serves as Honorary Managing Director at Groupe Bruxelles Lambert S.A. and as Honorary President on the Board of ING Belgium. He is a founder and Honorary Vice-President of the Louvain Foundation. In the past, Mr Moulaert served as visiting professor at the Catholic University of Louvain (UCL).

Dimitrios Kyriakopoulos (Vice-Chairman, Executive Member)

Mr Kyriakopoulos is a graduate in Business Administration from the Athens University of Economics and Business and holds degrees in Business Studies from the City of London College and in Marketing from the Institute of Marketing (CIM – UK). He also serves as Executive Vice-President of ElvalHalcor S.A. Mr Kyriakopoulos joined Viohalco in 2006, and since then he has held various managerial positions, including Chief Financial Officer of Viohalco and Vice-President of non-ferrous metals. Prior to joining Viohalco, he had a long career with Pfizer/Warner Lambert, serving as President Europe/ Middle East/ Africa of Adams (Pfizer's Confectionery Division), as Warner Lambert's Regional President Consumer Products Italy, France and Germany, Regional Director Middle East/ Africa and President and Managing Director of Warner Lambert Greece. He has also been Deputy Managing Director of Hellenic Duty Free Shops.

Xavier Bedoret (Non-Executive member)

Mr Bedoret holds a Master's degree in Law and Psychology from the Catholic University of Louvain (UCL) and is a certified public accountant. Before joining Cenergy Holdings, he served as senior audit manager at KPMG and member of the Audit and Risk Management Division at ENGIE S.A.

Simon Macvicker (Non-Executive member)

Mr Macvicker holds an MBA from Warwick Business School and a Bachelor's degree in Modern Languages from the University of Leeds. Since 2004, he has been working at Bridgnorth Aluminium, an affiliate company of Viohalco, as Managing Director. Previously, he held various commercial positions including 10 years at British Steel. Mr Macvicker served as President of the Aluminium Federation in the UK from 2014 to 2015, and is the current Chair of the UK Metals Council. He is a director of the Shropshire Chamber of Commerce.

Rudolf Wiedenmann (Non-Executive member)

Mr Wiedenmann holds a Master's degree in Chemistry from Ludwig-Maximilians Universität München and a PhD in Natural Sciences. He is a member of the Board of Directors of Icme Ecab S.A. In the past, he worked as director in the research and development center and as Managing Director of the Energy Cables division of Siemens in Germany. He also served as President in the European Association of Cable Manufacturers.

Manuel J. Iraola (Independent, Non-Executive member)

Mr Iraola is CEO of Aloaris, a company providing strategic and leadership development services to a wide range of industries. Prior to Aloaris, he spent 20 years with Phelps Dodge Corporation, as President and CEO of Phelps Dodge Industries, a diversified manufacturing concern with annual sales in excess of $3.0 billion and employing over 5,000 people in 27 countries. Iraola has served on the boards of several NYSE traded companies including Phelps Dodge Corporation, Central Hudson Energy Group, Schweitzer Mauduit International Inc. and Southern Peru Copper. He holds an MBA from Sacred Heart University in Fairfield, Connecticut, and a BS in Industrial Engineering from the University of Puerto Rico. He is also a graduate of Pennsylvania State University's Executive Management Programme, the Wharton/Spencer Stuart Directors Institute and PD-Thunderbird Global Management Programme.

Joseph Rutkowski (Independent, Non-Executive member)

Retired Executive Vice-President of Nucor Corporation responsible for Domestic and International Business Development from 2001 – 2010. Mr Rutkowski became Executive Vice President in 1998 responsible for all steelmaking activities. Prior to that, he served as Vice President and General Manager of Nucor Steel in Darlington, South Carolina and Hertford County, North Carolina. He joined Nucor in 1989 as Manager of Nucor Cold Finish and also served as Manager of Melting and Casting at Nucor Steel-Utah. Mr Rutkowski held various positions within the steel and steel-related industries after graduating from Johns Hopkins University in 1976 with a Bachelor of Science in Mechanics and Materials Science. He was also a President of the Association of Iron and Steel Engineers. He is currently Principal of Winyah Advisors, LLC, a management consulting firm.

William Gallagher (Independent, Non-Executive member)

Mr Gallagher is an independent advisor and investor. More recently, Mr Gallagher was an advisor to Credit Suisse in London, working in Capital Markets between 2015 and 2017. From 2000 to 2014, he was at UBS in London, heading up EMEA Emerging Markets Lending. At UBS, he was also the global chair of UBS' Debt Capital Markets Commitments Committee. From

1998 to 2000, he worked in Lehman Brothers' Loan Syndicate Department in New York. He also worked as a corporate and finance lawyer at Gibson, Dunn & Crutcher in New York from 1991 to 1998. Mr Gallagher holds a BA in Economics from Yale University, a JD (Law) from the University of Michigan (Ann Arbor), and a Diploma of Advanced European Legal Studies from the College of Europe, Bruges, Belgium.

Appointment of the Board

The members of the Board are appointed by the Shareholders' Meeting under the quorum and majority conditions applicable to an amendment of the Articles of Association of the Company, upon proposal by the Board. They are appointed for a term of one year and their term of office is renewable.

In the event that a member's seat on the Board of Directors becomes vacant, such a vacancy may be filled temporarily by virtue of a unanimous vote of the remaining members of the Board until the next Shareholder Meeting which will proceed to the definitive appointment of a Board member.

Any proposal for the appointment of a Board member originating from the Shareholders' Meeting must be accompanied by a Board recommendation based on the advice of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee reviews all the candidacies and seeks to ensure that a satisfactory balance of expertise, knowledge, and experience is maintained among Board members.

The Board decides which candidates satisfy the independence criteria set by law. To be considered independent, a member of the Board must fulfil the criteria set forth in Principle 3.5 of the 2020 Corporate Governance Code. Any Independent member of the Board who no longer fulfils the above criteria of independence is required to immediately inform the Board.

The Board of Cenergy Holdings, having reviewed the independence criteria pursuant to the BCAC and the 2020 Corporate Governance Code, has decided that Mr. Manuel Iraola, Mr Joseph Rutkowski, and Mr William Gallagher fulfil the criteria and are independent non-executive members.

Being a holding orientated towards industrial sector companies, Cenergy Holdings does not have in place a concrete diversity policy for its Board of Directors or its senior executives. The nature of the business and the required expertise limits the possibility of gender diversification. It is common worldwide that in an industrial environment in metals processing the vast majority of personnel consists of males. Nevertheless, Cenergy Holdings employs skilled and experienced personnel without any discrimination and make efforts to ensure diversity in terms of nationality, age, religion, and ethnic origin.

The Company has, however, acknowledged the legal requirement of Article 7:86 of the Belgian Companies and Associations Code according to which at least one third of the Company's Board members must be of different gender as of the financial year starting on January 1, 2022. To this effect, the Board has entrusted the Nomination and Remuneration Committee to review the matter and propose the appropriate profiles so that the Board may appoint the new members of the Board and thus ensure that the Company complies with this legal requirement.

Functioning

The Board has elected among its members, Mr. Jacques Moulaert as Chairman of the Board (the "***Chairman***").

The Chairman ensures the leadership of the Board and promotes effective interaction between the Board and Executive Management. The Chairman is responsible for ensuring that all members of the Board receive accurate, clear and timely information.

The Board has appointed a Company Secretary, Mr. Jacques Moulaert, to advise the Board on all corporate governance matters (the "***Corporate Governance Secretary***").

The Board meets as frequently as the interests of the Company require so, and in any case, at least four times a year. The majority of the Board meetings in any year take place at the Company's registered offices.

The meetings of the Board can also be held by teleconference, videoconference or by any other means of communication that allow the participants to hear each other continuously and to actively participate in these meetings. Participation in a meeting through the above-mentioned means of communication is considered as physical presence to such meeting.

In exceptional circumstances, duly justified by the urgency of the matter and the corporate interest, the Board can adopt unanimous written decisions, expressing its consent in a written document, a facsimile or an e-mail or by any other similar means of communication. However, this procedure shall not be used for the approval of the Annual Accounts.

The following table provides an overview of the Board meetings held in 2019:

Date and Place	Attendance
March 20, 2019 (Brussels)	Present: 7 Represented: 1 Absent: -
April 19, 2019 (videoconference call)	Present: 7 Represented: 1 Absent: -
May 28, 2019 (Brussels)	Present: 8 Represented: - Absent: -
September 25, 2019 (Athens)	Present: 8 Represented: - Absent: -
December 4, 2019 (Brussels)	Present: 7 Represented: 1 Absent: -
December 20, 2019 (conference call)	Present: 5 Represented: 1 Absent: 2

Committees of the Board

The Board has established two Board committees to assist and advise the Board on specific areas: the Audit Committee and the Nomination and Remuneration Committee. The terms of reference of these committees are set out in the Corporate Governance Charter.

The Audit Committee

The Board has established an Audit Committee, in accordance with Article 7:99 of the Belgian Companies and Associations Code (the "***Audit Committee***"), which consists of the following members:

- Xavier Bedoret, President;
- Simon Macvicker; and
- William Gallagher.

All the members of the Audit Committee have sufficient experience and expertise, notably in accounting, auditing and finance, acquired during their previous or current professional assignments.

Pursuant to the Corporate Governance Charter, the Audit Committee is convened at least four times a year and meets with the Company's statutory auditors at least twice a year.

The Audit Committee advises the Board on accounting, audit and internal control matters, and in particular:

- monitors the financial reporting process;
- monitors the effectiveness of the Company's system of internal control, risk management systems and the internal audit function;
- monitors the quality of the statutory audit of the consolidated annual accounts, including the follow-up on questions and recommendations made by the statutory auditor;
- presents recommendations to the Board with respect to the appointment of the statutory auditor; and
- reviews and monitors the independence of the statutory auditor, in particular regarding the provision of non-audit services to the Company.

The Audit Committee reports regularly to the Board on the exercise of its duties, identifying any matters in respect of which, it considers that action or improvement is needed, and at least when the Board reviews the consolidated annual accounts, intended for publication.

In 2019, the Audit Committee met five times: on March 20, in Brussels, with all members present; on April 19, via videoconference call, with all members present; on May 28, in Brussels, with all members present; on September 24, in Athens, with all members present; and on December 4, in Brussels, with all members present.

Nomination and Remuneration Committee

The Board has established a Nomination and Remuneration Committee in accordance with Article 7:100 of the Belgian Companies and Associations Code (the "***Nomination and Remuneration Committee***") which consists of the following members :

- Jacques Moulaert, President;
- Joseph Rutkowski; and
- Manuel Iraola.

The Nomination and Remuneration Committee meets twice a year, and whenever necessary in order to carry out its duties.

The Nomination and Remuneration Committee advises the Board principally on matters regarding the appointment and the remuneration of the members of the Board and Executive Management, and in particular:

- submits recommendations to the Board with regard to the appointment and the remuneration of the members of the Board and Executive Management;
- identifies and nominates, for the approval of the Board, candidates for filling vacancies as they arise;
- advises on appointment proposals originating from shareholders;
- periodically assesses the composition and size of the Board and submits recommendations to the Board with regard to any change; and
- drafts and submits a remuneration report to the Board, including proposals regarding the remuneration policy and recommendations based on its findings.

In 2019, the Nomination and Remuneration Committee met two times: on March 20, and on May 28, in Brussels, with all Committee members present.

Evaluation of the Board and its Committees

The Board regularly assesses (at least every two or three years) its size, composition and performance of its committees, as well as the Board's interaction with Executive Management. On December 4, 2019, the Board made its first assessment and concluded that, overall, the Board and its Committees operate effectively and in compliance with the applicable corporate governance rules, meeting the objectives set by the Corporate Governance Code (principle 4.11).
Non-Executive members of the Board meet regularly after Board meetings to assess their interaction with Executive Management.

The performance of Executive Management is also assessed on an informal basis through the presentation of the Company's performance in respect of the interim and annual financial statements.

Executive management

The Executive Management of the Company comprises the Executive Vice-President, *Mr Dimitrios Kyriakopoulos*; the two co-Chief Executive Officers (Co-CEOs), *Mr Alexios Alexiou* and *Mr Ilias Bekiros;* and the Chief Financial Officer (CFO), *Mr Alexandros Benos*.

In the past five years, the members of Executive Management held the following directorships and memberships of administrative, management or supervisory bodies and/or partnerships:

Dimitrios Kyriakopoulos, Executive Vice-President

Please see above section no. 3, Information on the members of the Board, Board of Directors.

Alexios Alexiou, Co-Chief Executive Officer

Mr Alexiou serves as CEO and Executive Member of the Board of Directors for the Hellenic Cables Group, a Cenergy Holdings company. He has been working for Viohalco since 1996. He holds a BSc in Economics from the University of Piraeus and a MSc. in Finance from Strathclyde University. With more than 16 years' experience in the finance and cables technology sectors, he joined Viohalco in 1996 as internal auditor. Since then, he has held the positions of Financial Manager of Hellenic Cables (2002-2003), General Manager of Icme Ecab (2003–2008) and since 2009 has held the position of CEO for Hellenic Cables.

Ilias Bekiros, Co-Chief Executive Officer

Mr. Bekiros has been CEO of Corinth Pipeworks since June 2019. He is a Mechanical Engineer, graduate of the National Technical University of Athens (NTUA) and also holds an MBA from the Athens University of Economics and Business (AUEB). Prior to this position, he served as the Commercial Director in Corinth Pipeworks since June 2014. From 2005 to 2014, he had assumed several sales management positions for a vast range of steel products of Sidenor Group.

Alexandros Benos, Chief Financial Officer

Mr. Benos has been CFO of Cenergy Holdings since May 2018. He holds a degree in Economic Sciences from Athens University, a B.A. and an M.A. in Economics from the University of Cambridge, UK, and a Ph.D. in Finance from Stanford University, USA. He has extensive banking experience. He joined National Bank of Greece Group in early 2000, tasked with establishing the Value at Risk Estimation Framework for Market Risk, then to develop obligor rating systems for corporate clients and then spearheaded the "Basel II & III" implementation projects. Mr Benos was appointed Director of Group Risk Control & Architecture Division at the Bank in 2010, then Deputy General Manager for NBG Group Risk Management in 2013 and, finally, Group Chief Risk Officer (CRO) in 2015. He served on the Board of Directors and as Chairman of the Board Risk Committee of United Bulgarian Bank, as well as on the Board of Directors at NBG Asset Management M.F.M.C. and the Asset Liability Committee of Ethniki Asfalistiki Insurance Co. He previously held academic positions in the US (GSB, Stanford University), France (M.S. Finance International, HEC School of Management in Paris), Switzerland (Dept. of Economics, University of Geneva) and Greece (Dept. of Banking and Finance, University of Piraeus).

On June 1, 2019, Mr Apostolos Papavasileiou, co-CEO and member of the Company's Executive Management, submitted his resignation. Following the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr Ilias Bekiros as new co-CEO and member of Executive Management of Cenergy Holdings.

The Executive Management is vested with the day-to-day management of the Company. They are also entrusted with the implementation of the resolutions of the Board.

In particular, the Board has assigned the following responsibilities to Executive Management:

- preparing strategic proposals for the Board;
- preparing annual and strategic plans;
- implementing internal controls;
- monitoring and managing the Company's results and performance against strategic and financial plans;
- presenting to the Board a complete, timely, reliable and accurate set of the Company's draft financial statements, in accordance with the applicable accounting standards, and the related press releases to be published by the Company;
- providing the Board with a balanced and comprehensive assessment of the Company's financial situation; and making recommendations to the Board with respect to matters within its competency.

Remuneration report

Remuneration policy

The policy regarding the remuneration of Executive and Non-Executive members of the Board is determined by the Board, based on a proposal made by the Nomination and Remuneration Committee. It leads to proposals that must be approved by the shareholders during the Annual Ordinary Shareholders' Meeting as far as the members of the Board are concerned. The Nomination and Remuneration Committee bases its proposals on a review of the prevailing market conditions for comparable companies.

Cenergy Holdings does not foresee any significant change in the remuneration policy for 2020.

Board of Directors

The remuneration of the members of the Board for the year 2019-2020 foresees a fixed fee for each Board member amounting to EUR 25,000, plus an equal sum in case of a committee membership.

The remuneration of the Board's Chairman is equal to that of the other Non-Executive members of the Board.

These fees are allocated on a "pro rata temporis" basis for the period extending from the Annual Shareholder Meeting until the Annual Shareholder Meeting of the following year, and are due at the end of such period. No variable remuneration is foreseen.

The following table provides an overview of the amounts to be paid to the Board for the term of office (2019-2020):

Name for members (amounts in EUR)	**Fixed amount for members of the Board**	**Fixed amount for members of the Audit Committee**	**Fixed amount for the members of the Nomination and Remuneration Committee**	**Total**
Jacques Moulaert	25,000	0	25,000	50,000
Dimitrios Kyriakopoulos	25,000	0	0	25,000
Xavier Bedoret	25,000	25,000	0	50,000
Simon Macvicker	25,000	25,000	0	50,000
Rudolf Wiedenemann	25,000	0	0	25,000
Manuel Iraola	25,000	0	25,000	50,000
Joseph Rutkowski	25,000	0	25,000	50,000
William Gallagher	25,000	25,000	0	50,000
Total Remuneration	**200,000**	**75,000**	**75,000**	**350,000**

Executive members of the Board and Executive Management

The remuneration policy for Executive Management of Cenergy Holdings does not foresee a fixed fee. They are entitled to neither stock options nor a supplementary pension scheme. No contingent or deferred compensation has been paid by the Company to Executive Management. They do not have any contract with the Company which would entitle them to benefits by the end of their term of office.

The remuneration scheme for the two co-CEOs is not determined by the Company but by its subsidiaries or affiliated companies of the Company.

The members of Executive Management who hold functions within subsidiaries or affiliated companies of the Company do not receive any additional remuneration for such executive functions.

The total remuneration for Executive Management for the fiscal year 2019 amounted to EUR 663 thousand. This amount includes the remuneration of the co-CEOs for 2019, amounting to EUR 280 thousand for Mr Alexios Alexiou, EUR 183 thousand for Mr. Apostolos Papavasileiou (for the period 01.01.2019 to 30.05.2019) and EUR 80 thousand for Mr Ilias

Bekiros (for the period 01.06.2019 to 31.12.2019) (total EUR 543 thousand). The total remuneration paid to non-executive members of the Board is presented in the above table, with the exception of Mr. Wiedenmann, who received an additional sum of EUR 2.7 thousand by Icme Ecab. The total remuneration of the Non-Executive members of the Board amounted to EUR 328 thousand.

The total amount of the above mentioned remuneration (EUR 991 thousand) has been paid by Cenergy Holdings and its subsidiaries during 2019.

External Audit

The statutory auditor, appointed by the Shareholders' Meeting among the members of the Belgian Institute of Certified Auditors, is entrusted with the external audit of the Company's consolidated financial statements.

The statutory auditors' mission and powers are those defined by the law. The Shareholders' Meeting sets the number of statutory auditors and determines their remuneration in compliance with the law. The statutory auditors are appointed for a renewable term of three years.

On May 29, 2019, the Company appointed PriceWaterhouseCoopers - Reviseurs d'entreprises SCRL, in abbreviation PwC Reviseurs d'Entreprises, represented by Marc Daelman,, as statutory auditor for a three-year period.

Company's Risk Management and Internal Audit Function

The Belgian legislative and regulatory framework on risk management and internal control consists of the relevant provisions of the law of 17 December 2008 on the establishment of an Audit Committee, and the law of 6 April 2010 on the enhancement of corporate governance, as well as of the Corporate Governance Code.

As set out in the "Risks and Uncertainties" chapter of this Annual Report, Executive Management is responsible for risk management and the systems of internal control. Under the strict supervision of Executive Management, the management team of each Company's subsidiary is responsible for developing an adequate organisation and an appropriate system of internal control for running the subsidiary's operations and managing risk.

The Audit Committee is responsible for monitoring the effectiveness of the Company's risk management, its systems of internal control and its internal audit function.

Company's Risk Management

Risk management, incorporating market risk and operational risk, is mainly the responsibility of the Management of the subsidiaries. The managers of the subsidiaries report on risk assessment and risk mitigation to Executive Management on a regular basis; they provide the Board and the Audit Committee with a detailed business review which analyses risks and challenges.

Internal Audit Function

The Audit Committee supervises the internal audit function. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the organization's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal audit is conducted in accordance with the International Standards for the Professional Practice of Internal Auditing (IPPF).

The internal audit function is responsible for performing audit engagements in accordance with its annual internal audit plan, which is prepared and reviewed in order to assist the organization to effectively mitigate risk throughout its operations. The audit engagements follow the audit methodology described in the internal audit charter and the internal audit manual as well as aim at ensuring that subsidiaries comply with shared processes with regards to their operations, industrial production and consolidation guidelines. At the end of each audit engagement, the internal audit function issues an audit report containing its audit findings and recommendations. The subsidiaries' management is responsible to design and implement remedial actions towards each of the internal audit findings and recommendations in due time.

The internal audit function reports to the Audit Committee. The Audit Committee ensures that the internal audit work is focused on the activities and the risk areas it deems critical. It ensures that the internal audit function reduces the probability of fraud and error and provides effective mitigation of risk.

Control Activities and Relationship with Subsidiaries

Cenergy Holdings is a holding company that operates in a decentralised manner. Each of the subsidiaries is responsible for its performance and results. The management of the subsidiaries is organised around solid global and regional teams, with responsibility assigned to the members of their respective executive management team.

All Cenergy Holdings' companies are accountable for their own organisation, risk management and system of internal control as these are developed and implemented depending on the business segment, the geographical location and the type of production plant concerned.

In order to secure consistency of approach when separate companies deal with similar issues, and to optimise coordination throughout the network of the Company's subsidiaries, the Board sets out corporate policies aimed at providing the local management of the companies with solid guidance and a workable framework for optimal local implementation and monitoring.

Financial Reporting and Monitoring Activities

Cenergy Holdings has established procedures for the adequate recording and reporting of financial and non-financial information. The objective is to ensure that financial and non-financial information produced by each entity is homogeneous, coherent and comparable, and that consolidated financial information is fair, reliable and can be obtained in a timely manner.

Each subsidiary reports financial information on a monthly basis. This includes the balance sheet, the income statement, the statement of cash flows and a working capital analysis.

A review of each business segment is presented to the Board. The review includes "actual versus budgeted" financial and non-financial information, the highlights of the reporting period, the outlook for each business segment, and is a key component of Cenergy Holdings' decision-making process.

Conflict of interests

Pursuant to Article 8 of the Corporate Governance Charter, in the event that a conflict of interest arises with a Board member, a shareholder or other Cenergy Holdings' company, the Board is required to implement the specific procedures of conflict resolution set forth in articles 7:96 and 7:97 of the BCAC.

Each member of the Board and Executive Management is required to always act without conflicts of interest and put the interests of the Company before his or her individual interests.

Each member of the Board and Executive Management is required to always arrange his or her personal and business affairs so as to avoid direct and indirect conflicts of interest with the Company.

All Board members are required to inform the Board on conflicts of interest once they arise. If the conflict of interest is of a proprietary nature, they will also abstain from participating in the discussions and deliberations on the matter involved, in accordance with Article 7:96 of the BCAC. If the conflict of interest is not covered by the provisions of the BCAC, and involves a transaction or contractual relationship between the Company or one of its related entities on the one hand, and any member of the Board or Executive Management (or a company or entity with which such member of the Board or Executive Management has a close relationship) on the other hand, such member will inform the Board of the conflict. The Board is under an obligation to check that the approval of the transaction is motivated by the Company's interest only and that it takes place at arm's length.

In all cases involving a conflict of interest not covered by Article 7:96 of the BCAC, the Board member affected by the conflict of interest is required to judge whether he or she should abstain from participating in the discussions of the Board and the vote.

Since the listing of the Company, the Board has not been notified of any transaction or other contractual relationship between Cenergy Holdings and its Board members which cause a conflict of interest as defined by articles 7:96 and 7:97 of the BCAC.

Shareholders' Structure

Capital Structure

On December 31, 2019, the Company's share capital amounted to EUR 117,892,172.38 represented by 190,162,681 shares without nominal value. There is no authorised share capital.

Cenergy Holdings has received a transparency notification dated 22 December 2016 indicating that Viohalco S.A. holds, directly and indirectly, 81.93% of the voting rights of the Company. Viohalco S.A. holds directly 56.77% of the voting rights of the Company and 25.16% through its subsidiary, Elvalhalcor S.A.

According to its obligation under Article 14 of the Belgian Law of 2 May 2007 on the disclosure of significant shareholdings in listed companies, Cenergy Holdings publishes the content of the notification that it has received.

Content of the notification

The notification dated 22 December 2016 contains the following information:

1. Reason for the notification: Acquisition or disposal of securities or voting rights
2. Notification by: A parent undertaking or a controlling person
3. Person subject to the notification requirement:
    a. Cenergy Holdings S.A. Avenue Marnix 30, 1000 Brussels
4. Date on which the threshold is crossed: 20 December 2016
5. Threshold that is crossed: 85%
6. Denominator: 190,162,681 shares
7. Notified details:

A) Voting rights	Previous notification	After the transaction			
		# of voting rights		% of voting rights	
Holders of voting rights	# of voting rights	**Linked to securities**	**Not linked to the securities**	**Linked to securities**	**Not linked to the securities**
Viohalco SA	27,060	107,960,701		56.77%	
Elvalhalcor S.A.	-	47,847,093		25.16%	
Subtotal	27,060	155,807,794		81.93%	
TOTAL		**155,807,794**	**0**	**81.93%**	**0.00%**

All shares of the Company belong to the same class of securities and are in registered or dematerialised form. Shareholders may select, at any time, to have their registered shares converted into dematerialised shares and vice versa.

Share transfers are not restricted in the Company's Articles of Association. All shares of the Company are freely transferable. Each share entitles the holder to one voting right.

Restrictions on Voting Rights

The Articles of Association do not provide for special restrictions on the shareholders' voting rights. Provided that the shareholders are admitted to the Shareholders' Meeting and their rights are not suspended, they enjoy unrestricted freedom in exercising their voting rights.

The relevant provisions governing the shareholders' admission to the Shareholders' Meeting are set out in Article 19 of Cenergy Holdings' Articles of Association.

Article 6.4 of the Articles of Association provides that the Company's shares are indivisible and recognises only one holder per share. The Board has the right to suspend the exercise of all rights attached to jointly owned shares until a single representative of the joint owners has been appointed.

Transparency

Pursuant to the Belgian Law of 2 May 2007 on the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions (the '***Transparency Law'***), the Company requires that any natural and legal person, who directly or indirectly acquires voting securities in the Company, notifies the Company and the Financial Services and Markets Authority (the '***FSMA***') of the number and proportion of existing voting rights they hold, where the voting rights attached to the voting securities reach 5% or more of the total existing rights. A similar notification is required in the following cases:

- direct or indirect acquisition, or disposal, of voting securities, or change of the breakdown of the voting rights, where the proportion of voting rights attached to the securities held reaches or exceeds 10%, 15%, 20% and so on, by increments of 5%, of the total existing voting rights;
- first admission of the Company's shares to trading on a regulated market, where the voting rights attached to the voting securities represent 5% or more of the total existing voting rights;
- conclusion, modification or termination by natural or legal persons of an agreement to act in concert where the proportion of the voting rights that are the subject of the

agreement, or the proportion of the voting rights held by a party to the agreement, reaches, exceeds or falls below one of the thresholds provided for in § 1, or the nature of the agreement to act in concert is modified;

- breaching of stricter notification thresholds added by the Company's Articles of Association.

The notification must be made promptly and no later than within four trading days following the acquisition or disposal of the voting rights triggering the reaching of the threshold. The Company must publish the information within three trading days following receipt of the notification.

At Shareholders' Meetings, shareholders cannot cast more votes than those attached to the securities or rights they have notified to the Company, in pursuance to the Transparency Law, before the date of the Shareholders' Meeting, subject to certain exceptions.

The form, on which such notifications must be made, together with additional explanations, is available on the FSMA website (*www.fsma.be*).

The voting rights held by major shareholders of the Company are available on the website of Cenergy Holdings (www.cenergyholdings.com).

Cenergy Holdings is not aware of the existence of any agreement between its shareholders concerning the transfer or the exercise of the voting rights attached to the shares of the Company.

Distribution and dividend policy

Cenergy Holdings does not have a history of dividend distribution. For the last three financial years, no dividends were distributed to shareholders.

The Company intends to reinvest its profits into the business. This policy will be reviewed by the Board in due course and, if the policy changes, the Company will inform the market accordingly. No assurance can be given, however, that the Company will make dividend payments in the future. Such payments will depend upon a number of factors, including the Company's prospects, strategies, results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors considered relevant by the Board. Due to its interest and participation in a number of subsidiaries and affiliated companies, the Company's stand-alone income and its ability to pay dividends depends in part on the receipt of dividends and distributions from these subsidiaries and affiliated companies. The payment of dividends by these subsidiaries and affiliated companies is contingent upon the sufficiency of earnings, cash flows, and distributable reserves.

Pursuant to Belgian law, the calculation of amounts available for distribution to shareholders, as dividends or otherwise, must be determined on the basis of the Company's non-consolidated financial statements. In accordance with BCAC, the Company's Articles of Association also require that the Company allocates at least 5% of its annual net profits to its legal reserve each year, until the legal reserve equals at least 10% of the Company's share capital. As a consequence of these factors, there can be no assurance as to whether dividends or similar payments will be distributed in the future.

Shareholders' Meeting

1. Meetings

The Annual Ordinary Shareholder Meeting of the Company is held on the last Tuesday of May at 10:00 a.m. or, if the day is a public holiday in Belgium, on the previous business day, at the same time. It takes place in Brussels, at the registered office of the Company or at the place indicated in the convening notice of the Shareholders' Meeting.

The other Shareholders' Meetings of the Company must take place on the date, hour and place indicated in the convening notice of the Meeting. They may take place at locations other than the Company's registered office.

The Annual, the Special and Extraordinary Shareholders' Meetings of the Company may be convened by the Board or by the statutory auditor of the Company, or at the request of shareholders representing at least one fifth of the Company's share capital.

2. Quorum and Majority required for modification of the articles of association

The modification of Cenergy Holdings' Articles of Association requires at least the majority of the share capital to be present or represented, and that it is approved by a qualified majority of 75% of the votes cast. If the quorum is not reached at the first meeting, a second meeting can be convened with the same agenda. This new general meeting is considered to have reached the quorum and to be validly convened irrespective of the proportion of the Company's share capital represented.

Consolidated Financial Statements 2019

Table of Contents

Consolidated Statement of Financial Position

Amounts in EUR thousand	Note	31 December 2019	31 December 2018*
ASSETS	**Note**		
Property, plant and equipment	18	422,066	405,330
Right of use assets	19	5,881	-
Intangible assets	20	24,773	22,284
Investment property	21	764	5,837
Equity - accounted investees	22	34,583	11,929
Other investments	23	5,015	4,579
Trade and other receivables	16	1,482	1,877
Contract costs	8.E	84	108
Deferred tax assets	14	2,164	3,362
Non-current assets		**496,812**	**455,306**
Inventories	15	228,495	221,105
Trade and other receivables	16	112,577	199,648
Contract assets	8.D	118,573	114,327
Contract costs	8.E	512	1,872
Income tax receivables		35	95
Derivatives	24	213	1,140
Cash and cash equivalents	17	90,408	65,203
Current assets		**550,814**	**603,390**
Total assets		**1,047,626**	**1,058,696**
EQUITY			
Share capital		117,892	117,892
Share premium		58,600	58,600
Reserves	25	34,699	33,273
Retained earnings/(losses)		20,377	(6,784)
Equity attributable to owners of the Company		**231,568**	**202,981**
Non-controlling interests		295	317
Total equity		**231,862**	**203,298**
LIABILITIES			
Loans and borrowings	27	177,730	173,605
Lease liabilities	19	3,990	1,187
Employee benefits	12	5,677	4,320
Grants	29	14,006	14,655
Trade and other payables	28	2,170	4,233
Deferred tax liabilities	14	22,985	16,781
Contract liabilities	8.D	7,543	-
Non-current liabilities		**234,100**	**214,781**
Loans and borrowings	27	320,827	363,402
Lease liabilities	19	1,768	452
Trade and other payables	28	213,794	209,587
Contract liabilities	8.D	43,528	62,147
Current tax liabilities		18	86
Derivatives	24	1,728	4,944
Current liabilities		**581,663**	**640,618**
Total liabilities		**815,763**	**855,399**
Total equity and liabilities		**1,047,626**	**1,058,696**

** Cenergy Holdings has initially applied IFRS 16 on 1 January 2019. Under the transition method chosen, comparative information is not restated. See Note 6.*

The notes on pages 67 to 138 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Profit or Loss

Amounts in EUR thousand		For the year ended 31 December	
	Note	**2019**	**2018***
Revenue	8	958,016	963,797
Cost of sales	9.C	(859,502)	(894,553)
Gross profit		**98,514**	**69,244**
Other income	9.A	8,095	4,526
Selling and distribution expenses	9.C	(16,237)	(16,288)
Administrative expenses	9.C	(24,044)	(20,775)
Reversal of / (Impairment loss) on receivables and contract assets	30C.1	(1,511)	280
Other expenses	9.B	(3,301)	(4,722)
Operating profit		**61,517**	**32,265**
Finance income	10	42	890
Finance costs	10	(34,667)	(33,101)
Net finance costs		**(34,626)**	**(32,211)**
Share of profit of equity-accounted investees, net of tax	22	1,600	654
Profit before tax		**28,492**	**708**
Income tax	14	(8,315)	6,180
Profit for the year		**20,177**	**6,888**
Profit/(Loss) attributable to:			
Owners of the Company		20,189	6,861
Non-controlling interests		(12)	27
		20,177	**6,888**
Earnings per share (in EUR per share)			
Basic and diluted	11	0.10617	0.03608

** Cenergy Holdings has initially applied IFRS 16 on 1 January 2019. Under the transition method chosen, comparative information is not restated. See Note 6.*

The notes on pages 67 to 138 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Amounts in EUR thousand	Note	For the year ended 31 December 2019	2018*
Profit for the year		20,177	6,888
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit liability	12	(1,372)	156
Changes in the fair value of equity instruments at fair value through other comprehensive income	23	7,650	-
Share of other comprehensive income of associates accounted for using the equity method	22	(17)	-
Related tax		525	(65)
		6,786	**92**
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences		1,117	(1,151)
Cash flow hedges – effective portion of changes in fair value		(1,235)	(2,040)
Cash flow hedges – reclassified to profit or loss		2,040	(544)
Related tax		(293)	753
		1,628	**(2,982)**
Total comprehensive income after tax		**28,590**	**3,997**
Total comprehensive income attributable to:			
Owners of the Company		28,612	3,969
Non-controlling interests		(22)	28
		28,590	**3,997**

** Cenergy Holdings has initially applied IFRS 16 on 1 January 2019. Under the transition method chosen, comparative information is not restated. See Note 6.*

The notes on pages 67 to 138 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

Amounts in EUR thousand	**Note**	**Share capital**	**Share premium**	**Translation reserve**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2019		**117,892**	**58,600**	**(18,676)**	**51,950**	**(6,784)**	**202,981**	**317**	**203,298**
Total comprehensive income									
Profit for the period		-	-	-	-	20,189	**20,189**	(12)	**20,177**
Other comprehensive income		-	-	1,124	8,164	(864)	**8,424**	(10)	**8,414**
Total comprehensive income		**-**	**-**	**1,124**	**8,164**	**19,325**	**28,612**	**(22)**	**28,590**
Transactions with owners of the company									
Contributions and distributions									
Transfer of reserves		-	-	-	(7,600)	7,600	**-**	-	-
Total contributions and distributions		**-**	**-**	**-**	**(7,600)**	**7,600**	**-**	**-**	**-**
Changes in ownership interests									
Acquisition of subsidiary (Common control transaction)	31	-	-	-	-	(26)	**(26)**	-	**(26)**
Disposal of subsidiary		-	-	-	(263)	263	**-**	-	-
Total changes in ownership interests		**-**	**-**	**-**	**(263)**	**237**	**(26)**	**-**	**(26)**
Total transactions with owners of the Company		**-**	**-**	**-**	**(7,862)**	**7,836**	**(26)**	**-**	**(26)**
Balance at 31 December 2019		**117,892**	**58,600**	**(17,552)**	**52,251**	**20,377**	**231,568**	**295**	**231,862**

Amounts in EUR thousand	**Share capital**	**Share premium**	**Translation reserve**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2018	**117,892**	**58,600**	**(17,525)**	**53,117**	**(12,150)**	**199,933**	**289**	**200,222**
Impact of initial application of IFRS 9, net of tax	-	-	-	-	(920)	**(920)**	(1)	**(921)**
Adjusted balance at 1 January 2018*	**117,892**	**58,600**	**(17,525)**	**53,117**	**(13,071)**	**199,012**	288	**199,301**
Total comprehensive income								
Profit for the period	-	-	-	-	6,861	**6,861**	27	**6,888**
Other comprehensive income	-	-	(1,151)	(1,833)	92	**(2,892)**	1	**(2,890)**
Total comprehensive income	**-**	**-**	**(1,151)**	**(1,833)**	**6,953**	**3,969**	**28**	**3,997**
Transactions with owners of the company								
Transfer of reserves	-	-	-	666	(666)	-	-	-
Total transactions with owners of the Company	-	-	-	**666**	**(666)**	-	-	-
Balance at 31 December 2018	**117,892**	**58,600**	**(18,676)**	**51,950**	**(6,784)**	**202,981**	**317**	**203,298**

** Cenergy Holdings has initially applied IFRS 16 on 1 January 2019. Under the transition method chosen, comparative information is not restated. See Note 6.*

The notes on pages 67 to 138 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

		For the year ended 31 December	
Amounts in EUR thousand	**Note**	**2019**	**2018***
Cash flows from operating activities			
Profit/(Loss) of the period		20,177	6,888
Adjustments for:			
- Income tax		8,315	(6,180)
- Depreciation	18, 19, 21	25,197	22,620
- Amortization	20	2,696	1,617
- Amortization of grants	29	(736)	(781)
- (Reversal of) impairment losses on investment property	9	(10)	-
- Net finance costs	10	34,626	32,211
- Share of profit of equity-accounted investees, net of tax	22	(1,600)	(654)
- (Gain) / loss from sale of property, plant & equipment	9	377	(30)
- Loss from write-offs of intangible assets	9	137	35
- Gain from disposal of subsidiaries	9	(3,630)	-
- Unrealised (Gain) / Loss from valuation of derivatives		(1,484)	1,717
- (Reversal of) / Impairment loss on receivables & contract assets	30.C.1	1,511	(280)
- (Reversal of) / Impairment of inventories		262	1,024
		85,835	58,186
Changes in:			
- Inventories		(10,615)	(35,877)
- Trade and other receivables		73,803	(60,667)
- Trade and other payables		6,842	23,135
- Contract assets		(4,246)	(49,161)
- Contract liabilities		(11,076)	57,423
- Contract costs		1,384	(769)
- Employee benefits		(15)	204
Cash generated from operating activities		141,910	(7,526)
Interest charges & related expenses paid		(31,711)	(32,172)
Income tax paid		(300)	(1,254)
Net Cash from / (used in) operating activities		**109,898**	**(40,952)**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(51,276)	(45,387)
Acquisition of intangible assets	20	(4,224)	(4,851)
Proceeds from grants	29	169	-
Proceeds from sale of property, plant & equipment & intangible assets		1,030	32
Disposal of subsidiaries, net of cash disposed of		6,629	-
Acquisition of subsidiary, net of cash acquired		(23)	-
Dividends received	22	498	230
Interest received		13	90
Acquisition of financial assets		(1)	(1)
Net Cash flows used in investing activities		**(47,185)**	**(49,888)**
Cash flows from financing activities			
Proceeds from new borrowings	27	62,930	137,593
Repayment of borrowings	27	(98,909)	(51,079)
Principal elements of lease payments	27	(1,066)	(613)
Net cash flows from / (used in) financing activities		**(37,045)**	**85,901**
Net (decrease)/ increase in cash and cash equivalents		**25,669**	**(4,940)**
Cash and cash equivalents at 1 January		65,203	69,443
Effect of movement in exchange rates on cash held		(463)	700
Cash and cash equivalents at 31 December	17	**90,408**	**65,203**

** Cenergy Holdings has initially applied IFRS 16 on 1 January 2019. Under the transition method chosen, comparative information is not restated. See Note 6.*

The notes on pages 67 to 138 are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. Reporting entity

Cenergy Holdings S.A. (hereafter referred to as "the Company", "the Holding" or "Cenergy Holdings") is a Belgian limited liability company. The Company's registered office is located at 30 Avenue Marnix, 1000 Brussels Belgium. The Company's Consolidated Financial Statements include those of the Company and its subsidiaries (together referred to as "Cenergy Holdings" or the "Group"), and Cenergy Holdings' interest in associates accounted for using the equity method.

Cenergy Holdings is a holding company and holds participations in 11 subsidiaries. With production facilities in Greece, Bulgaria and Romania, Cenergy Holdings' subsidiaries specialise in manufacturing steel pipes and cables products. Its shares are traded on Euronext Brussels since December 2016 and has its secondary listing on the Athens Stock exchange (trading ticker "CENER"). The Company's electronic address is www.cenergyholdings.com, where the Consolidated Financial Statements have been posted.

Cenergy Holdings is a subsidiary of Viohalco S.A. (81.93% of voting rights). Viohalco S.A. ("Viohalco") is a Belgium-based holding company whose subsidiaries are specialised in the manufacture of aluminium, copper, cables, steel and steel pipes products and technological advancement.

2. Basis of accounting

Statement of compliance

The Consolidated Financial Statements have been prepared by Management in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and authorized for issue by the Company's Board of Directors on 18 March 2020.

Details of the Company's accounting policies are included in Note 5.

Basis of measurement

The Consolidated Financial Statements have been prepared in accordance with the historical cost principle with the exception of the following assets and liabilities which are measured on an alternative basis on each reporting date.

- Derivative financial instruments held for hedging purposes (fair value);
- Equity investments at FVOCI (fair value);
- Net defined benefit liability (present value of the obligation).

3. Functional currency and presentation currency

The functional and presentation currency of the Company is the euro. All amounts in the Consolidated Financial Statements are rounded to the nearest thousand, unless otherwise indicated. As such, due to rounding, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

4. Use of estimates and judgements

Preparing financial statements in line with IFRS requires that Management makes judgements, estimates and assumptions that affect the application of Cenergy Holdings' accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Management's estimates and judgements are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements, assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 8 – Revenue recognition;
- Note 12 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 14 – Recognition of deferred tax assets, availability of future taxable profits against which carryforward tax losses can be used;
- Note 16 – Recoverability of overdue receivable from a former customer in the Middle-East ;
- Notes 20– Impairment test: key assumptions underlying recoverable amounts;
- Note 30.C1 – Measurement of expected credit losses on trade receivables and contract assets: key assumptions in determining expected loss rates.

5. Significant accounting policies

The accounting principles described below have been consistently applied to all periods presented in these Consolidated Financial Statements and have also been consistently applied by Cenergy Holdings and its subsidiaries and its equity-accounted investees, except for the changes mentioned in Note 6.

5.1 Basis of Consolidation

(a) Business combinations

Acquisition of subsidiaries is accounted for using the acquisition method on the acquisition date, i.e. the date on which control is transferred to Cenergy Holdings. To assess control, Cenergy Holdings takes into account substantive potential voting rights.

Cenergy Holdings measures goodwill on the acquisition date as follows:

- the fair value of the consideration paid, plus
- the value of any non-controlling interest in the acquired subsidiary less
- the fair value of identifiable assets and liabilities assumed.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is immediately recognized in the Consolidated Statement of Profit or Loss. Any expenses directly linked with acquisition are directly posted in the Consolidated Statement of Profit or Loss. Any contingent consideration is recognized at its fair value on the acquisition date.

(b) Common control transactions

A business combination, in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and when control is not transitory, is a common control transaction. The Group has chosen to account for such common control transactions at book value (carry-over basis). The identifiable net assets acquired are not measured at fair value but recorded at their carrying amounts; intangible assets and contingent liabilities are recognized only to the extent that they were recognised before the business combination in accordance with applicable IFRS. Any difference between the consideration paid and the capital of the acquiree is presented in retained earnings within equity. Transaction costs are expensed as incurred.

(c) Subsidiaries

Subsidiaries are entities controlled by Cenergy Holdings. Cenergy Holdings controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

(d) Non-controlling interests

Non-controlling interests (NCI) are measured at fair value or at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. This measurement is done on an acquisition by acquisition basis.

Changes in Cenergy Holdings' interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(e) Loss of control

When Cenergy Holdings loses control over a subsidiary, the assets and liabilities of the subsidiary are derecognised, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(f) Associates

Associates are those entities in which Cenergy Holdings has significant influence, but not control or joint control, over the financial and operating policies. This is generally the case where Cenergy Holdings holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (h) below), after initially being recognised at cost.

(g) Joint arrangements

Under IFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

Cenergy Holdings recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures

A joint venture is an arrangement in which Cenergy Holdings has joint control, whereby Cenergy Holdings has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method (see (h) below), after initially being recognised at cost in the consolidated balance sheet.

(h) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Cenergy Holdings' share of the post-acquisition profits or losses of the investee in profit or loss, and Cenergy Holdings' share of movements in other comprehensive income of the investee in other comprehensive income, until the date on which significant influence or joint control ceases. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Cenergy Holdings' share of losses in an equity-accounted investment equals or exceeds its interest in the entity, Cenergy Holdings does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Cenergy Holdings' interests in equity-accounted investees comprise only of interests in associates.

(i) Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent the Group's interest in the investee.

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

5.2 Foreign currency

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Cenergy Holdings' companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate, when the fair value was determined. Foreign currency gains and losses are recognized and classified in the Consolidated Statement of Profit or Loss based on the nature of the related item of the Consolidated Statement of Financial Position.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences arising from the translation of qualifying cash flow hedges to the extent that the hedges are effective and investments in equity securities designated as at FVOCI are recognised as Other Comprehensive Income (OCI).

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates of the reporting date. The income and expenses of foreign operations are translated into Euro at the exchange rates at the date of the transactions. The average rate for the period is deemed to be an appropriate rate.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

5.3 Revenue

Cenergy Holdings recognizes revenue from the following major sources:

- Sale of products
- Energy projects
    - Steel pipes projects, i.e. onshore and offshore customized pipelines produced for applications based on customers' specifications.
    - Cables projects, i.e. high-tech customized underground and submarine cables and "turnkey" cable systems for power or data transmission and distribution.
- Rendering of services

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Cenergy Holdings recognizes revenue when it transfers control of a product or service to a customer.

Consideration can vary because of trade discounts, volume rebates, returns or other similar items. Depending on the type of variable consideration, the most appropriate method for measuring this variable consideration is used.

Sale of products

Cenergy Holdings sells hollow structural sections for the construction sector, power cables, telecom cables, enameled cables & wires and raw materials.

For sales of products, revenue is recognised at a point of time, when the control of the goods sold has been transferred.

The timing of the transfer of control usually occurs when the goods have been shipped to the customers' location, unless otherwise specified in the terms of the contract. The terms defined on the contracts with customers are according to Incoterms.

Revenue recognised at a point in time is invoiced either simultaneously with its recognition or within a short time period from its recognition. A receivable is recognised when the control is transferred to the customer, as this represents the point in time at which the right to consideration becomes unconditional.

Energy projects

The Group produces and sells customized products to customers for energy projects.

In the cables sector, Cenergy Holdings' subsidiaries also produces and sells "turnkey" cable systems, i.e. supplies and installs complete cable systems.

Under the terms of the contracts and due to the high degree of customization, these products have no alternative use, since they are produced according to customers' specifications, while there is an enforceable right to payment for performance completed to date if the contract is terminated by the customer or another party for reasons other than Cenergy Holdings' failure to perform as promised. Revenue from such projects is therefore recognised over time.

For distinct performance obligations identified, the most appropriate method to measure progress is used. The methods used are the following:

- For performance obligations related to production of customized products, depending on the type of contract concerned, the methods to measure progress is estimated based on:
    - i. Production time elapsed, i.e. the ratio between the actual time spent on the production and the total number of scheduled production time. This method is used for submarine cables produced in long continuous lengths, when time elapsed is the most relevant method to measure the progress of the performance obligation.
    - ii. The quantity of manufactured and tested cable drums or steel pipes compared with the total quantity to be produced according to the contract. This method is used for customized land cables and steel pipes, since the production of such products is performed in batches and as a result the performance obligations related are satisfied as certain batches of agreed quantities have been produced.
- For installation phases of cables sector's turnkey projects, the method to measure progress is based on appraisal of results achieved or milestones reached, based to clearly defined technical milestones, such as transport or meters of cables installed. When milestones are being used as a method to measure progress, these milestones faithfully depict the performance

Management considers that these methods are appropriate measures of the progress towards complete satisfaction of these performance obligations under IFRS 15.

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances (contract liabilities). These contract assets and contract liabilities are presented on the Consolidated Statement of Financial Position in the lines "Contract assets" and "Contract liabilities" respectively. For products and services for which revenue is recognised over time, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either upon achievement of contractual milestones, or at the final delivery and acceptance of the manufactured items.

Generally, billing occurs subsequent to revenue recognition for customized products and services performed over time resulting in contract assets. However, when advances from customers are received before revenue is recognized, a contract liability is recognized.

There is not considered to be a significant financing component in energy projects contracts with customers, as the period between the recognition of revenue and the milestone payment is less than one year.

Rendering of services

Cenergy Holdings recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

Services provided by Cenergy Holdings are mainly related with the products sold by its subsidiaries and mainly include:

- Metal processing technical support service;
- Design and engineering of customized applications;
- Supervision services;
- Installation services;
- Repairs and replacements.

All of the above, when related to Energy projects, are reported in the Cables' and Steel pipes' revenue streams, respectively.

If payment for services is not due from the customer until the services are complete, a contract asset is recognised over the period in which the services are performed representing the right to consideration for the services performed to date. These contract assets are presented on the Consolidated Statement of Financial Position in the line "contract assets".

Contract costs

Cenergy Holdings recognize the incremental costs of obtaining contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset, if those costs are expected to be recoverable, and record them in the line "Contract costs" in the Consolidated Statements of Financial Position. Incremental costs of obtaining contracts are costs incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained.

Fulfilment costs are only capitalised if they generate or enhance resources that will be used to satisfy performance obligations in the future.

Assets arising from contract costs are amortized using either the straight-line method over a period based on the estimated contract duration or based on the portion of revenue recognised during the execution of the related contract.

Incremental costs of obtaining contracts are recognised as an expense when incurred if the amortisation period of the assets would be one year or less.

5.4 Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if Cenergy Holdings and its companies have a present legal or constructive obligation to pay this amount, as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined contribution plans

Defined-contribution plans are plans for the period after the employee has ceased to work during which Cenergy Holdings pays a defined amount to a third legal entity without any other obligation. The accrued cost of defined-contribution programs is recorded as an expense in the period that the related service is provided.

(c) Defined benefit plans

Cenergy Holdings' net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate is based on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. Cenergy Holdings determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. Cenergy Holdings recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(d) Termination benefits

Termination benefits are expensed at the earlier of when Cenergy Holdings can no longer withdraw the offer of those benefits and when Cenergy Holdings recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

5.5 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and Cenergy Holdings will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statement of profit or loss (line “Other income”)on a straight line basis over the expected useful lives of the related assets.

5.6 Finance income and finance costs

Cenergy Holdings’ finance income and finance costs mainly include:

- interest income;
- interest expense;
- dividend income;
- foreign currency gains and losses from loans and deposits.

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset or to the amortised cost of the financial liability.

5.7 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

A. Current tax

Current tax comprised the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

B. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that Cenergy Holdings is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that is has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurements of deferred tax reflects the tax consequences that would follow from the manner in which Cenergy Holdings expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

5.8 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined by applying the method of weighted average cost and includes the production and conversion cost and all direct expenses required to bring inventories at their current condition. The net realisable value is estimated based on the inventory's current sales price, in the ordinary course of business activities, less any possible selling expenses, whenever such a case occurs.

The write-down of inventories to net realisable value and any reversals are recognized in 'cost of sales' in the period in which the write-downs occur.

5.9 Property, plant and equipment

A. Recognition and measurement

Property, plant and equipment are presented at their acquisition cost less accumulated depreciation and impairment. The acquisition cost includes all expenses that are directly associated with the asset's acquisition or self-construction. The cost of self-constructed fixed assets includes the cost of direct labour, materials and any other cost that is required for the fixed asset to be ready for use as well as any borrowing costs.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to Cenergy Holdings. Repair and maintenance costs are recorded in the Consolidated Statement of Profit or Loss when these are incurred.

On the sale of property, plant and equipment, any difference that may arise between the price that is received and the carrying value thereof is recorded through profit or loss in the category "other operating income (expenses)".

Borrowing costs related to the construction of qualifying assets are capitalised during the period required for the construction to be completed.

B. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

Administrative buildings	20-50 years
Plants	33-50 years
Heavy machinery	12-40 years
Light machinery	8-18 years
Furniture	4-10 years
Other equipment	4-12 years
Transport means	4-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

C. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified accordingly.

The item is reclassified at its net book value at the date of reclassification which becomes its deemed cost for subsequent accounting purposes.

D. Reclassification to assets held for sale

Non-current assets and disposal group of assets are reclassified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use.

5.10 Intangible assets

A. Recognition and measurement

Research and Development: Expenditure on research activities is recognised in profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercial feasible, future economic benefits are probable and Cenergy Holdings intends to and have sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Software programs: Software licenses are recorded at their acquisition cost less accumulated amortisation. These assets are amortised on the straight line method over their estimated useful lives, which ranges between 3 to 5 years. Expenses that are associated with the software's maintenance are recognised in profit or loss in the year in which they are incurred.

Other intangible assets: Other intangible assets, including customer relationships, patents and trademarks, which are acquired by Cenergy Holdings and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Other intangible assets having indefinite useful lives are measured at cost less accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

C. Amortisation and useful lives

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Goodwill and other intangible assets with indefinite useful lives are not amortised.

The estimated useful lives for the current and comparative periods are as follows:

- Trademarks and licenses 10 – 15 years
- Software programs 3 – 5 years

Intangible assets with indefinite useful lives are not amortised and are subject to an annual impairment test.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

5.11 Investment property

Investment property, which includes land, is owned by Cenergy Holdings either for the collection of rents or for capital appreciation and is not used for owner-purposes. Investment property is presented at cost less depreciation. When the carrying amounts of investment property exceed their recoverable value, the difference (impairment) is directly recorded in profit and loss an expense. The reversal of previously recognised impairment losses is also recognised in profit and loss as income. The land is not depreciated. The buildings are depreciated by applying the straight line method.

5.12. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

5.13 Impairment

A. Non-derivative financial assets

Financial instruments and contract assets (Policy applicable from 1 January 2018)

Cenergy Holdings recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost; and
- contract assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of trade receivables and contract assets.

Cenergy Holdings considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full, without recourse by Cenergy Holdings companies to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Cenergy Holdings companies are exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss and OCI.

Write-off

The gross carrying amount of a financial asset is written off when Cenergy Holdings has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Cenergy Holdings subsidiaries make an assessment on an individual basis with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Cenergy Holdings expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

B. Non-financial assets

At each reporting date, Cenergy Holdings and its companies review the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets with indefinite useful life is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss under "Other expense". They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.14 Leases

The policies applicable in 2018 are described in the consolidated financial statements 2018 of the Company, available at the Company's website. The policies in the present section are the ones applicable from 1 January 2019. The changes in accounting policy due to application of IFRS 16 are mentioned in Note 6.

From 1 January 2019, At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

Accounting for lease contracts as a lessee

Cenergy Holdings companies lease various offices, warehouses, machinery and cars. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Cenergy Holdings recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Subsequently they are measured at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

These payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate of the component entered into the lease agreement. Generally, Cenergy Holdings uses its incremental borrowing rate as the discount rate.

This is the rate that the lessee, i.e. each subsidiary of Cenergy Holdings, would have to pay on the commencement date of the lease for a loan of a similar term, and with similar security, to obtain an asset of similar value to the right-of-use asset in similar economic environment.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured if there is a modification that is not accounted for as a separate lease; when there is a change in future lease payments arising from a change in an index or rate; a change in the estimate of the amount expected to be payable under a residual value guarantee; and changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Cenergy Holdings elected not to separate non-lease components from lease components.

Lease liabilities and right-of-use assets are presented separately in the statement of financial position.

Cenergy Holdings has elected to present interest paid related to lease liabilities in the Consolidated Statement of Cash Flows, within the line “Interest charges & related expenses paid” in operating activities.

Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment, small items of office furniture and other equipment.

Cenery Holdings companies lease administration offices and warehouses by the ultimate parent company Viohalco SA/NV and other related companies. All contracts for administration offices and warehouses do not include any early termination penalty clauses and they are cancellable at any time. For this reason, all intercompany contracts for administration offices and warehouses are considered as short term and Cenergy Holdings recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Rental income

Rental income is recognised as other income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

5.15 Financial instruments

A. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when Cenergy Holdings becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

B. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, unless Cenergy Holdings changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, Cenergy Holdings may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets (except derivatives held for hedging purposes) not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, Cenergy Holdings may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

Cenergy Holdings makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, Cenergy Holdings considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, Cenergy Holdings considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost.

All financial liabilities (except derivatives held for hedging purposes) are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

C. Derecognition

Financial assets

Cenergy Holdings derecognises a financial asset when

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction
  - in which substantially all of the risks and rewards of ownership of the financial asset are transferred or
  - in which Cenergy Holdings neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Cenergy Holdings enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

Cenergy Holdings derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Cenergy Holdings also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

D. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, Cenergy Holdings currently has a legally enforceable right to setoff the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

E. Derivatives and hedge accounting

Cenergy Holdings has elected not to adopt the provisions of IFRS 9 regarding the hedge accounting and continues to apply IAS 39.

Cenergy Holdings holds derivative financial instruments designated as fair value or cash flow hedges. Derivatives are used to cover risks arising from changes in prices of metals, fluctuations of foreign exchange rates and changes in interest rates on borrowings.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss, unless the instrument qualifies for cash flow hedge accounting.

Fair value hedge

Derivatives are designated as fair value hedges when the exposure to changes in the fair value of a recognized financial asset or liability is hedged.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in the Consolidated Statement of Profit or Loss, along with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives designated as cash flow hedges is recognized in the “Hedging reserve”. Any ineffective proportion is recognized immediately in profit or loss.

The amounts recognized in the “Hedging reserve” are reclassified to the Consolidated Statement of

Profit or Loss when the hedged items affect profit or loss.

When a hedge item matures or is sold or when the hedge no longer meets the hedge accounting criteria, hedge accounting is discontinued prospectively, amounts recorded in 'Hedging reserve' the profits and losses accrued to 'Equity' remain as a reserve and are reclassified to profit or loss when the hedged asset affects profit or loss. In the case of a hedge on a forecast future transaction which is no longer expected to occur, amounts recorded in 'Hedging reserve' are reclassified to profit and loss.

Cenergy Holdings' companies examine the effectiveness of the cash flow hedges at inception (prospectively) by comparing the critical terms of the hedging instrument with the critical terms of the hedged item, and then at every reporting date (retrospectively), the effectiveness of the cash flow hedges is examined by applying the dollar offset method on a cumulative basis.

5.16 Share capital

Shareholder's equity is composed of ordinary shares.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted in equity (see Note 5.7)).

5.17 Provisions

Provisions are measured by discounting the expected future cash flows at a pre-tax rate. The discount rate used for the determination of present value reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are recognised when:

i. There is a present legal or constructive obligation as a result of past events.
ii. Payment is probable to settle the obligation.
iii. The amount of the payment in question can be reliably estimated.

Provisions for pending court rulings are recognised when it is more likely than not, that a present obligation from this litigation exists, and payment is probable.

Assurance warranty provisions are recognised when the product is sold and according to historical experience (probability that sold products will need to be replaced). The initial estimate of warranty-related costs is revised annually.

Restructuring provisions are recognised only when Cenergy Holdings has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features or when the company has already started to implement the plan.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating a contract and the expected net cost of continuing with the contract. Before the provision is established, Cenergy Holdings recognises any impairment loss on the associated assets with the contract.

5.18 Earnings per share

Cenergy Holdings presents basic and diluted earnings per share. Basic earnings per share are calculated by dividing the net profit/ loss (-) attributable to holders of the Company's ordinary shares by the average weighted number of outstanding ordinary shares during each period.

Diluted earnings per share are determined by adjusting the profit or loss attributable to holders of ordinary shares and the average weighted number of outstanding ordinary shares by the effect of all diluted eventual ordinary shares consisting of convertible notes and shares with options granted to the staff.

5.19. Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of Cenergy Holdings, as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.

5.20. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which Cenergy Holdings has access at that date. The fair value of a liability reflects its non-performance risk.

A number of Cenergy Holdings' accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, Cenergy Holdings measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then Cenergy Holdings uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then Cenergy Holdings measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If Cenergy Holdings determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

5.21. New standards, amendments to standards and interpretations

A number of new or amended standards became applicable for the current financial year and subsequent years, and Cenergy Holdings had to change its accounting policies and make retrospective adjustments as a result of adopting IFRS 16 Leases.

The impact of the adoption of the leasing standard and the new accounting policies are disclosed below. The other standards mentioned below did not have any impact on the Cenergy Holdings' accounting policies and did not require retrospective adjustments.

Standards and Interpretations effective for the current financial year

IFRS 16 "Leases"

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. Cenergy Holdings initially applied IFRS 16 on 1 January 2019. For further details, refer to note 6.

IFRS 9 (Amendments) “Prepayment Features with Negative Compensation”
The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss.

IAS 28 (Amendments) “Long term interests in associates and joint ventures”
The amendments clarify that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.

IFRIC 23 “Uncertainty over income tax treatments”
The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.
Based on the analysis performed by the Group, there was no significant impact on income tax treatments applied due to the adoption of IFRIC 23.

IAS 19 (Amendments) “Plan amendment, curtailment or settlement”
The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

Annual Improvements to IFRS (2015 – 2017 Cycle)
The amendments set out below include changes to four IFRSs.

IFRS 3 ‘Business combinations’
The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 ‘Joint arrangements’
The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 ‘Income taxes’
The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 ‘Borrowing costs’
The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Standards and Interpretations effective for subsequent periods

IFRS 3 (Amendments) ‘Definition of a business’ (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

IAS 1 and IAS 8 (Amendments) ‘Definition of material’ (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.

IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform' (effective for annual periods beginning on or after 1 January 2020)

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

As of 31 December 2019, the Group has no interest rate hedges. Therefore, the Group expects no impact from the reform on its hedge accounting.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

6. Change in accounting policy

IFRS 16 Leases

Cenergy Holdings has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

i. The group's leasing activities and how these are accounted for

Cenergy Holdings companies lease various offices, warehouses, machinery and cars. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, Cenergy Holdings recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Subsequently they are measured at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

These payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate of the component entered into the lease agreement. Generally, Cenergy Holdings uses its incremental borrowing rate as the discount rate. This is the rate that the lessee, i.e. each subsidiary of Cenergy Holdings, would have to pay on the commencement date of the lease for a loan of a similar term, and with similar security, to obtain an asset of similar value to the right-of-use asset in similar economic environment.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured if there is a modification that is not accounted for as a separate lease; when there is a change in future lease payments arising from a change in an index or rate; a change in the estimate of the amount expected to be payable under a residual value guarantee; and changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Lease liabilities and right-of-use assets are presented separately in the statement of financial position.

Cenergy Holdings elected not to separate non-lease components from lease components.

Cenergy Holdings has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised. The application of judgment to determine lease terms was rather limited, without significant impact on consolidated financial statements.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment, small items of office furniture and other equipment.

Cenergy Holdings companies lease administration offices and warehouses by the ultimate parent company Viohalco SA/NV and other related companies. All contracts for administration offices and warehouses do not include any early termination penalty clauses and they are cancellable at any time. For this reason, all intercompany contracts for administration offices and warehouses are considered as short term and Cenergy Holdings recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Cenergy Holdings has elected to present interest paid related to lease liabilities in the Consolidated Statement of Cash Flows, within the line "Interest charges & related expenses paid" in operating activities.

ii. Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, Cenergy Holdings recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities are measured at the present value of the remaining lease payments, discounted using lessee's incremental borrowing rate at the date of initial application.

Cenergy Holdings companies' incremental borrowing rate of interest is determined by using maturity-related risk-free interest rates for the period specified on the lease contract, which are increased with the subsidiary's specific derived credit spread and adjusted with a liquidity risk premium. On 1 January 2019, the weighted average discount rate applied was between 3.2% and 4.3% depending mainly on the duration and the specific characteristics of each lease contract.

For leases previously classified as finance leases Cenergy Holdings recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date. Based on the specific characteristics, of each lease contract previously classified as finance leases, no measurement adjustments were deemed necessary, on or after the transition related to such lease contracts.

Amounts in EUR thousand	**2019**
Operating lease commitments disclosed at 31 December 2018	*3,734*
Discounted using the incremental borrowing rate of at the date of initial application	3,507
Add: finance lease liabilities recognised at 31 December 2018	1,639
Lease liability recognised at 1 January 2019	**5,145**
Of which are:	
Current lease liabilities	1,524
Non-current lease liabilities	3,621

Right-of use assets were measured at the amount equal to the lease liability recognised in the Consolidated Statement of Financial Position on 31 December 2018.

The recognised right-of-use assets relate to the following types of assets:

Amounts in EUR thousand	**31 December 2019**	**1 January 2019**
Buildings	325	438
Machinery	2,204	2,797
Motor vehicles	3,352	2,790
Total Right of use assets	**5,881**	**6,025**

The change in accounting policy affected the following items in the Consolidated Statement of Financial Position on 1 January 2019:

Property, plant and equipment – decrease by EUR 2,519 thousand

Right of use assets – increase by EUR 6,025 thousand

Loans and borrowings – decrease by EUR 1,639 thousand

Lease liabilities – increase by EUR 5,145 thousand

The net impact on equity on 1 January 2019 was zero.

iii. Impact on segment disclosures and profit before tax

EBITDA, segment assets and segment liabilities for the period ended and on 31 December 2019 all increased because of the change in accounting policy. Cenergy Holdings segments were affected by the change in policy as follows:

Amounts in EUR thousand	**EBITDA**	**Segment assets**	**Segment liabilities**
Cables segment	824	2,031	2,065
Steel Pipes segment	439	1,359	1,389
Total	**1,262**	**3,390**	**3,454**

Depreciation of Right of use assets for lease agreements previously accounted for as operating leases was EUR 1,189 thousand for 2019, while interest charged on lease liabilities for lease agreements previously accounted for as operating lease amounted to EUR 137 thousand.
Overall, profit before tax decreased by EUR 64 thousand for 2019 as a result of the adoption of IFRS 16.

iv. Practical expedients applied

In applying IFRS 16 for the first time, Cenergy Holdings has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Cenergy Holdings has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an arrangement contains a Lease.

7. Operating segments

A. Basis for the division into segments

Cenergy Holdings is divided into 2 reportable segments:

- Cables;
- Steel Pipes.

For management purposes, Cenergy Holdings is split into two major strategic reportable segments which operate in different industries. These segments offer different products and services, and are managed separately because they require different technology and marketing strategies.

Such structural organization is determined by the nature of risks and returns associated with each business segment. It is based on the management structure, as well as the internal reporting system. It represents the basis on which Cenergy Holdings reports its segmental information.

The segment analysis presented in these Consolidated Financial Statements reflects operations analysed by business. This is the way the chief operating decision maker of Cenergy Holdings regularly reviews the operating results of the Group in order to allocate resources to segments and in assessing their performance.

A brief description of the segments is as follows:

- Cables: Hellenic Cables, its subsidiaries, and Icme Ecab S.A. are a cable producer, manufacturing power, telecommunication and submarine cables, as well as enamelled wires and compounds.

- Steel pipes: Corinth Pipeworks engages in the production of steel pipes for the transportation of natural gas, oil and water networks, as well as steel hollow sections which are used in construction projects.
- Other activities: The segment includes the activities of both the Holding company and subsidiary VET S.A. - which only holds investment property - that do not apply to either the steel pipes or cables segment.

B. Information about reportable segments and reconciliations to IFRS measures

The information disclosed in the tables below is derived directly from the internal financial reporting system used by the Board (i.e. chief operating decision maker) to monitor and evaluate the performance of the operating segments separately.

The following tables illustrate the information about the reportable segments' profit or loss, assets and liabilities at 31 December 2019 and 2018, and for the years then ended.

2019		**Reportable segments**			
Amounts in EUR thousand	**Note**	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment revenue		873,991	458,090	24	**1,332,106**
Inter-segment revenue		(294,275)	(79,815)	-	**(374,090)**
External revenue	8	**579,716**	**378,276**	**24**	**958,016**
Gross profit		**(513,042)**	**(346,460)**	**-**	**(859,502)**
Operating profit / (loss)		**48,380**	**14,898**	**(1,760)**	**61,517**
Finance income		13	28		**42**
Finance costs		(22,286)	(12,364)	(17)	**(34,667)**
Share of profit of equity accounted investees, net of tax		-	1,426	174	**1,600**
Profit / (Loss) before tax		**26,107**	**3,988**	**(1,603)**	**28,492**
Income tax expense		(7,602)	(712)	-	**(8,315)**
Profit/(Loss) for the year		**18,504**	**3,276**	**(1,603)**	**20,177**
Depreciation and amortization		(16,526)	(10,420)	(210)	(27,156)
Segment assets		602,426	416,842	28,358	**1,047,626**
Non-current assets excl. deferred tax and financial instruments		273,994	195,216	20,423	**489,633**
Equity-accounted investees		-	14,161	20,422	**34,583**
Segment liabilities		548,654	266,540	570	**815,763**
Capital expenditure	18/20	42,453	10,853	2	**53,307**

2018		**Reportable segments**			
Amounts in EUR thousand	**Note**	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment revenue		720,414	681,112	-	**1,401,526**
Inter-segment revenue		(231,760)	(205,969)	-	**(437,729)**
External revenue	8	**488,655**	**475,143**	**-**	**963,797**
Gross profit		**38,467**	**30,777**	**-**	**69,244**
Operating profit / (loss)		**17,808**	**16,417**	**(1,960)**	**32,265**
Finance income		583	307	-	**890**
Finance costs		(22,868)	(10,228)	(5)	**(33,101)**

2018		Reportable segments			
Amounts in EUR thousand	**Note**	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Share of profit/(loss) of equity accounted investees, net of tax		-	682	(28)	**654**
Profit / (Loss) before tax		**(4,477)**	**7,178**	**(1,993)**	**708**
Income tax expense		5,793	508	(121)	**6,180**
Profit/(Loss) for the year		**1,316**	**7,686**	**(2,114)**	**6,888**
Depreciation and amortization		(13,673)	(9,310)	(321)	**(23,304)**
Segment assets		551,088	494,065	13,543	**1,058,696**
Non-current assets excluding deferred tax and financial instruments		252,929	189,165	5,271	**447,365**
Equity-accounted investees		-	11,713	216	**11,929**
Segment liabilities		513,229	341,439	731	**855,399**
Capital expenditure	18/20	44,192	6,204	1	**50,397**

C. Geographic information

Cenergy Holdings' segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in Greece, Bulgaria and Romania.

The segmental information below is based on the segment revenue from external customers by country of domicile of customers and segment assets were based on the geographic location of the assets.

Amounts in EUR thousand	For the year ended 31 December	
Revenue	**2019**	**2018**
Belgium	8,224	61,784
Greece	251,157	157,559
Germany	92,452	109,084
Romania	54,076	31,601
United Kingdom	90,075	97,068
Other European Union countries	310,066	181,698
Other European countries	21,143	28,199
Asia	38,119	37,877
Americas	85,403	252,225
Africa	7,244	6,582
Oceania	56	122
Total	**958,016**	**963,797**

The geographic information below analyses the consolidated non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment assets were based on the geographic location of the assets.

Amounts in EUR thousand	At 31 December	
Property, Plant & Equipment	**2019**	**2018**
Belgium	1	1
Greece	397,193	379,044
Other	24,871	26,285
Total	**422,066**	**405,330**

Amounts in EUR thousand	At 31 December	
Right of use assets	2019	2018
Belgium	-	-
Greece	2,620	-
Other	3,261	-
Total	**5,881**	**-**

Amounts in EUR thousand	At 31 December	
Intangible assets	2019	2018
Belgium	-	-
Greece	22,958	20,577
Other	1,815	1,707
Total	**24,773**	**22,284**

Amounts in EUR thousand	At 31 December	
Investment property	2019	2018
Belgium	-	-
Greece	764	5,837
Other	-	-
Total	**764**	**5,837**

Amounts in EUR thousand	At 31 December	
Additions in Property, Plant & Equipment, Intangible assets & Right of use assets	2019	2018
Belgium	2	1
Greece	48,596	45,488
Other	6,448	4,907
Total	**55,047**	**50,397**

8. Revenue

A. Significant accounting policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Cenergy Holdings recognises revenue when it transfers control over a product or service to a customer. For the detailed accounting policy, see Note 5.3.

B. Nature of goods and services

Steel pipes projects

Corinth Pipeworks produces and sells customized products to customers mainly for onshore and offshore pipelines for oil and gas transportation and casing pipes. Under the terms of the contracts and due to the high degree of customization, these products have no alternative use, since they are produced according to customers' specifications, while there is an enforceable right to payment for performance completed to date if the contract is terminated by the customer or another party for reasons other than Cenergy Holdings' failure to perform as promised. Revenue from such projects is therefore recognised over time.

Hollow structural sections

These steel products are primarily used in the construction sector and they are used as structural components in metal constructions. For sales of such products, revenue is recognised at a point of time, when the control of the goods sold has been transferred.

Cables projects

Cenergy Holdings' subsidiaries in the cables segment produces and sells "turnkey" cable systems, i.e. supplies and installs complete cable systems. In addition, customized products are produced for grid connections, offshore/onshore wind farms and other energy projects. Under the terms of the contracts and due to the high degree of customization, these products have no alternative use, since they are produced according to customers' specifications, while there is an enforceable right to payment for performance completed to date if the contract is terminated by the customer or another party for reasons other than Cenergy Holdings' failure to perform as promised. Revenue from such projects is recognised over time. The typical length of a contract for turnkey projects exceeds 12 months. For turnkey projects, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the contracts and if a customer can benefit from it.

Power & telecom cables

The key products in this category are power cables and overhead conductors for electric power distribution networks for electric power operators, utilities, industrial applications, renewable energy applications, railway transportation networks and buildings. The category also includes telecommunication, data transmission cables, optical fibre cables and signalling cables. For sales of such products, revenue is recognised at a point of time, when the control of the goods sold has been transferred.

Enameled cables & wires

Cenergy Holdings' subsidiaries in the cables segment produces and sells enamelled wires for electric motors and transformers, copper wires for grounding and can manufacture. For sales of such products, revenue is recognised at a point of time, when the control of the goods sold has been transferred.

C. Disaggregation of revenue

In the following table revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

The table includes a reconciliation with the Group's reportable segments (see Note 7):

Primary geographical markets

Segment	**Steel Pipes**		**Cables**		**Other activities**		**Total**	
Amounts in EUR thousand	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Greece	15,640	17,434	235,494	140,125	24	-	251,157	157,559
Other European Union countries	266,743	185,911	288,150	295,324	-	-	554,893	481,235
Other European countries	12,680	13,433	8,463	14,766	-	-	21,143	28,199
America	83,213	249,898	2,190	2,327	-	-	85,403	252,225
Rest of the world	-	8,467	45,420	36,114	-	-	45,420	44,580
	378,276	**475,143**	**579,716**	**488,655**	**24**	**-**	**958,016**	**963,797**

Major products and service lines

Segment	**Steel Pipes**		**Cables**		**Other activities**		**Total**	
Amounts in EUR thousand	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Steel pipes projects	345,589	430,301	-	-	-	-	345,589	430,301
Hollow structural sections	18,439	28,569	-	-	-	-	18,439	28,569
Cables projects	-	-	217,787	101,756	-	-	217,787	101,756
Power & telecom cables	-	-	314,093	332,370	-	-	314,093	332,370
Enameled cables & wires	-	-	29,625	37,409	-	-	29,625	37,409
Other (raw materials, scrap etc.)	14,248	16,272	18,211	17,119	24	-	32,482	33,391
	378,276	**475,143**	**579,716**	**488,655**	**24**	**-**	**958,016**	**963,797**

Timing of revenue recognition:

	Steel Pipes		**Cables**		**Other activities**		**Total**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Products transferred at a point in time	32,687	44,841	361,929	386,898	24	-	394,640	431,740
Products transferred over time	345,589	430,301	217,787	101,756	-	-	563,375	532,057
	378,276	**475,143**	**579,716**	**488,655**	**24**	**-**	**958,016**	**963,797**

Consolidated revenue for 2019 was stable compared to 2018 as it was slightly decreased by 0.6% to EUR 958 million, as the increased sales of cables segment in projects business was counterbalanced by the decreased sales of steel pipes segment to USA.

Revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date amounts to EUR 304.5 million. An amount of EUR 297.8 is expected to be recognised during 2020, while the remaing EUR 6.7 is expected to be recognised during 2021 based on the time schedules included in the open contracts as of 31 December 2019, which have original expected durations of more than one year and revenue recognition started during 2019 or prior periods.

D. Contract balances

The following table provides information about contracts assets and contracts liabilities from contracts with customers:

Amounts in EUR thousand	**31 December 2019**	**31 December 2018**
Contract assets	118,573	114,327
Contract liabilities	51,071	62,147
Out of which: Long term Contract liabilities	*7,543*	-

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

Amounts in EUR thousand	**Contract assets**	**Contract liabilities**
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	(33,246)
Increases due to cash received, excluding amounts recognised as revenue during the period	-	22,180
Transfers from contract assets recognised at the beginning of the period to receivables	(108,638)	-
Increases as a result of changes in the measure of progress	111,920	-
Foreign exchange differences	838	(10)

Contract liabilities primarily relate to the advance consideration received from customers for construction of customized products or energy projects for which revenue is recognized over time. Contract liabilities which are expected to be settled within more than one year are classified as non-current liabilities (EUR 7,543 as of 31 December 2019).

E. Contract costs

Management expects that fees, commissions & other costs associated with obtaining contracts for energy projects are recoverable. Cenergy Holdings recorded costs incurred to obtain a contract of EUR 285 thousand as Contract costs at 31 December 2019 (31 December 2018: EUR 1,361 thousand).

In addition, costs to fulfill a contract are capitalised if they are directly associated with the contract and are recoverable. Such contract costs may include materials used for tests necessary for the production, labor costs, insurance fees and other costs necessary to fulfil performance obligations under a contract once it is obtained, but before transferring the control of goods or rendering services to the customer. Cenergy Holdings recorded costs incurred to fulfil a contract of EUR 311 thousand as Contract costs at 31 December 2019 (31 December 2018: EUR 619 thousand).

Therefore, at 31 December 2019 Cenergy Holdings has recorded as contract costs an amount of EUR 596 thousand, out of which an amount of EUR 84 thousand is classified as non-current assets.

Contract costs of obtaining or fulfilling a contract are expensed to cost of sales when the related revenue is recognised. In 2019, there was no impairment loss in relation to contract costs.

F. Significant judgments in revenue recognition

In recognizing revenue the Group makes judgements regarding the timing of satisfaction of performance obligations, the identification of distinct performance obligations, as well as the transaction price and the amounts allocated to performance obligations. The most significant of these estimates are described below:

- Contracts including multiple performance obligations are mainly identified in cables segment for turnkey projects and for customized products in both segments, as described in Note 8.B and Note 5.3. In such cases the total transaction price is allocated to these performance obligations on the basis of the relative standalone selling prices of the promised goods or services. If these goods and services are not sold separately, a cost plus margin approach is used to estimate the standalone selling price.
- Revenue deriving from the production of customized products for energy projects is recognized overtime. In such projects, contracts signed by Cenergy Holdings' subsidiaries may prescribe the promises of both:
  - producing customized products based on customers' specifications and
  - transporting them to the customer's site.

  In such cases, transportation is considered as a separate performance obligation, since both criteria prescribed in IFRS 15.27 are met, since the customer benefits from the offered transportation service and the promise to transport the goods to the customer is separately identifiable from the production of these customized products.

  Revenue for orders of standardized products (i.e. hollow structural sections, enameled cables & wires and non-customized power & telecom cables) is recognized at a specific point in time and transportation is not considered a separate performance obligation, since the second criterion of IFRS 15.27 is not met.

- Some contracts with customers involve a variable transaction cost as they include a volume or trade discount based on the total sales to the customer within a time period. In such case revenue is recognised based on the anticipated sales to the customer throughout the year, as these sales are realized and new orders are received and up to an extent it is highly probable that a significant reversal of cumulative revenue recognised will not be needed.

9. Income and expenses

A. Other income

Amounts in EUR thousand	Note	For the year ended 31 December 2019	2018
Government grants		42	36
Rental income		526	649
Income from fees, commissions & costs recharged		2,299	1,757
Indemnities and income from claims		114	225
Gain from disposal of property, plant & equipment		7	32
Amortization of grants	29	736	781
Gain from disposal of subsidiaries	32	3,630	-
Reversal of impairment losses on investment property	21	89	-
Refund of excise energy consumption tax		-	518
Other		652	528
Other Income		**8,095**	**4,526**

B. Other expenses

Amounts in EUR thousand	Note	For the year ended 31 December 2019	2018
Loss from disposal of Property, plant & equipment		(384)	(2)
Loss from write-offs of Property, plant & equipment	18	(137)	-
Loss from write-offs of Intangible assets	20	-	(35)
Impairment of investment property	21	(79)	-
Depreciation and amortisation	21	(200)	(282)
Expenses recharged		(502)	(593)
Indemnities and claims		(29)	(102)
Other taxes		(419)	(386)
Out of court settlement		-	(2,000)
Other penalties		(421)	(110)
Consulting fees		-	(563)
Employee benefits	12	(149)	(142)
Other		(981)	(506)
Other expense		**(3,301)**	**(4,722)**

During 2018, Hellenic Cables entered into an out-of-court settlement with a factoring company for an amount of EUR 2 million. This amount concerns a credit-related loss from a supplier of the Subsidiary, shared between the Subsidiary and the factor, due to a contract default of the supplier against both counterparties. The out-of-court settlement was wiser than embarking into court proceedings with the factor's Group, as it avoided both legal costs and a lengthy dispute with a long-term partner of Cenergy Holdings.

C. Expenses by nature

Amounts in EUR thousand	Note	For the year ended 31 December 2019	2018
Cost of inventories recognized as an expense		(621,672)	(706,632)
Employee benefits	13	(68,225)	(60,031)
Energy		(14,108)	(12,305)
Depreciation and amortisation	18, 19, 20	(27,693)	(23,803)
Amortization of contract costs		(1,890)	(16)
Taxes - duties		(1,504)	(1,390)
Insurance premiums		(11,337)	(7,127)
Rental fees		(2,151)	(2,984)
Transportation		(26,742)	(33,215)
Promotion & advertising		(686)	(827)
Third party fees and benefits		(96,577)	(62,789)
Loss from derivatives		(7,535)	(6,433)
Maintenance expenses		(9,907)	(6,278)
Travel expenses		(3,145)	(2,657)
Commissions		(3,057)	(3,382)
Foreign exchange gains/(losses)		111	1,335
Other expenses		(3,667)	(3,084)
Total cost of sales, selling & distribution expenses and administrative expenses		**(899,782)**	**(931,617)**

The increase in "Third party fees and benefits" is attributed mainly to fees paid to subcontractors and installers for turnkey contracts executed during 2019 by subsidiaries in the cables segment. Specifically, during 2019 the instalation phases for the interconnection of the Kafireas wind park in Evia, Greece, with the national power grid via submarine cables, the 400kV submarine cable in Rio-Antirio, Greece and several land projects took place, while during 2018, installation services provided in the context of energy projects assigned were more limited.

The fluctuation in transportation costs relate to the difference in geographical mix of sales compared to 2019 and the decreased sales performed towards the US market.

It is noted that the line "Third party fees and benefits" for 2018 includes legal consulting services regarding the US antidumping investigation of EUR 906 thousand included in Administrative expenses.

Cenergy Holdings significantly invests in research and development in order to continuously bring value-added products and services to the market and improve production processes, as well as to promote materials recycling and the proper use of natural resources. The aggregate amount of research and development expenditure recognised as an expense for 2019 amounts to EUR 3.8 million (2018: EUR 2 million).

10. Net finance costs

Amounts in EUR thousand	For the year ended 31 December 2019	2018
Finance income		
Interest income	42	90
Foreign exchange gains	-	800
	42	**890**
Finance costs		
Interest expense and related costs	(33,714)	(32,143)
Foreign exchange losses	(954)	(957)
	(34,667)	**(33,101)**
Net finance costs	**(34,626)**	**(32,211)**

Interest expenses and related costs were higher by 5% compared to 2018 as a result of higher working capital necessary for the execution of steel pipes projects.

11. Earnings per share

Considering that there are neither share options, nor convertible bonds, basic and diluted earnings per share are identical and have been based on the following profit/(loss) attributable to ordinary shareholders and weighted-average numbers of ordinary shares outstanding.

A. Profit/(loss) attributable to ordinary shareholders

Amounts in EUR thousand	For the year ended 31 December 2019	2018
Profit/(Loss) attributable to the owners of the Company	20,189	6,861

B. Weighted-average number of ordinary shares outstanding

The number of ordinary shares in issue for 2019 and 2018 was 190,162,681 shares. No shares were issued during 2019.

C. Earnings per share

The basic and diluted earnings per share are as follows:

In EUR per share	For the year ended 31 December 2019	2018
Basic and diluted	0.10617	0.03608

12. Employee benefits

Amounts in EUR thousand	Note	31 December 2019	31 December 2018
Net defined benefit liability		5,677	4,320
Liability for social security contributions	29	2,413	2,263
Total employee benefit liabilities		**8,089**	**6,583**
Non-current		5,677	4,320
Current		2,413	2,263

For details on the related employee benefit expenses, see Note 13.

A. Post-employment plans

The following post-employment plans exist:

Defined contribution plan

All the employees of the Company's subsidiaries are insured for their main pension by the respective social insurance organizations as required by the local legislation. Once the contributions have been paid, the Company's subsidiaries have no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due, and as such are included in employee benefit expenses.

Defined benefit plan

The employees of the Company's subsidiaries in Greece and Bulgaria, are entitled to receive a lump sum when they retire. This lump sum is determined in accordance with the years of service and the salary at the retirement date. This obligation meets the definition of defined benefit plans and charges the accumulated benefits through profit or loss in each period with a corresponding increase of the retirement liability. Benefits paid to pensioners during each period are charged against this liability. These plans are unfunded.

B. Movement in net defined benefit liability

The following table shows the reconciliation from the opening balance to the closing balance for net defined benefit liability and its components.

	For the year ended 31 December	
Amounts in EUR thousand	**2019**	**2018**
Balance at 1 January	**4,320**	**4,273**
Included in profit or loss		
Current service cost	263	241
Past service cost	1	15
Settlement/curtailment/termination loss	214	192
Interest cost	69	63
	547	**511**
Included in OCI		
Remeasurement loss/(gain)		
Actuarial loss/(gain) arising from:		
- Demographic assumptions	31	(189)
- Financial assumptions	1,149	(6)
- Experience adjustments	192	38
	1.372	**(156)**
Other movements		
Disposal of subsidiary	(239)	-
Benefits paid	(323)	(307)
Balance at 31 December	**5,677**	**4,320**

During the financial year 2019, Cenergy Holdings' companies provided EUR 239 thousand in benefit payments in respect of members who left the Group during the year. An additional cost that arose due to these payments (Settlement/Curtailment/Termination loss of EUR 214 thousand) was recognized. More specifically, in the cases of dismissal, voluntary withdrawals with benefit payment and retirement, the additional cost is the difference between the benefit paid and the amount recorded in the defined benefit liability for the respective employees.

C. Defined benefit obligation

a) Actuarial assumptions

The following were the weighted average principal actuarial assumptions at the reporting date:

	2019	2018
Discount rate	0.77%	1.61%
Inflation	1.30%	1.50%
Future salary growth	1.78%	1.35%
Plan duration *(expressed in years)*	14.54	14.82

Assumptions regarding future mortality have been based on published statistics and mortality tables.

b) Expected maturity analysis

The analysis of Group's expected undiscounted benefits cash flows in the future years out of the defined benefit plan liability is as follows:

Amounts in EUR thousand	2019	2018
Up to 1 year	111	70
Between 1 and 2 years	95	56
Between 2 and 5 years	239	229
Over 5 years	5.986	5,304
Total	**6,430**	**5,659**

c) Sensitivity analysis

The sensitivity analysis for each significant actuarial assumption, which was reasonably possible, at the end of the reporting period and shows how the defined benefit obligation would have been affected by the following changes:

Amounts in EUR thousand	Increase	Decrease
Discount rate (0.5% movement)	(427)	473
Future salary growth (0.5% movement)	455	(420)

If zero withdrawal rates were used when determining the defined benefit liability as of 31 December 2019, the liability would have been increased by EUR 548 thousand.

The above sensitivity analysis is based on a change in one assumption while all other assumptions remain constant. In practice, this is unlikely to occur as changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employee benefit liability recognized on the statement of financial position. The methods and the formula of the assumptions used for the defined analysis have not changed compared to the previous year.

13. Employee benefit expenses

	For the year ended 31 December	
Amounts in EUR thousand	**2019**	**2018**
Employee remuneration & expenses	54,436	49,637
Social security expenses	11,053	9,971
Defined benefit plan	547	511
Other	4,113	2,527
Total	**70,149**	**62,647**

Employee benefits were allocated as follows:

	For the year ended 31 December	
Amounts in EUR thousand	**2019**	**2018**
Cost of goods sold	49,931	42,761
Distribution expenses	9,351	9,584
Administrative expenses	8,943	7,685
Other expenses	149	142
Capitalised in assets under construction	1,775	2,473
Total	**70,149**	**62,647**

The number of employees, as well as their profile and gender, employed by the Group is presented in the following tables:

	2019	**2018**
Number of employees	2,088	1,914

	18 - 30	**30-50**	**51+**	**Total**
Male	235	1,110	486	**1,831**
Female	53	150	54	**257**
Total	**288**	**1,260**	**540**	**2,088**

	Office employees & professionals	**Workers**	**Management**	**Total**
Number of employees	611	1,343	134	2,088

14. Income taxes

A. Amounts recognised in profit or loss

	For the year ended 31 December	
Amounts in EUR thousand	**2019**	**2018**
Current tax expense	**(274)**	**(1,359)**
Origination and reversal of temporary differences	(9,577)	(92)
Change in tax rate or composition of new tax	(502)	3,553
Recognition of previously unrecognised tax losses, tax credit or temporary differences of a prior period	2,105	4,078
Derecognition of previously recognised tax losses	(66)	-
Deferred tax expense / credit	**(8,041)**	**7,539**
Income Tax	**(8,315)**	**6,180**

B. Reconciliation of effective tax rate

	For the year ended 31 December	
Amounts in EUR thousand	**2019**	**2018**
Profit before tax	**28,492**	**708**
Tax using the domestic tax rate in Greece *(2019: 24%, 2018:29%)*	(6,838)	(205)
Non-deductible expenses for tax purposes	(2,955)	(1,770)
Tax-exempt income	1,078	413
Recognition of previously unrecognised tax losses, tax credit or temporary differences of a prior period	2,105	4,078
Effect of tax rates in foreign jurisdictions	143	742
Current-year losses for which no deferred tax asset is recognised	(1,049)	(534)
Change in tax rate or composition of new tax	(502)	3,553
Derecognition of previously recognised tax losses	(66)	-
Other taxes	-	(97)
Adjustment for prior year income tax	(231)	-
Income tax expense / credit reported in the statement of profit or loss	**(8,315)**	**6,180**
Effective tax rate	***(29%)***	***873%***

According to the Greek law N. 4646/2019, the corporate income tax rate for legal entities in Greece for the fiscal year 2019 and onwards is set at 24%.

The corporate income tax rate of legal entities in Romania is set at 16% and in USA is set at 21%.

The effective income tax rate of the Group was influenced by the fact that certain loss making subsidiaries did not recognize deferred tax on current year's tax losses and the decrease of the income tax rate in Greece, as the recalculation of deferred tax resulted in a deferred tax expense of EUR 502 thousand.

C. Movement in deferred tax balances

The movement in deferred tax assets and liabilities during the year is as follows:

2019 *Amounts in EUR thousand*	**Net balance at 1 January**	**Recognised in profit or loss**	**Recognised in OCI**	**Foreign exchange differences**	**Change in tax rate** **Effect recognised in profit or loss**	**Change in tax rate** **Effect recognised in OCI**	**Disposal of subsidiaries**	**Net**	**Balance at 31 December** **Deferred tax assets**	**Balance at 31 December** **Deferred tax liabilities**
Property, plant & equipment	(31,268)	(1,669)	-	5	2,189	-	474	**(30,268)**	-	(30,268)
Right of use assets	-	(6)	-	-	-	-	-	**(6)**	6	(12)
Intangible assets	(1,074)	(102)	-	-	(623)	-	-	**(1,799)**	539	(2,338)
Investment property	74	-	-	-	(3)	-	-	**71**	71	-
Inventories	(696)	832	-	-	(41)	-	-	**96**	96	-
Contracts with customers	5,667	(11,250)	-	(3)	(686)	-	-	**(6,271)**	-	(6,271)
Derivatives	1,072	(356)	(127)	-	(71)	(167)	-	**352**	370	(19)
Loans and borrowings	(3,167)	507	-	-	212	-	-	**(2,448)**	-	(2,448)
Employee benefits	1,078	(147)	645	-	(38)	(120)	(57)	**1,359**	1,359	-
Provisions	5,936	(4,484)	-	-	(819)	-	-	**632**	632	-
Other items	(909)	103	-	(4)	90	-	-	**(720)**	200	(920)
Carryforward tax loss	3,118	5,005	-	-	(434)	-	-	**7,689**	7,689	-
Thin-cap interest	6,751	4,028	-	(6)	(278)	-	(2)	**10,493**	10,493	-
Tax assets / (liabilities) before set-off	**(13,419)**	**(7,539)**	**518**	**(7)**	**(502)**	**(287)**	**414**	**(20,821)**	**21,455**	**(42,276)**
Set-off tax									(19,291)	19,291
Net tax assets / (liabilities)	**(13,419)**	**(7,539)**	**518**	**(7)**	**(502)**	**(287)**	**414**	**(20,821)**	**2,164**	**(22,985)**

The movement in deferred tax assets and liabilities during the prior year is as follows:

2018 *Amounts in EUR thousand*	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Change in tax rate: Effect recognised in profit or loss	Change in tax rate: Effect recognised in OCI	Change in accounting policy	Net	Balance at 31 December: Deferred tax assets	Balance at 31 December: Deferred tax liabilities
Property, plant & equipment	(32,950)	(2,084)	-	-	3,766	-	-	**(31,268)**	-	(31,268)
Intangible assets	(1,880)	(171)	-	-	977	-	-	**(1,074)**	1,369	(2,444)
Investment property	51	-	-	-	22	-	-	**74**	74	-
Inventories	-	294	-	-	(989)	-	-	**(696)**	285	(981)
Contracts with customers	(6,854)	11,483	-	(145)	1,182	-	-	**5,667**	6,227	(560)
Derivatives	(162)	498	774	1	(18)	(21)	-	**1,072**	1,193	(121)
Loans and borrowings	(3,818)	194	-	-	456	-	-	**(3,167)**	-	(3,167)
Employee benefits	1,235	60	(45)	-	(152)	(19)	-	**1,078**	1,078	-
Provisions	5,990	254	-	-	(650)	-	342	**5,936**	5,936	-
Other items	(1,254)	239	-	-	106			**(909)**	239	(1,149)
Carryforward tax loss	9,258	(6,015)	-	-	(125)	-	-	**3,118**	3,118	-
Thin-cap interest	8,541	(767)	-	(1)	(1,023)	-	-	**6,751**	6,751	-
Tax assets / (liabilities) before set-off	**(21,842)**	**3,985**	**728**	**(145)**	**3,553**	**(40)**	**342**	**(13,419)**	26,271	(39,690)
Set-off tax	-	-	-	-	-	-	-	**-**	(22,909)	22,909
Net tax assets / (liabilities)	**(21,842)**	**3,985**	**728**	**(145)**	**3,553**	**(40)**	**342**	**(13,419)**	**3,362**	**(16,781)**

The variation noted in deferred tax assets on carryforward tax losses is mainly attributed to the following:

- use of EUR 8.7 million of tax losses by subsidiaries in the Cables segment;
- recognition of deferred tax assets on EUR 29.2 million current year's tax losses in the steel pipes segment. These tax losses was mainly the result of the tax recognition of fully impaired receivables of EUR 22.1 million and the different timing of revenue recognition between IFRS and tax books.

On 31 December 2019, the accumulated tax losses carried forward available for future use amounted to EUR 39.1 million. Cenergy Holdings' companies have recognised a deferred tax asset on tax losses of EUR 32 million because management considered it probable that future taxable profits would be available against which such losses can be used. Such tax losses are expected to be used during the next four years.

Deferred tax assets on tax losses relate mainly to steel pipes segment and the recoverability of such asset is mainly based on:

- the expected profitability during the following years, due to the existing backlog which secure high utilisation of Thisvi plant carrying such tax losses, the achievement of tax profitability during prior years and the fact that such tax losses was mainly the result of the abovementioned one-off event; and
- the initiatives undertaken in order to take advantage of the expected growth in energy sector.

Based on management's estimates regarding the future taxable profits and the utilization period of tax losses according to applicable tax legislation deferred tax assets have not been recognised in respect of tax losses carried forward for an amount of EUR 7.1 million with expiration date during the period 2020 to 2024.

According to the provisions of articles 49 and 72 of the Greek Law 4172/2013 concerning thin capitalization, net interest expense is deductible from current year's tax profits, if it is equal or less than 30% of EBITDA and any excess can be settled with future tax profits without time limitations.

Since 2018, similar thin capitalization rules apply to the tax deductibility of interest in Romania. Specifically, net interest cost higher than the deductible limit of EUR 200 thousand is deductible only up to 10% of EBITDA. The excess net interest costs are nondeductible in the relevant tax period, but may be carried forward to an unlimited number of tax years.

During 2019, deferred tax asset recognised related on thin capitalization rules increased by EUR 3.7 million mainly as a result of the decreased taxable EBITDA in steel pipes segment.

15. Inventories

Amounts in EUR thousand	2019	2018
Finished goods and merchandise	52,560	50,392
Semi-finished goods	26,247	28,205
Raw and auxiliary materials	137,373	130,790
Consumables	2,348	2,556
Packaging materials	1,817	1,583
Spare parts	8,150	7,577
Total	**228,495**	**221,105**

In 2019, the amount of inventories recognised as expense during the period and included in "Cost of sales" was EUR 621.7 million (2018: EUR 706.6 million). This decrease is due to the execution of a more profitable projects mix in 2019 and the decrease in sales of steel pipes projects.

Inventories have been reduced by EUR 417 thousand in 2019 as a result of the write-down to net realizable value (2018: EUR 1,417 thousand).

Inventories with a carrying amount of EUR 21.5 million are pledged as security for borrowings received by Cenergy Holdings' companies (See Note 27).

16. Trade and other receivables

Amounts in EUR thousand	Note	2019	2018
Current assets			
Trade receivables		74,595	163,748
Less: Impairment losses	30 C.1	(26,263)	(25,261)
		48,332	**138,488**
Other downpayments		3,236	3,707
Cheques and notes receivables		23	204
Receivables from related entities	37	33,842	35,301
VAT & other tax receivables		7,391	3,960
Other receivables		9,902	5,510
Other debtors		10,265	12,685
Less: Impairment losses	30 C.1	(414)	(206)
		64,244	**61,161**
Total		**112,577**	**199,648**
Non-current assets			
Non-current receivables from related parties		115	-
Other non-current receivables		1,367	1,877
Total		**1,482**	**1,877**

The decrease in trade receivables compared to 31 December 2019 is attributed to the collection of receivables billed close to prior year's end.

A. Transfer of trade receivables

The carrying amount of receivables includes amounts that are subject to factoring arrangements. Cenergy Holdings and its subsidiaries, enter into factoring agreements with recourse to sell trade receivables for cash proceeds. These trade receivables are not being derecognised from the Consolidated Statement of Financial Position, because substantially all of the risk and rewards are retained within the Group - primarily credit risk. The amount received on transfer by the factor is recognised as a secured bank loan.

The following information shows the carrying amount of trade receivables at the year-end that have been transferred but have not been derecognised and the associated liabilities.

	At 31 December	
Amounts in EUR thousand	**2019**	**2018**
Carrying amount of trade receivables transferred	15,882	78,952
Carrying amount of associated liabilities	9,662	57,533

The fair value of the trade receivables transferred approximate the carrying amount.

As of 31 December 2019 and 2018, Cenergy Holdings had not used the total amount of credit line provided by the factoring companies.

B. Credit and market risks and impairment losses on trade receivables

During 2010, the subsidiary Corinth Pipeworks SA initiated in Greece and Dubai legal actions against a former customer in the Middle-East regarding the recovery of an overdue receivable of USD 24.8 million (EUR 22.1 million at 31 December 2019), plus legal interest.

Following a series of court proceedings, the Dubai Court of Cassation issued its final judgment, during 2017, and ruled to reject any counterclaim of the former customer and to confirm the amount due to Corinth Pipeworks.

In order to recover this long overdue balance, Corinth Pipeworks has recently initiated the enforcement procedures against the assets of the former customer that are located within any of the countries, where the Court of Cassation judgment issued against the former customer is enforceable (i.e. UAE and various other countries in the Middle East).

Corinth Pipeworks had recorded in the past an impairment loss of USD 23.1 million. During 2019, the subsidiary recorded an impairment loss of EUR 1,65 million for the remaining unimpaired receivable including legal interest. The subsidiary decided to book this additional impairment to reflect the prospected recoverability of that receivable, as of today. However, the subsidiary will continue any and all actions required to collect the full amount of that receivable.

Information about Cenergy Holdings' exposure to credit and market risks and impairment losses for trade and other receivables is included in Note 29.C.1.

17. Cash and cash equivalents

Amounts in EUR thousand	2019	2018
Cash in hand and cash in bank	265	1,299
Short-term bank deposits	90,144	63,904
Total	**90,408**	**65,203**

Short term deposits have duration of less than 90 days and are available for use.

18. Property, plant and equipment

A. Reconciliation of carrying amount

Amounts in EUR thousand	Land, plants & other buildings	Machinery	Furniture and other equipment	Assets under construction	Total
Cost					
Balance at 1 January 2018	168,520	469,558	19,429	11,762	**669,270**
Effect of movement in exchange rates	(17)	(41)	5	(3)	**(55)**
Additions	1,462	4,806	1,252	38,026	**45,546**
Disposals	-	-	(154)	-	**(154)**
Other reclassifications	7,160	7,150	1,455	(18,103)	**(2,339)**
Balance at 31 December 2018	**177,125**	**481,473**	**21,987**	**31,682**	**712,267**
Balance at 1 January 2019	177,125	481,473	21,987	31,682	**712,267**
Change in accounting policy	-	(2,618)	(308)	-	**(2,926)**
Effect of movement in exchange rates	(492)	(1,048)	(125)	(38)	**(1,704)**
Additions	254	7,496	1,954	39,378	**49,083**
Disposals	(2,188)	(4)	(111)	-	**(2,303)**
Write-offs	-	-	(157)	(137)	**(295)**
Disposal of subsidiaries	(4,835)	(8,250)	(754)	(108)	**(13,948)**
Reclassification from inventory	-	1,755	-	-	**1,755**
Other reclassifications	2,089	38,593	(891)	(42,118)	**(2,327)**
Balance at 31 December 2019	**171,954**	**517,396**	**21,594**	**28,659**	**739,603**

Amounts in EUR thousand	Land, plants & other buildings	Machinery	Furniture and other equipment	Assets under construction	Total
Accumulated depreciation and impairment losses					
Balance at 1 January 2018	(61,698)	(207,727)	(15,393)	-	**(284,818)**
Effect of movement in exchange rates	12	26	6	-	**44**
Depreciation	(3,521)	(16,727)	(2,068)	-	**(22,317)**
Disposals	-	-	153	-	**153**
Balance at 31 December 2018	**(65,207)**	**(224,428)**	**(17,302)**	**-**	**(306,938)**
Balance at 1 January 2019	(65,207)	(224,428)	(17,302)	-	**(306,938)**
Change in accounting policy	-	307	100	-	**407**
Effect of movement in exchange rates	338	680	5	-	**1,023**
Depreciation	(3,641)	(18,680)	(1,236)	-	**(23,557)**
Disposals	798	3	97	-	**898**
Write-offs	-	-	157		**157**
Other reclassifications	(8)	(35)	1,222	-	**1,179**
Disposal of subsidiaries	1,597	6,959	737	-	**9,293**
Balance at 31 December 2019	**(66,124)**	**(235,193)**	**(16,220)**	**-**	**(317,538)**
Carrying amounts					
At 1 January 2018	**106,822**	**261,832**	**4,036**	**11,762**	**384,452**
At 31 December 2018	**111,918**	**257,045**	**4,685**	**31,682**	**405,330**
At 31 December 2019	**105,830**	**282,204**	**5,374**	**28,659**	**422,066**

The net amount in other reclassifications concerns intangible assets under construction reclassified during the year to intangible assets (see Note 19).

Corinth Pipeworks has included in the cost of its machinery EUR 1,7 million of commissioning expenses previously included in inventory, in order to depict the improved production capacity realized during the period.

B. Security

Property, plant & equipment with a carrying amount of EUR 133.6 million are mortgaged as security for borrowings received by Cenergy Holdings (see Note 27).

C. Property, plant and equipment under construction

The most important items in property, plant and equipment under construction as of 31 December 2019 concern productivity and capacity improvement investments in the cables segment's plants and are expected to be completed during 2020.

The amount of EUR 42.1 million which was reclassified from assets under construction in 2019 mostly relates to the conclusion of part of the productivity improvements at the Fulgor plant and the conclusion of development projects related to the acquisition of licenses.

Borrowing costs related of EUR 785 thousand related to the acquisition of new machinery were capitalised, calculated using a capitalisation rate of 5.08%.

19. Leases

A. Amounts recognised in the Statement of Financial Position

The Consolidated Statement of Financial Position shows the following amounts relating to leases:

Right-of-use assets	31 December 2019	1 January 2019
Buildings	325	438
Machinery	2,204	2,797
Transportation means	3,352	2,790
Total	**5,881**	**6,025**

Lease liabilities	Note	31 December 2019	1 January 2019
Current lease liabilities	27	1,768	1,524
Non-current lease liabilities	27	3,990	3,621
Total		**1,768**	**5,145**

In the previous year, the Group only recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under IAS 17 Leases. The assets were presented in property, plant and equipment and the liabilities as part of the Group's borrowings. For adjustments recognised on adoption of IFRS 16 on 1 January 2019, please refer to note 6.

Additions to the right-of-use assets during 2019 were EUR 1,739 thousand.

B. Amounts recognised in the Consolidated Statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets	2019	2018
Buildings	121	-
Machinery	190	-
Transportation means	1,129	-
Total	**1,440**	**-**
Interest expense (included in finance cost)	181	-
Variable rental fees	196	-
Low value rental fees	133	-
Short term rental fees	1,709	-

20. Intangible assets

A. Reconciliation of carrying amount

Amounts in EUR thousand	Development costs	Trademarks and licenses	Software	Other	Total
Cost					
Balance at 1 January 2018	555	18,539	7,469	303	**26,866**
Effect of movement in exchange rates	-	-	(3)	(1)	**(4)**
Additions	487	2,767	1,594	3	**4,851**
Write-offs	-	-	(35)	-	**(35)**
Reclassifications	-	1,633	706	-	**2,339**
Balance at 31 December 2018	**1,042**	**22,940**	**9,731**	**304**	**34,017**
Balance at 1 January 2019	1,042	22,940	9,731	304	**34,017**
Effect of movement in exchange rates	-	-	(101)	-	**(101)**
Additions	510	1,980	1,735	-	**4,224**
Disposals	-	-	(33)	-	**(33)**
Other reclassifications	-	502	1,824	-	**2,327**
Disposal of subsidiaries	-	(3)	(146)	-	**(150)**
Balance at 31 December 2019	**1,552**	**25,418**	**13,010**	**304**	**40,284**

Amounts in EUR thousand	Development costs	Trademarks and licenses	Software	Other	Total
Accumulated amortisation and impairment losses					
Balance at 1 January 2018	(410)	(4,091)	(5,420)	(187)	**(10,109)**
Effect of movement in exchange rates	-	-	(7)	1	**(7)**
Amortisation	(83)	(699)	(823)	(13)	**(1,617)**
Balance at 31 December 2018	**(493)**	**(4,790)**	**(6,250)**	**(200)**	**(11,733)**
Balance at 1 January 2019	(493)	(4,790)	(6,250)	(200)	**(11,733)**
Effect of movement in exchange rates	-	-	59	-	**59**
Amortisation	(171)	(1,135)	(1,377)	(13)	**(2,696)**
Disposals	-	-	32	-	**32**
Other reclassifications	-	-	(1,179)	-	**(1,179)**
Disposal of subsidiaries	-	3	1	-	**5**
Balance at 31 December 2019	**(663)**	**(5,922)**	**(8,713)**	**(213)**	**(15,511)**
Carrying amounts					
At 1 January 2018	**144**	**14,448**	**2,049**	**115**	**16,757**
At 31 December 2018	**549**	**18,150**	**3,481**	**105**	**22,284**
At 31 December 2019	**888**	**19,497**	**4,296**	**92**	**24,773**

The net amount in Other reclassifications concerns intangible assets reclassified during the year from assets under construction (see Note 18).

B. Amortisation

The amortization of trademarks & licenses with finite useful lives, software programs and other intangible assets is allocated to the cost of inventory and is included in “cost of sales” as inventory is sold, as trademarks & licenses and software programs are mainly used directly for the production of products and they are considered as production overheads. The amortization of intangible assets not used for production is allocated to administrative expenses.

C. Intangible assets with indefinite useful lives

All intangible assets have finite useful life, except for the following assets, included in trademarks and licenses:

a. Trade Name "Fulgor" (carrying amount of EUR 1.4 million at 31 December 2019)

It relates to the sector of medium voltage submarine cables and terrestrial high voltage cables that Fulgor was operating prior to its acquisition by Hellenic Cables in 2011 and which has revealed significant economic benefits. Based on the analysis of relevant factors (e.g. knowledge, no longstanding engagement with a wide range of clientele, future development of the sector), the useful life of the brand was considered indefinite.

b. License of Port use in Soussaki, Corinth (carrying amount of EUR 8.3 million at 31 December 2019)

Fulgor holds a license for permanent and exclusive use of a port located in the premises of the factory in Soussaki, Corinth. The port is necessary for the production of submarine cables of medium and high voltage. Since the acquisition of the subsidiary, significant investments for the upgrade and expansion of production capacity in producing high-voltage submarine cables took place. Since 2014, the production started as planned. The useful life of the asset is considered indefinite, since the use of these port facilities is for an indefinite period of time, in the context of the significant development of the sector.

D. Impairment testing

As these intangible assets do not generate independent cash inflows, it was considered appropriate to carry out the impairment test on the basis of the Cash Generating Unit (CGU) of Fulgor submarine cables production plant, which incorporates these assets. In order to evaluate the value in use, cash flow projections based on estimates by management covering a five-year period were used. These estimates take into consideration the contracts already signed, as well as contracts estimated to be awarded in Greece and abroad.

The submarine cables CGU operates in a project-based business. Therefore, assumptions related to revenue and profitability growth are based on the contracts already signed, as well as those estimated to be undertaken in the forthcoming period. The main assumptions regarding the operations of submarine cables CGU and the projects to be executed within the five-year period are:

- Progressively high capacity utilization of Fulgor's plant, as in 2019, based on contracts already awarded & expected awards based on tendering activity.
- Capital expenditure of approx. EUR 43 million in the following 5 years, in order to cover estimated production and capacity needs. No additional revenue or cost savings are assumed in the value in use model as a result of the estimated capital expenditure.
- Compound annual growth rate of revenue from offshore business for the five-year period at ca. 8.4% attributable to assignment of new projects mainly in Greece, North Europe and the USA.
- Profitability per offshore project in terms of EBITDA at ca. 15%-25% of revenue. Estimated profitability per project varies mainly due to different type of cable and technical specifications, geographic region and project's timeframe.
- Compound annual growth rate of fixed operating expenses at ca. 2.0% for the five-year period.

Cash flows after the first five years were calculated using an estimated growth rate of 1.38%, which mainly reflects management's estimates for the growth prospects of the offshore cable sector. The pre-tax rate used to discount these cash flows is from 10.9% to 8.9% for the five year period and 9.5% for the terminal value and was based on the following:

- Risk free rate was determined according to AAA Eurozone rates in the range of -0.70% to -0.58% for the five years and -0.19% for the terminal value.
- The country risk for operating in Greece determined in the range of 1.5% to 1.7% for the first five years and 2.0% for the terminal value.
- The market risk premium was determined at 5.96%

Despite the fact that the commodity prices for copper and aluminum are part of the assumptions for the impairment test performed, due to the hedging activities undertaken and the customized nature of the products sold by Fulgor, the value of the business unit is not significantly affected by fluctuations in commodity prices. Neutral result from metal price fluctuations is assumed in the context of the impairment test.

The results of this test indicated that the recoverable amount as of 31 December 2019 exceeds the carrying amount of the CGU amounting to EUR 183 million by EUR 345 million.

A sensitivity analysis was carried out on the key assumptions of the model (discount rates and growth in perpetuity), so as to examine the adequacy of the headroom. The result of the sensitivity analysis indicated that the recoverable amount still exceeds the carrying value of the CGU.

Results of the sensitivity analysis for the impairment testing:

	Assumptions used	Change in rates (percentage points change) required for the recoverable amount to equal the carrying amount
Discount rate	*10.9% to 8.9%*	*+13.8 ppc*
Terminal growth	*1.38%*	*-28.6 ppc*

21. Investment property

A. Reconciliation of carrying amount

Amounts in EUR thousand	**2019**	**2018**
Balance at 1 January	5,837	6,140
Impairment	(79)	-
Reversal of impairment	89	-
Depreciation	(200)	(303)
Disposal of subsidiary	(4,883)	-
Balance at 31 December	**764**	**5,837**
Gross carrying amount	1.348	10,143
Accumulated depreciation and impairment losses	(584)	(4,307)
Carrying amount at 31 December	**764**	**5,837**

Investment property at 31 December 2019 consists of several land properties in Greece. None of these is currently leased. These properties are not currently used by Cenergy Holdings and are held either for capital appreciation or to be leased in the foreseeable future. The direct operating expenses (including repair and maintenance) arising from investment property that did not generate rental income amounted to EUR 401 thousand for 2019.

B. Measurement of fair value – Impairment loss and subsequent reversal

During 2019, a test of impairment or reversal of impairment was performed on all properties. The tests were carried out in order to address the changes in fair value in Greek real estate market.

As a result of such tests, a reversal of impairment loss of EUR 89 thousand was recorded for the building owed by VET in the area of Chalkida, Greece. On the contrary, an impairment was recorded for the land plots owed by Group's subsidiaries. The fair value of all properties was determined by external, independent property valuators, having appropriate recognized professional qualifications and recent experience in the location and category of the properties being valued. For land, the comparative method (market approach) was the valuation technique used, which is classified as Level 2 technique.

According to this method the valuator estimates the market value of the subject asset by comparing the factors that mostly affect it. Such factors can be location, size, quality of construction etc. Under this method, capital values of comparable assets (with similar characteristics) are processed in order to approach the subject asset's market value.

For the vacant building, the depreciated replacement cost method was primarily used. The fair value determined by this method reflects the amount that currently would be required to replace or reconstruct the asset. This technique is categorized as Level 3 valuation technique.

The fair value of investment property amounts to EUR 804 thousand on 31 December 2019, while the accumulated impairment loss amounts to EUR 584 thousand.

C. Restrictions - Contractual obligations

There are neither restrictions nor contractual obligations.

22. Equity-accounted investees

A. Reconciliation of carrying amount

Amounts in EUR thousand	**Note**	**2019**	**2018**
Balance at 1 January		11,929	13,012
Share in profit after taxes		1,600	654
Share in other comprehensive income		(17)	-
Reclassification from Other investments	23	12,004	-
Additions		8,149	-
Dividends received		(498)	(230)
Foreign exchange differences		1,416	(1,507)
Balance at 31 December		**34,583**	**11,929**

On 27 December 2019, Corinth Pipeworks acquired an interest of 8.29% of the affiliate company International Trade for a consideration of EUR 8,149 thousand by the related company Sidenor S.A. The acquisition of the additional percentage is recorded on the purchase price, which was determined by an independent valuation expert, according to the provisions of the Greek Law 4548/2018, articles 99-101.

Up to that date, the Group held a percentage of 12.21% in this affiliate and such investment was categorized as FVOCI. Upon the acquisition of the additional percentage, the Group can exercise significant influence over International Trade, as the voting power of the Group exceeds 20%. Therefore at 31 December 2019, the interest of EUR 12,004 thousand previous classified as Other investments was reclassified to equity-accounted investees. Due to the timing of the step acquisition, the Group has no share of profit from International Trade for 2019, as the transaction took place substantially at year's end.

B. Financial information per associate

The following tables present financial information per associate. The disclosed financial information reflects amounts in the financial statements of the relevant associates.

2019

Company	**Principal place of business**	**Revenue**	**Profit / (Loss) from continuing operations**	**Total comprehensive income**	**Ownership interest**
Amounts in EUR thousand					
STEELMET S.A.	Greece	18,385	590	443	29.56%
DIA.VIPE.THIV. S.A.	Greece	2,130	(237)	(242)	26.19%
AO TMK-CPW	Russia	60,860	3,037	3,037	49.00%
INTERNATIONAL TRADE	Belgium	1,037,393	2,168	1,956	20.50%

Company	**Segment**	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**
Amounts in EUR thousand					
STEELMET S.A.	Other activities	3,723	2,012	2,570	2,255
DIA.VIPE.THIV. S.A.	Steel Pipes	2,077	12,232	592	8,313
AO TMK-CPW	Steel Pipes	23,639	6,542	4,101	69
INTERNATIONAL TRADE	Other activities	113,172	8,879	83,321	2,659

2018

Company	**Principal place of business**	**Revenue**	**Profit / (Loss) from continuing operations**	**Total comprehensive income**	**Ownership interest**
Amounts in EUR thousand					
STEELMET S.A.	Greece	15,809	374	275	29.56%
DIA.VIPE.THIV. S.A.	Greece	2,591	113	111	26.19%
AO TMK-CPW	Russia	53,565	1,333	1,333	49.00%

Company	**Segment**	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**
Amounts in EUR thousand					
STEELMET S.A.	Other activities	7,952	951	6,922	1,250
DIA.VIPE.THIV. S.A.	Steel Pipes	2,827	12,011	859	8,332
AO TMK-CPW	Steel Pipes	44,813	6,070	29,981	16

The following table analyzes the interest in AO TMK-CPW:

	On 31 December	
	2019	**2018**
Net assets of AO TMK-CPW on 1 January (100%)	20,886	23,007
Total comprehensive income of AO TMK-CPW (100%)	3,037	1,333
Foreign exchange differences (100%)	2,889	(3,076)
Dividends (100%)	(801)	(378)
Net assets of AO TMK-CPW on 31 December (100%)	**26,011**	**20,886**
Carrying amount of interest in AO TMK-CPW on 31 December (49%)	**12,745**	**10,234**
Carrying amount of interest in International Trade	20,153	-
Carrying amount of interest in other individually immaterial associates	1,684	1,695
Total	**34,583**	**11,929**

There are no restrictions on the ability of joint ventures or associates to transfer funds to the Company in the form of cash dividends, or to repay loans or advances made by the Company.

There are no unrecognised share of losses of an associate, both for the reporting period and cumulatively.

23. Other investments

Amounts in EUR thousand	Note	2019	2018
Balance at 1 January		4,579	4,662
Additions		4,790	1
Change in fair value		7,650	-
Reclassification to equity-accounted investees	22	(12,004)	-
Reclassification to other receivables due to liquidation		-	(84)
Balance at 31 December		**5,015**	**4,579**

Other investments are equity investments at FVOCI and include the following:

	At 31 December	
Amounts in EUR thousand	2019	2018
Unlisted shares:		
- Greek equity instruments	5,015	225
- International equity instruments	-	4,354
	5,015	**4,579**

Revaluation & reclassification of Group's proportion in International Trade S.A.

Based on valuation performed in the course of acquisition of additional shares of International Trade by Corinth Pipeworks (see also note 22), a fair value adjustment of EUR 7.65 million was recorded in OCI to depict the valuation results on Group's proportion before the step-up acquisition. The main assumptions used to determine the fair value of the investment are the following:

- WACC: 7.08%
- Perpetuity growth rate : 1.55%
- EBTDA margin : 0,66% - 0,85%

Fair value sensitivity analysis

A reasonably possible change of 0.5% in WACC or perpetuity growth rate at the valuation date would have increased / (decreased) the amount recorded as revaluation in OCI by the amount shown below. This analysis assumes that all other variables remain constant.

	Change in Growth rate		
Change in WACC	**-0,5%**	**0,0%**	**0,5%**
-0,5%	(41)	819	1.867
0,0%	(720)	-	863
0,5%	(1.296)	(683)	41

Acquisition of Noval Property shares

On 15 October 2019, the establishment of Noval Property as Real Estate Investment Company (REIC) was approved. Noval Property was formed through the merger of Noval S.A. and VET S.A., a former 100% subsidiary of Cenergy Holdings, in parallel and simultaneously with in kind contribution of properties from other entities affiliated to the merged companies. As a result of the above, Cenergy

Holdings acquired 2.12% share in Noval Property for exchange of the 100% of VET shares. Based on the terms of the merger, the fair value of shares acquired was determined at EUR 4,788 thousand (see also note 31).

24. Derivatives

The following table sets out the carrying amount of derivatives:

	At 31 December	
Amounts in EUR thousand	**2019**	**2018**
Current assets		
Forward foreign exchange contracts	213	654
Future contracts	-	485
Total	**213**	**1,140**
Current liabilities		
Forward foreign exchange contracts	322	4,454
Future contracts	1,407	490
Total	**1,728**	**4,944**

Hedge accounting

Cenergy Holdings' companies hold derivative financial instruments for cash flow and fair value hedges.

The abovementioned derivative financial instruments cover risks from:

- Changes in the prices of metals;
- Fluctuations of foreign exchange rates.

The maturity and the nominal value of derivatives held by Cenergy Holdings' companies match the maturity and nominal value of the underlying assets / liabilities (hedged items).

Derivatives held by Cenergy Holdings' companies concern mainly:

- Future contracts to hedge the risk from the change of the price of metals listed in LME (London Metal Exchange) and used in production of Cenergy Holdings' companies in the cables segment (i.e. mainly copper and aluminum). Such hedges are designated as cash flow hedges.
- Foreign exchange forwards to hedge the risk from the change in exchange rate of US Dollar and British Pound (i.e. currencies to which Cenergy Holdings' companies are mainly exposed). Such hedges are either designated as fair value or cash flow hedges depending on the item hedged. Foreign exchange forwards, when used for hedging foreign exchange risk on outstanding receivables and suppliers denominated in foreign currency these instruments, are designated under fair value hedging. Foreign exchange forwards, when used for hedging foreign exchange risk on the forecasted sales of goods or purchase of materials, are designated as cash flow hedges.

Derivatives are recognised when Cenergy Holdings' companies enter into the transaction in order either to hedge the fair value of receivables, liabilities or commitments (fair value hedges) or highly probable transactions (cash flow hedges).

Fair value hedges

Derivatives are designated as fair value hedges when the exposure to changes in the fair value of a recognized financial asset or liability is hedged. Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the Consolidated Statement of Profit or Loss, along with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedges

The effective portion of change in fair value of derivatives designated as a cash flow hedge is recognised in other comprehensive income (OCI), under "Hedging Reserve". The gain or loss on the non-effective proportion is recorded to the profit or loss.

The amounts recorded in "Hedging Reserve" are reclassified to the Consolidated Statement of Profit or Loss of the period when the event hedged occurs, i.e. at the date when the forecasted transaction which constitutes the object of the hedge took place or the hedged item affects profit and loss (for example, in case of a forward sale of aluminum, the reserve is recognised in Consolidated Statement of Profit or Loss after the net cash settlement of future contract and at the date the aluminum sold).

When a hedge item is sold or when the hedging proportion no longer meets the hedge accounting criteria, hedge accounting is discontinued prospectively, the amounts recorded in 'Hedging reserve' remain as a reserve and are reclassified to the Consolidated Statement of Profit or Loss when the hedged asset affects profits or losses.

In the case of a hedge on a forecast future transaction which is no longer expected to be realized, the amounts recorded in 'Hedging reserve' are reclassified to the consolidated statement of profit or loss.

The change in fair value recognized in equity under cash flow hedging as of 31 December 2019 will be recycled to the consolidated statement of profit or loss during 2020, as all the hedged events will occur (the forecasted transactions will take place or the hedged items will affect profit or loss) in 2020.

Cenergy Holdings' companies examine the effectiveness of the cash flow hedge at inception (prospectively) by comparing the critical terms of the hedging instrument with the critical terms of the hedged item, and then at every reporting date (retrospectively) the effectiveness of the cash flow hedge by applying the dollar offset method on a cumulative basis is examined.

Cenergy Holdings' companies' results from the hedging activities recorded in the statement of profit or loss are presented for metal future contracts and foreign exchange contracts in "Revenue" and "Cost of sales". The amounts recognized in the consolidated statement of profit or loss are the following:

	For the year ended 31 December	
Amounts in EUR thousand	**2019**	**2018**
Gain / (loss) on future contracts	1,026	144
Gain / (loss) on foreign exchange forward contracts	(5,824)	(4,470)
Total	**(4,798)**	**(4,326)**

Profit or loss related to derivatives used for cash flow hedging and recognized in other comprehensive income (Hedging reserve) at 31 December 2019 will be recognized in profit or loss during the next financial year.

25. Capital and reserves

A. Share capital and share premium

The outstanding share capital and number of shares of the Company are as follows:

- Total outstanding share capital: EUR 117,892,172.38; and
- Total number of shares: 190,162,681.

The shares of the Company have no nominal value. Holders of shares are entitled to one vote per share at the shareholders meetings of the Company.

Share premium of the Company amounts to EUR 58,600 thousand.

B. Nature and purpose of reserves

(a) Statutory reserve

Pursuant to the Belgian tax legislation, the companies are obliged, from their fiscal year profits, to form 5% as a legal reserve until it reaches 10% of their paid share capital. The distribution of the legal reserve is prohibited.

Pursuant to Greek company law, the companies are obliged to allocate each year at least 5% of its annual net profits to its statutory reserve, until this reserve equals at least 1/3 of the company's share capital. The distribution of the statutory reserve is prohibited but it can be used to offset losses.

(b) Hedging reserve

The hedging reserve includes the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

(c) FVOCI reserve

This category relates to reserves formed by the application of the provisions of IFRS 9 regarding the treatment of other investments classified as FVOCI.

(d) Special reserves

This category relates to reserves formed by the application of the provisions of certain developmental laws, which were granting tax benefits to companies that invested their retained earnings rather than distribute them to the shareholders. More specifically, the aforementioned reserves either have exhausted their income tax liability or have been permanently exempted from income tax, after the lapse of a specified period beginning from the completion of the investments they concern.

(e) Tax exempt reserves

This category relates to reserves formed by the application of the provisions of certain tax laws and are exempt from income tax, provided that they are not distributed to the shareholders. In case these reserves are distributed, they will be taxed using the tax rate applying at such time.

(f) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

C. Reconciliation of reserves

Amounts in EUR thousand	Statutory reserve	Hedging reserve	FVOCI reserve	Special reserves	Tax exempt reserves	Translation reserve	Total
Balance at 1 January 2018	**6,903**	**370**	**-**	**9,525**	**36,318**	**(17,525)**	**35,591**
Other comprehensive income, net of tax	-	(1,833)	-	-	-	(1,151)	**(2,984)**
Transfer of reserves	666	-	-	-	-	-	**666**
Balance at 31 December 2018	**7,569**	**(1,463)**	**-**	**9,525**	**36,318**	**(18,676)**	**33,273**
Balance at 1 January 2019	**7,569**	**(1,463)**	**-**	**9,525**	**36,318**	**(18,676)**	**33,273**
Other comprehensive income, net of tax	-	514	7.650	-	-	1.124	**9.288**
Transfer of reserves	50	-	(7.650)	-	-	-	**(7.600)**
Disposal of subsidiary	-	-	-	(263)	-	-	**(263)**
Balance at 31 December 2019	**7.619**	**(949)**	**-**	**9.263**	**36.318**	**(17.552)**	**34.699**

26. Capital management

Cenergy Holdings' policy consists in maintaining a strong capital structure so as to keep the confidence of investors, creditors and the market and enable the future development of their activities. The Board of Directors monitors the return on capital which is defined as net results divided by total equity less non-controlling interests. The Board of Directors also monitors the level of dividends distributed to holders of ordinary shares.

The Board of Directors tries to maintain an equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure. In this context, the Board of Directors monitors the Return on Capital Employed (ROCE) index, otherwise the Return on Invested Capital (ROIC) index, which is defined as EBIT (result of the period (earnings after tax) before income taxes & net finance costs) divided by total Capital Employed, (i.e. equity and debt). The Board of Directors seeks opportunities and examines feasibility to leverage Cenergy Holdings with relatively high ROCE (in every case higher than the cost of debt) and deleverage companies that go through a relatively low ROCE performance period.

Amounts in EUR thousand	2019	2018
Profit for the period	20,177	6,888
Income tax	8,315	(6,180)
Net finance costs	34,626	32,211
EBIT	**63,117**	**32,919**
Equity	231,862	203,298
Long term debt (incl. Lease liabilities)	181,719	174,792
Short term debt (incl. Lease liabilities)	322,595	363,854
Capital employed	**736,176**	**741,943**
ROCE	**8.6%**	**4.4%**

27. Debt

A. Overview

Amounts in EUR thousand	At 31 December 2019	2018
Non-current liabilities		
Secured bank loans	9,355	6,750
Unsecured bank loans	16,770	22,680
Secured bond issues	93,166	110,115
Unsecured bond issues	58,439	33,840
Loans from related parties	-	220
Loans and borrowings - Long term	**177,730**	**173,605**
Lease liabilities - Long term	**3,990**	**1,187**
Total long term debt	**181,719**	**174,792**
Current liabilities		
Secured bank loans	1,962	3,991
Factoring with recourse	9,662	57,533
Unsecured bank loans	276,589	276,794
Current portion of secured bond issues	12,800	13,979
Current portion of unsecured bond issues	11,222	3,907
Current portion of secured bank loans	2,504	1,050
Current portion of unsecured bank loans	6,088	6,148
Loans and borrowings - Short term	**320,827**	**363,402**
Lease liabilities - Short term	**1,768**	**452**
Total Short term debt	**322,595**	**363,854**
Total Debt	**504,314**	**538,645**

Information about Cenergy Holdings' exposure to interest rate, foreign currency and liquidity risk is included in Note 31.

The maturities of non-current loans are as follows:

Amounts in EUR thousand	2019	2018
Between 1 and 2 years	35,012	32,381
Between 2 and 5 years	103,689	101,581
Over 5 years	43,019	40,830
Total	**181,719**	**174,792**

The effective weighted average interest rates of the main categories of loans and borrowings at the reporting date are as follows:

	2019		2018	
	Carrying amount	**Interest rate**	**Carrying amount**	**Interest rate**
Bank lending (non-current) - EUR	26,125	3.0%	29,430	2.8%
Bank lending (current) - EUR	292,282	3.8%	289,096	4.4%
Bank lending (current) - GBP	448	4.3%	1,870	4.8%
Bank lending (current) - USD	644	5.4%	50,446	6.1%
Bank lending (current) - RON	2,140	5.0%	2,884	2.6%
Bank lending (current) - LEV	1,290	4.6%	1,220	4.7%
Bond issues - EUR	175,626	4.7%	161,840	5.0%

During 2019, Cenergy Holdings' subsidiaries obtained new bank loans in euro, which amounted to EUR 62.9 million and repaid bank loans of EUR 99 million maturing within 2019. The new loans mainly are drawdowns from existing and new revolving credit facilities with similar terms and conditions with the existing ones, for project financing and four new long term loans. The loans and borrowings had an average interest rate of 4.0% (2018: 4.6%).

Short term facilities are predominately revolving credit facilities, which finance working capital needs and specific ongoing projects.

Debt decreased by EUR 34.3 million, driven by the decrease of the working capital needs in the steel pipes segment and the increase of operational profitability in the cables segment.

As of 31 December 2019, Cenergy Holdings' consolidated current liabilities exceeded current assets by EUR 30.8 million (31 December 2018: EUR 37.2 million). In the past, Cenergy Holdings' subsidiaries have never experienced any issues in financing their activities, renewing their working capital facilities or refinancing their long-term loans and borrowings. The Management expects that any repayments of banking facilities required will be met with operating cash flows or from unutilized credit lines. Regarding the finance of project-based activities, Cenergy Holdings' subsidiaries have secured the necessary funds through project finance facilities.

During 2019, the Group managed to partially re-profile its debt:

- Corinth Pipeworks received a new 7-year bond loan of EUR 12.57 million by a major Greek bank.
- Fulgor received a new 5-year bond loan of EUR 10 million by a major Greek bank.
- Fulgor entered in a sales & leaseback agreement with a major Greek financial institution amounted to EUR 5.5 million of 7-year duration to finance part of the capital expenditure programme in Corinth plant.
- Fulgor received a new 7-year bond loan of EUR 11.4 million by a major Greek bank.

Mortgages and pledges in favour of banks have been recorded on property, plant and equipment and inventories of subsidiaries. The carrying amount of assets mortgaged or pledged is EUR 155.1 million (amount of EUR 21.5 million relates to pledged inventories and amount of EUR 133.6 million relates to mortgaged property, plant and equipment).

For the bank loans of Cenergy Holdings' companies that have been assumed from banks, there are clauses of change of control that provide the lenders with an early redemption clause.

There was no incident in 2019 of breach of covenants of the loans of Cenergy Holdings' companies.

B. Reconciliation of movements of liabilities to cash flows arising from financing activities

	2019			2018		
Amounts in EUR thousand	**Loans & borrowings**	**Lease liabilities**	**Total**	**Loans & borrowings**	**Lease liabilities**	**Total**
Balance at 1 January	**537,007**	**1,639**	**538,645**	**447,453**	**1,420**	**448,873**
Changes from financing cash flows:						
Proceeds from new borrowings	62,930	-	**62,930**	137,593	-	**137,593**
Repayment of borrowings	(98,909)	-	**(98,909)**	(51,079)	-	**(51,079)**
Principal elements of lease payments	-	(1,066)	**(1,066)**	-	(613)	**(613)**
Total changes from financing cash flows	**(35,979)**	**(1,066)**	**(37,045)**	**86,514**	**(613)**	**85,901**
Other changes:						
New leases	-	1,739	**1,739**	-	775	**775**
Effect of changes in foreign exchange rates	73	(11)	**62**	(36)	(2)	**(37)**
Capitalised borrowing costs	785	-	**785**	577	-	**577**
Interest expense	24,102	181	**24,282**	24,362	59	**24,421**
Interest paid	(22,004)	(181)	**(22,184)**	(21,863)	-	**(21,863)**
Terminations	-	(36)	**(36)**	-	-	**-**
Modifications	-	2	**2**	-	-	**-**
Disposal of subsidiaries	(5,427)	(15)	**(5,443)**	-	-	**-**
Change in accounting policy	-	3,507	**3,507**	-	-	**-**
	(2,471)	**5,185**	**2,714**	**3,040**	**832**	**3,872**
Balance at 31 December	**498,556**	**5,758**	**504,314**	**537,007**	**1,639**	**538,645**

28. Trade and other payables

Amounts in EUR thousand	**Note**	**2019**	**2018**
Suppliers		137,165	153,418
Notes payable		47,349	29,820
Social security contributions	12	2,413	2,263
Amounts due to related parties	39	9,945	14,015
Dividends payable		-	2
Sundry creditors		1,891	2,456
Accrued expenses		14,338	5,252
Other taxes		2,865	6,594
Total		**215,964**	**213,820**
Current balance of trade and other payables		213,794	209,587
Non-current balance of trade and other payables		2,170	4,233
Balance at 31 December		**215,964**	**213,820**

29. Grants

Amounts in EUR thousand	Note	2019	2018
Balance at 1 January		**14,655**	**15,436**
New grants		169	-
Amortisation of grants	9.A	(736)	(781)
Disposal of subsidiary		(80)	-
Effect of movement in exchange rates		(2)	-
Balance at 31 December		**14,006**	**14,655**

Government grants have been received for investments in property, plant and equipment. During 2019, Fulgor received a new grant for the participation in a research consortium, which develops floating dynamic cables.

All conditions attached to the grants received by Cenergy Holdings were met as of 31 December 2019.

30. Financial instruments

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy.

31/12/2019

Amounts in EUR thousand	Carrying amount	Level 1	Level 2	Level 3	Total
Equity investments at FVOCI	5,015	-	-	5,015	**5,015**
Derivative financial assets	213	-	213	-	**213**
	5,228	**-**	**213**	**5,015**	**5,228**
Derivative financial liabilities	(1,728)	(1,407)	(322)	-	**(1,728)**
	3,499	**(1,407)**	**(109)**	**5,015**	**3,499**

31/12/2018

Amounts in EUR thousand	Carrying amount	Level 1	Level 2	Level 3	Total
Equity investments at FVOCI	4,579	-	-	4,579	**4,579**
Derivative financial assets	1,140	55	1,084	-	**1,140**
	5,719	**55**	**1,084**	**4,579**	**5,719**
Derivative financial liabilities	(4,944)	(28)	(4,916)	-	**(4,944)**
	775	**27**	**(3,832)**	**4,579**	**775**

The various levels are as follows:

- Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.
- Level 2: Inputs that are observable either directly or indirectly.
- Level 3: Unobservable inputs for assets and liabilities.

The fair value of the following financial assets and liabilities measured at amortised cost approximate their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

- Loans and borrowings.

Specifically, the carrying amount of loans and borrowings is considered as a good approximation of their fair value as:

- 93% of consolidated loans and borrowings concern floating-rate debt, which are a very good approximation of current market rates;
- As for fixed-rate instruments (EUR 37.6 million as of 31 Dec 2019), the fair value test based on current market rates indicates that their fair value determined to EUR 39 million, also approximates their carrying amount.

The following table shows the reconciliation between opening and closing balances for Level 3 financial assets, which are classified as Equity investments at:

Amounts in EUR thousand	**2019**	**2018**
Balance at 1 January	4,579	4,662
Additions	4,790	1
Change in fair value	7,650	-
Reclassification to equity-accounted investees	(12,004)	-
Reclassification to other receivables due to liquidation	-	(84)
Balance at 31 December	**5,015**	**4,579**

B. Measurement of fair values

(a) Valuation techniques and significant unobservable inputs

The fair values of financial assets that are traded in active markets (stock markets) (e.g. derivatives such as futures, shares, bonds, mutual funds) are set according to the published prices (Level 1 inputs) that are valid on the reporting date. The fair value of financial assets is determined by their offer price, while the fair value of financial liabilities is determined by their bid price.

The fair values of financial assets that are not traded in active markets are set through the use of valuation techniques and standards that are based on market data on the reporting date.

The fair values of financial liabilities, for the purpose of being recorded in Financial Statements, are estimated based on the present value of the future cash flows that arise from specific contracts using the current interest rate that is available for Cenergy Holdings and its companies for the use of similar financial-credit means.

Inputs that do not meet the respective criteria and cannot be classified in Level 1 but are observable, either directly or indirectly, fall under Level 2. Over-the-counter derivative financial instruments based on prices obtained from brokers are classified in this level.

The financial assets, such as unlisted shares that are not traded in an active market whose measurement is based on the Cenergy Holdings' companies' forecasts for the issuer's future profitability are classified under Level 3.

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant observable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Forwards exchange contracts	*Market comparison technique*: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments	Broker quotes	Not applicable.
Future contracts	*Market value*: Price as traded in active market.	Not applicable.	Not applicable.
Equity securities not traded in active markets	*Discounted cash flows:* The fair value of shares not traded in an active market is defined based on the estimates of Cenergy Holdings and its companies for the future profitability of the issuer after taking into account the expected growth rate of its operations, as well as the discounted interest rate. *Adjusted Net Asset Method:* According to this method the Group adjusts the book values of an investment's assets and liabilities, if and when necessary, to arrive at their fair market value at the time of valuation.	*Investment in International Trade :* - WACC: 7.08% - Perpetuity growth rate : 1.55% - EBTDA margin : 0,66% - 0,85% See also, note 23. *Investment in Noval Property :* Noval Property is a real estate company following fair value model to value its assets. Therefore, net assets is considered a reliable metric for the estimation of fair value of the investment.	• the expected market growth rate increase (decrease) • the risk-adjusted discount rate were lower (higher) • the estimated cash flows increase (decrease)

(b) Transfers between Levels 1 and 2

There were no transfers from Level 2 to Level 1 or from Level 1 to Level 2 in 2019 and no transfers in either direction in 2018.

C. Financial risk management

Cenergy Holdings and its companies are exposed to credit, liquidity and market risk due to the use of its financial instruments. This Note sets forth information on their exposure to each one of the above risks, their objectives, the policies and procedures applied to risk measurement and management and Cenergy Holdings' Capital Management (Note 26).

The risk management policies are applied in order to identify and analyze the risks facing Cenergy Holdings and its companies, set risk-taking limits and apply relevant control systems. The risk management policies and relevant systems are examined from time to time so as to take into account any changes in the market and the companies' activities.

The implementation of risk management policies and procedures is supervised by the Internal Audit department, which performs recurring and non-recurring audits and the results of such audits are notified to the Board of Directors.

C.1. Credit risk

Credit risk is the risk of the financial loss to Cenergy Holdings, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the companies' receivables from customers and contract assets & deposits with banks.

The carrying amount of financial assets represents the maximum credit exposure.

		At 31 December	
Amounts in EUR thousand	**Note**	**2019**	**2018**
Trade & Other receivables - Current	16	112,577	199,648
Trade & Other receivables - Non-current	16	1,482	1,877
Contract assets	8.D	118,573	114,327
Less:			
Other downpayments	16	*(3,236)*	*(3,707)*
Tax assets	16	*(7,391)*	*(3,960)*
Other receivables	16	*(9,902)*	*(5,510)*
Subtotal		**212,103**	**302,676**
Equity investments at FVOCI	23	5,015	4,579
Cash and cash equivalents	17	90,408	65,203
Derivatives	24	213	1,140
Subtotal		**95,636**	**70,922**
Grand total		**307,739**	**373,598**

(a) Trade and other receivables & contract assets

Cenergy Holdings' exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the companies' management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. As of the reporting dates, no client exceeds 10% of consolidated sales and, consequently, commercial risk is spread over a large number of clients. However, due to the fact that the business of certain subsidiaries (i.e. CPW Pipe Industry, Hellenic Cable Industry and Fulgor) is project oriented, there are cases where this threshold is individually exceeded for a short period of time. For 2019, this threshold was marginally exceeded from only one client of cables segment, namely ADMIE (Greek TSO), due to the execution of cables projects and one client of steel pipes segment, namely 'SNAM RETE GAS S.P.A., due to projects executed by Corinth Pipeworks..

Cenergy Holdings has established a credit policy where each new customer is examined on an individual basis in terms of creditworthiness before the standard payment and delivery terms are proposed to such customer. Cenergy Holdings' review includes external ratings, if they are available, and in some cases bank references. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. As a rule, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of recoverability they have shown. Trade and other receivables mainly include wholesale customers of Cenergy Holdings' companies. Any customers characterized as being "high risk" are included in a special list of customers and subsequent sales must be paid in advance. Depending on the background of the customer and its status, Cenergy Holdings' subsidiaries demand real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

Cenergy Holdings records an impairment that represents its estimate of expected credit losses in respect of trade and other receivables.

At 31 December, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

Amounts in EUR thousand	**2019**	**2018**
Greece	76,719	96,114
Other EU Member States	124,915	110,393
Other European countries	2,005	24,121
Asia	2,988	4,125
America (North & South)	5,347	63,396
Africa	129	4,527
Total	**212,103**	**302,676**

At 31 December, the aging of trade and other receivables that were not impaired was as follows:

Amounts in EUR thousand	**2019**	**2018**
Neither past due nor impaired	190,759	283,159
Overdue		
- Up to 6 months	17,602	15,988
- Over 6 months	3,742	3,529
Total	**212,103**	**302,676**

Subsidiaries' management believes that the amounts that are past due up to 6 months and over 6 months are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available.

On 31 December 2019 and 2018, the remaining receivables past due but not impaired mainly related to leading industrial groups, major public and private utilities and major resellers.

Cenergy Holdings' companies insure the majority of their receivables in order to be secured in case of default. As of 31 December 2019, 73% of the balances owed by third parties were insured.

The movement in impairment of trade and other receivables and contract assets is as follows:

	2019			2018		
Amounts in EUR thousand	**Trade & other receivables**	**Contract assets**	**Total**	**Trade & other receivables**	**Contract assets**	**Total**
Balance at 1 January	**25,467**	**242**	**25,708**	**24,156**	**-**	**24,156**
Change in accounting policy	*-*	*-*	*-*	*1,114*	*148*	*1,263*
Restated balance at 1 January	**25,467**	**242**	**25,708**	**25,271**	**148**	**25,419**
Impairment loss recognized	1,880	-	1,880	51	97	148
Impairment loss reversed	(243)	(126)	(370)	(424)	(4)	(428)
Reversal of / (Impairment loss) on receivables and contract assets	***1,637***	***(126)***	***1,511***	*(374)*	*93*	*(280)*
Write-offs	(183)	-	(183)	(296)	-	(296)
Foreign exchange differences	347	-	347	865	-	865
Disposal of subsidiary	(590)	-	(590)	-	-	-
Balance at 31 December	**26,678**	**115**	**26,793**	**25,467**	**242**	**25,708**

The allowance for expected credit losses for trade receivables and contract assets are calculated at individual level when there is an indication of impairment. For receivables and contract assets without any indication of impairment the expected credit losses are based on the historical credit loss experience combined with forward-looking information in macroeconomic factors effecting the credit risk, such as country risk and customers' industry related risks.

In 2019, the impairment loss recorded concerns mainly a former customer in the Middle-East (see Note 16.B). On the contrary, as a result of the improvement of the expected loss rates of domestic customers due to the improvement noted in Greek market an amount of EUR 370 thousand was reversed.

The expected loss rates are updated at every reporting date.

The following collateral exists for securing non-insured receivables & contract assets:

Amounts in EUR thousand	**2019**	**2018**
Bank letters of guarantee	2,953	5,072
Payables which can be offset by receivables	2,191	8,413
Total	**5,144**	**13,484**

(b) Cash and cash equivalents

Cenergy Holdings and its companies held cash and cash equivalents of EUR 90,408 thousand at 31 December 2019. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated from A+ to CCC+ based on ratings of Fitch.

C.2. Liquidity risk

Liquidity risk is the risk that Cenergy Holdings and its companies will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach to manage liquidity is to ensure, as much as possible, that they will have sufficient liquidity to meet their liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to their reputation.

In order to avoid liquidity risks, Cenergy Holdings and its companies estimate the expected cash flows for the next year when preparing the annual budget and monitor the monthly rolling forecast of its cash flows for the next quarter, so as to ensure sufficient cash on hand to meet its operating needs, including coverage of its financial obligations. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

The companies monitor their cash needs through Steelmet S.A., an affiliate company, which agrees upon financing terms with the credit institutions in Greece and other countries.

Exposure to liquidity risk

Financial liabilities and derivatives based on contractual maturity are broken down as follows:

31/12/2019

		Contractual cash flows				
Amounts in EUR thousand	**Carrying Amount**	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years	**Total**
Bank loans and factoring with recourse	**322,930**	298,151	9,541	16,977	1,335	**326,003**
Bond issues	**175,626**	36,912	29,260	91,397	48,967	**206,536**
Lease liabilities	**5,758**	2,193	1,699	2,014	223	**6,129**
Derivatives	**1,728**	1,728	-	-	-	**1,728**
Trade and other payables	**210,687**	209,017	1,953	217	-	**211,187**
	716,729	**548,002**	**42,452**	**110,605**	**50,525**	**751,583**

31/12/2018

		Contractual cash flows				
Amounts in EUR thousand	**Carrying Amount**	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years	**Total**
Bank loans and factoring with recourse	**374,946**	347,286	8,260	22,379	-	**377,925**
Loan from the parent company	**220**	-	243	-	-	**243**
Bond issues	**161,840**	22,115	29,859	90,544	54,236	**196,754**
Finance lease liabilities	**1,639**	506	433	753	79	**1,771**
Derivatives	**4,944**	4,944	-	-	-	**4,944**
Trade and other payables	**204,962**	200,730	2,148	2,265	-	**205,143**
	748,552	**575,582**	**40,943**	**115,941**	**54,315**	**786,780**

Cenergy Holdings' companies have syndicated loans that contain loan covenants. A future breach of covenants may require the companies to repay the loans earlier than indicated in the above table. Under the agreement, the covenants are monitored on a regular basis and regularly reported to companies' management to ensure compliance with the agreements.

C.3. Market risk

Market risk is the risk that changes in the market prices – such as commodity prices, foreign exchange rates and interest rates - will affect Cenergy Holdings and its companies' income or the value of their financial instruments. Cenergy Holdings' companies use derivatives to manage market risk.

Generally, the companies seek to apply hedge accounting to manage volatility in profit or loss.

(a) Currency risk:

Cenergy Holdings and its companies are exposed to currency risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Cenergy Holdings and its companies, which is mainly EUR. The most important currencies in which these transactions are held are mainly EUR, USD and GBP.

Over time, Cenergy Holdings' companies hedge the greatest part of their estimated exposure to foreign currencies in relation to the anticipated sales and purchases, as well as to the receivables and liabilities in foreign currency. Cenergy Holdings' companies enter mainly into forward contracts with external counterparties so as to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the reporting date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may also be covered by taking out loans in the respective currencies.

Loan interest is denominated in the same currency as that of cash flows that arise from the Cenergy Holdings' companies' operating activities.

The investments of Cenergy Holdings and its companies in their subsidiaries are not hedged, because these exchange positions are considered to be long-term and have been made mainly in EUR.

The summary quantitative data about Cenergy Holdings and its companies' exposure to currency risk as reported is as follows.

31/12/2019

Amounts in EUR thousand	USD	GBP	RON	OTHER	TOTAL
Trade and other receivables	4,045	6,946	11,727	-	**22,718**
Contract assets	4,470	-	-	-	**4,470**
Cash & cash equivalents	11,369	825	875	24	**13,094**
Loans and Borrowings	(1,045)	(770)	(2,140)	-	**(3,955)**
Trade and other payables	(14,452)	(393)	(9,514)	(53)	**(24,412)**
Contract liabilities	(2,071)	-	(1,168)	-	**(3,239)**
	4,388	**6,609**	**947**	**(29)**	**11,915**
Derivatives for risk hedging (Nominal Value)	(10,422)	(6,913)	-	-	**(17,334)**
Total risk	**(6,034)**	**(304)**	**947**	**(29)**	**(5,420)**

31/12/2018

Amounts in EUR thousand	USD	GBP	RON	OTHER	TOTAL
Trade and other receivables	33,144	6,583	11,166	1,448	**52,342**
Contract assets	47,113	-	-	-	**47,113**
Cash & cash equivalents	25,558	807	364	43	**26,772**
Loans and Borrowings	(50,446)	(1,870)	(2,884)	-	**(55,200)**
Trade and other payables	(35,728)	(303)	(9,945)	(38)	**(46,013)**
Contract liabilities	-	-	(83)	-	**(83)**
	19,642	**5,217**	**(1,383)**	**1,454**	**24,930**
Derivatives for risk hedging (Nominal Value)	(82,521)	(7,902)	-	(1,251)	**(91,674)**
Total risk	**(62,879)**	**(2,685)**	**(1,300)**	**203**	**(66,661)**

The following exchange rates have been applied during the year.

	Average exchange rate		**Year end spot rate**	
	2019	**2018**	**2019**	**2018**
USD	1.1195	1.1810	1.1234	1.1450
GBP	0.8778	0.8847	0.8508	0.8945
RON	4.7452	4.6535	4.7793	4.6639

A reasonably possible strengthening (weakening) of the EUR, USD, GBP or RON against other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
Amounts in EUR thousand	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
2019				
USD (10% movement in relation to EUR)	(61)	75	587	(718)
GBP (10% movement in relation to EUR)	28	(34)	28	(34)
RON (10% movement in relation to EUR)	20	(25)	20	(25)
2018				
USD (10% movement in relation to EUR)	3,181	(2,603)	(6,987)	5,716
GBP (10% movement in relation to EUR)	(298)	244	(298)	244
RON (10% movement in relation to EUR)	(135)	110	(135)	110

(b) Interest rate risk:

Exposure to interest rate risk

Cenergy Holdings' companies during the prolonged low interest period have adopted a flexible policy of ensuring that between 5% and 20% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a float rate. The interest rate profile of Cenergy Holdings' companies' interest-bearing financial instruments, as reported is as follows.

	At 31 December	
Amounts in EUR thousand	**2019**	**2018**
Fixed-rate instruments		
Financial liabilities	(37,561)	(35,436)
Variable-rate instruments		
Financial liabilities	(466,753)	(503,210)

Fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Group does not currently use derivatives (interest rate swaps) as hedging instruments under a fair value or cash flow hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect either profit or loss or equity.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 0.25% in interest rates at the reporting date would have increased/ decreased (-) equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular foreign currency exchange rate, remain constant.

	Profit or loss & Equity, net of tax	
Amounts in EUR thousand	**0.25% increase**	**0.25% decrease**
2019		
Financial liabilities	(1,481)	1,481
2018		
Financial liabilities	(1,223)	1,223

The Group does not currently use derivatives (interest rate swaps) as hedging instruments under a fair value or cash flow hedge accounting model and as a result the impact presented in the table above in profit or loss and equity is the same.

(c) Derivatives assets and liabilities designated as cash flow hedges

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur:

2019

		Expected cash flows			
Amounts in EUR thousand	**Carrying Amount**	**1-6 months**	**6-12 months**	**> 1 year**	**Total**
Foreign exchange forwards					
Assets	213	213	-	-	**213**
Liabilities	(136)	(136)	-	-	**(136)**
Future contracts				-	
Assets	-	-	-	-	-
Liabilities	(1,407)	(954)	(453)	-	**(1,407)**
	(1,329)	**(877)**	**(453)**	-	**(1,329)**

2018

		Expected cash flows			
Amounts in EUR thousand	**Carrying Amount**	**1-6 months**	**6-12 months**	**> 1 year**	**Total**
Foreign exchange forwards					
Assets	224	224	-	-	**224**
Liabilities	(2,258)	(279)	(1,980)		**(2,258)**
Future contracts					
Assets	485	485	-	-	**485**
Liabilities	(490)	(490)	-	-	**(490)**
	(2,040)	**(60)**	**(1,980)**	**-**	**(2,040)**

The table below provides information about the items designated as cash flow hedging instruments during the year and also at 31 December 2019 and the reconciliation of hedging reserve.

Amounts in EUR thousands	**Nominal Amount**	**Carrying amount**		**Line item in the statement of financial position where the hedging instrument is included**	**Balance 1 January 2019**	**Changes in the value of the hedging instrument recognised in OCI**	**Amount reclassified from hedging reserve to profit or loss**	**Effect of movement in exchange rates**	**Balance 31 December 2019**
		Assets	**Liabilities**						
Forward foreign exchange contracts	8,777	213	(136)	Derivatives - Assets & (Liabilities)	(2,035)	2,035	172	(94)	**77**
Future contracts	(8,490)	-	(1,407)	Derivatives - Assets & (Liabilities)	(5)	5	(1,407)	-	**(1,407)**
	287	**213**	**(1,542)**		**(2,040)**	**2,040**	**(1,235)**	**(94)**	**(1,329)**

(d) Commodity price risk

The commodity markets have experienced and are expected to continue to experience price fluctuations. Cenergy Holdings subsidiaries have exposure to the following commodities: steel, aluminum, copper and lead. Cenergy Holdings subsidiaries therefore use future contracts to minimize exposure to commodity price volatility, when possible. Subsidiaries in cables segment use back to back matching of purchases and sales, or derivative instruments (future contracts) in order to minimize the effect of the metal price fluctuations on their results.

As of 31 December 2019 the derivative nominal amount per commodity is:

Amounts in EUR thousand	2019	2018
Aluminum - Long / (short) position	(2,191)	3,323
Copper - Long / (short) position	(9,861)	635
Lead - Long / (short) position	2,445	11,092
Nickel - Long / (short) position	1,116	-
Total	**(8,490)**	**15,050**

These hedges are designated in a cash flow hedge accounting relationship.

C.4. Risk of macroeconomic and financial environment

Cenergy Holdings' subsidiaries follow closely and on a continuous basis the developments in the international and domestic environment and timely adapt their business strategy and risk management policies in order to minimize the impact of the macroeconomic conditions on their operations.

Concerning potential implications from the Brexit, Cenergy Holdings is closely monitoring relevant developments and taking measures to mitigate any disruption. Although Brexit occurred on January 31st 2020, there is no agreement yet with regards to any potential trade barriers and custom duties that may be imposed by both the EU and the United Kingdom. Exports to the United Kingdom accounted for approximately 9.4% of total revenues for 2019 while most of direct competitors in the cables and steel pipes segments operate within the Eurozone. Thus, it is likely they will react to currency fluctuations accordingly. To summarize, from the analysis performed up to date, Brexit is not expected to have any material adverse effect on the operations of Cenergy Holdings.

31. Acquisition of subsidiary

During Q2 2019, Hellenic Cables acquired V.E.MET. S.A. from a related party in exchange for EUR 32.4 thousand. This acquisition qualifies as a common control transaction, since all of the involved entities are ultimately controlled by the same party (Viohalco) both before and after the business combination and that control is not transitory. Therefore, all assets and liabilities of the absorbed company have been recorded at their carrying amount and the arising difference was recognized directly within equity.

On 30 May 2019, the Board of Directors of the subsidiaries decided to spin off the business of production, distribution and marketing of Hellenic Cables' enamelled copper and aluminium wires and contribute it to the wholly-owned subsidiary V.E.MET. S.A. The compilation date of the Accounting Statement used for this transformation is set to the 31st of December 2018, while all necessary regulatory approvals were issued on 31 October 2019. During November 2019, V.E.MET. S.A. was renamed to "Cablel Wires S.A.". Cenergy Holdings' consolidated financials were not affected by this transformation.

32. Disposal of subsidiaries

Cablel Wires S.A.

On 24 December 2019, Hellenic Cables sold 4,296,075 shares of Cablel Wires S.A. (100% subsidiary) to the related company ElvalHalcor S.A., for a cash consideration of EUR 8,000 thousand. The consideration received was in accordance with the valuation provided by an independent valuation expert according to the provisions of the Greek Law 4548/2018, articles 99-101. The date of disposal was determined as the closest to the monthly closing, upon the provision of the necessary approvals i.e. on 31 December 2019. The results of Cablel Wires S.A. are included in the consolidated Statement of Profit or Loss for the whole year, as the transaction took place substantially at year's end. The gain on disposal of subsidiary is presented below:

Property, plant and equipment	4,620
Right of use assets	14
Intangible assets	145
Non-current trade and other receivables	69
Inventories	2,895
Current Trade and other receivables	6,323
Cash and cash equivalents	1,336
Long term lease liabilities	(6)
Deferred tax liabilities	(414)
Employee benefits	(239)
Grants	(80)
Short term trade and other payables	(5,185)
Short term loans and borrowings	(5,007)
Short term lease liabilities	(8)
Net assets disposed of	**4,462**
Cash consideration received	8,000
Gain on disposal	**3,538**

The subsidiary disposed (i.e. the enamelled sector of cables segment) is not considered as a major line of business or geographical area of operations for the Group as its sales & net assets represent less than 4% of consolidated revenue and 2% of consolidated net assets.

VET S.A.

On 15 October 2019, Cenergy Holdings acquired 2.12% share in Noval Property for exchange of the 100% of the shares of VET S.A. (see also note 23). The gain on disposal of subsidiary is presented below:

Property, plant and equipment		35
Investment property		4,883
Non-current trade and other receivables		15
Current Trade and other receivables		175
Cash and cash equivalents		35
Short term trade and other payables		(137)
Short term loans and Borrowings		(420)
Net assets disposed of		**4,585**
Fair value of Noval Properties shares received	Note 23	4,788
Obligation based on merger terms		(112)
Fair value of consideration received		**4,677**
Gain on disposal		**92**

Based on the terms of the merger between Noval S.A. and VET S.A., the financial results of the merging companies from 30 April 2019, when the value of the merging companies was determined by an independent valuation expert, until the completion of the merger, i.e. 15 October 2019, would benefit or burden their shareholders. Therefore, since VET S.A. incurred an accounting loss of EUR 112 thousand during the aforementioned period, the Group has the obligation to make a payment equal to that loss in cash to Noval Property. Such payment is deducted from the fair value of consideration received.

The subsidiary disposed is not considered as a major line of business or geographical area of operations for the Group as its sales were insignificant and its net assets represent approximately 2% of consolidated net assets.

33. List of subsidiaries

The Company's subsidiaries and the interest held at the end of the reporting period are as follows:

Subsidiaries	County	Direct & indirect interest 2019	Direct & indirect interest 2018
CORINTH PIPEWORKS INDUSTRY SA	GREECE	100.00%	100.00%
CPW AMERICA CO	USA	100.00%	100.00%
HUMBEL LTD	CYPRUS	100.00%	100.00%
WARSAW TUBULAR TRADING SP. ZOO.	POLAND	100.00%	100.00%
FULGOR S.A .	GREECE	100.00%	100.00%
ICME ECAB S.A.	ROMANIA	98.59%	98.59%
LESCO OOD	BULGARIA	100.00%	100.00%
LESCO ROMANIA S.A.	ROMANIA	65.00%	65.00%
DE LAIRE LTD	CYPRUS	100.00%	100.00%
HELLENIC CABLES S.A. HELLENIC CABLE INDUSTRY S.A.	GREECE	100.00%	100.00%
HELLENIC CABLES AMERICA CO	USA	100.00%	-
VET S.A.	GREECE	-	100.00%

For all the above entities, Cenergy Holdings S.A. does exercise control directly and/or indirectly.

Hellenic Cables America was established during Q4 2019, as a 100% subsidiary of Hellenic Cables S.A.

34. Joint operations

Hellenic Cables has a 62.52% interest in a joint arrangement called VO Cablel VOF, which was set up as a partnership together with Van Oord. The scope of this joint operation scheme is to supply and install sea and land cables for the Hollandse Kust (South) Alpha project and Hollandse Kust (South) Beta project. The principal place of business of the joint operation is in the Netherlands.

Hellenic Cables has a 50.77% interest in a joint arrangement called V.O.F. Tideway - Hellenic Cables, which was set up as a partnership together with Tideway. The scope of this joint operation scheme is to execute a turnkey contract for the supply and installation of submarine cables for the connection of the Seamade offshore wind project to the Belgian grid. The principal place of business of the joint operation is in Belgium.

The agreements in relation to the VO Cablel VOF and V.O.F. Tideway - Hellenic Cables require unanimous consent from all parties for all relevant activities. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. These entities are therefore classified as a joint operations and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 5.1(g).

35. Commitments

A. Purchase commitments

The subsidiaries have entered into contracts according to their investment plans, which are expected to be concluded during the next year.

	At 31 December	
Amounts in EUR thousand	**2019**	**2018**
Property, plant and equipment	13,327	13,380

B. Guarantees

	At 31 December	
Amounts in EUR thousand	**2019**	**2018**
Guarantees for securing liabilities to suppliers	5,376	15,885
Guarantees for securing the good performance of contracts with customers	195,018	107,430
Guarantees for securing grants	13,929	13,929

36. Contingent liabilities

A. Litigations

Reference is made to the ongoing claim described in Note 16.B.

B. Contingent tax liabilities

The tax filings of the subsidiaries are routinely subjected to audit by the tax authorities in most of the jurisdictions in which Cenergy Holdings conduct business. These audits may result in assessments of additional taxes. Cenergy Holdings provide for additional tax in relation to the outcome of such tax assessments at the amount expected to be settled (or recovered).

Cenergy Holdings believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of underlying factors, including interpretations of tax law and prior experience.

37. Related parties

A. Related party transactions

The following transactions have been made with Viohalco and its subsidiaries, equity-accounted investees and other related parties:

	For the year ended 31 December	
Amounts in EUR thousand	**2019**	**2018**
Sales of goods		
Equity-accounted investees	1	3
Other related parties	135,479	105,233
	135,480	**105,237**
Sales of services		
Equity-accounted investees	525	570
Other related parties	1,385	1,304
	1,909	**1,874**
Sales of property, plant & equipment		
Other related parties	1,019	11
	1,019	**11**
Purchases of goods		
Other related parties	19,606	28,122
	19,606	**28,122**
Purchases of services		
Viohalco	259	358
Equity-accounted investees	7,337	6,567
Other related parties	12,325	8,551
	19,922	**15,476**
Purchase of property, plant and equipment		
Equity-accounted investees	323	6
Other related parties	4,382	5,228
	4,704	**5,234**

Other related parties comprise subsidiaries, associates and joint ventures of Viohalco Group.

During 2019, the sales of goods to related parties have increased, due to sales performed through Viohalco's commercial companies in the main European markets.

The table below presents the movement of loans received from related parties:

Amounts in EUR thousand	**2019**	**2018**
Balance at 1 January	**220**	**5,152**
Loans granted during the year	183	220
Capital paid	-	(5,000)
Interest charged for the period	14	83
Disposal of subsidiary	(417)	-
Interest paid	-	(236)
Balance at 31 December	**-**	**220**

Closing balances that arise from sales/purchases of goods, services, fixed assets, etc. are as follows:

	At 31 December	
	2019	2018
Non-current receivables from related parties		
Other related parties	115	-
	115	**-**
Current receivables from related parties		
Equity-accounted investees	15,497	3
Other related parties	18,345	35,298
	33,842	**35,301**
Current liabilities to related parties		
Parent company	82	78
Equity-accounted investees	3,584	2,175
Other related parties	6,279	11,762
	9,945	**14,015**

The outstanding balances from related parties are not secured and the settlement of those current balances is expected to be performed in cash during the next year, since the balances concern only short-term receivables & payables.

B. Key management personnel compensation

The table below provides an overview of the transactions with Board members and executive management.

	For the year ended 31 December	
Amounts in EUR thousand	**2019**	**2018**
Compensation to BoD members and executives	991	908

The compensation to directors and executive management in the table above is fixed. No variable compensation, post-employment benefits or share based benefits were paid.

38. Auditor's fees

The Company's statutory auditor (2019: PwC Reviseurs d'Entreprises SRL / Bedrijfsrevisoren BV & 2018: KPMG Réviseurs d'Entreprises) and a number of other member firms of the auditor's network, received fees for the following services:

	For year ended 31 December	
Amounts in EUR thousand	**2019**	**2018**
Company's statutory auditor		
Audit	100	101
Audit related services	-	-
	100	**101**
Auditor's Network		
Audit	319	281
Tax related services	75	70
Other services	58	17
	452	**368**
Total	**552**	**469**

39. Subsequent events

In early 2020, there was a global outbreak of coronavirus (COVID-19) that has resulted in changes in global supply and demand, including Greece and other countries in which the subisidiaries of Cenergy Holdings operate. The spread of the COVID-19 is a non-adjusting post balance sheet event as of 31 December 2019.

As the outbreak of COVID-19 continues to progress and evolve rapidly, the prediction of the full extent and duration of its business and economic impact remains challenging and the range of potential outcomes for the global economy are difficult to predict. Cenergy Holdings companies have already activated protection mechanisms for their human resources and their partners in compliance with health authorities guidelines, while closely monitoring the developments and assessing the implications on their operations. At the same time, governments in the countries in which we operate (mainly Greece) have also announced the implementation of government assistance measures which may mitigate the impact of the COVID-19 outbreak on our results and liquidity. We currently investigate the extent to which we can apply for such government assistance in the countries in which we operate.

A prolonged spread of COVID-19 is expected to affect both business and financial results of 2020, but the extent of the impact depends on a number of factors amongst which the most important relate to government restrictions, the duration of such restrictions and logistics constraints. Regarding the energy projects business, given the existing backlog and the nature of projects assigned, the impact from COVID-19 outbreak on Cenergy Holdings long term business plan and its short term financial results is expected to be limited, based on currently available data and information, however, given the current uncertainty, in case of a prolonged spread the impact could be more significant. On the other hand, products business will be affected more, as short term demand, linked to the construction sector, is expected to decline.

Cenergy Holdings companies, in order to mitigate any emerging operational issues that may arise, have ensured the availability of raw materials for their smooth operation during the forthcoming months. In addition, the subsidiaries' available cash and operating cash flows and sufficient unutilised credit lines will provide the necessary liquidity for the following twelve months. If any loan covenant is breached at the next measurement date, scheduled for December 31st, 2020, we will make every effort and obtain a waiver from our banking partners, as it has always been the case in the past, whenever such a waiver was necessary. In the unlikely event that no waivers will be obtained, our credit lines will cover any obligations that may arise from such breaches.

Finally, Cenergy Holdings companies' diverse business model and solid organizational structure basis continue to provide resilience in this challenging environment, providing confidence for long-term sustainable growth.

There are no other subsequent events affecting the Consolidated Financial Statements.

FREE TRANSLATION

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF CENERGY HOLDINGS SA ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Cenergy Holdings SA (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 28 May 2019, following the proposal formulated by the board of directors and following the recommendation by the audit committee. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 2021. We have performed the statutory audit of the Company's consolidated accounts for 1 year.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the Consolidated Statement of Financial Position as at 31 December 2019, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of EUR 1,047,626 thousand and a profit for the year, Owners of the Company, of EUR 20,189 thousand.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Statutory auditor's responsibilities for the audit of the consolidated accounts"* section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - subsequent event

As far as the outbreak of COVID-19 is concerned, we draw your attention to the section Subsequent events of the Management Report and Note 39. Subsequent events of the consolidated accounts in which the board of directors expresses their view that, although the consequences thereof may have a significant impact on the Group's operations in 2020, such consequences do not have a material impact on the Group's financial position for the year ended 31 December 2019. Our opinion is not qualified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter 1: Availability of financing resources and compliance with covenants

Description of the key audit matter

The subsidiaries of the Group have significant non-current and current financial debts. The terms and conditions of the related financing agreements often include financial covenants that are to be complied with at each balance sheet date. Any breach in such financial covenants could result in its lenders exercising the right to claim early repayment of certain non-current and/or current financial debts. For these reasons, we considered the availability of financing resources and failure to comply with covenants as most significant to our audit.

Reference is made to Note 5: Significant accounting policies: Financial instruments and Note 27: Debts.

How our audit addressed the key audit matter

Our testing included, amongst others, an understanding of the financing agreements and the Group's procedures and controls in place both to ensure its compliance with the financial covenants and to understand the used and unused financing resources. We tested the calculation, performed by Management, of the financial covenants related to the most significant financing agreements and assessed compliance with the terms and conditions stipulated therein. Furthermore, we evaluated both the presentation of the financial debts on the Consolidated Statement of Financial Position and the adequacy of the relevant disclosures in the Notes to the Consolidated Financial Statements. We found the tested financial covenants to be complied with.

Key audit matter 2: contract assets

Description of the key audit matter

We focused on revenue recognition of construction contracts and its relating contract assets because the Group substantially generates its revenue from projects which qualifies as construction contracts under IFRS. The recognition of revenue and the estimation of the outcome of fixed price construction contracts is complex and requires significant management judgement, in particular with respect to estimation of the cost incurred and the cost to complete the contracts. For these reasons, we identified the contract assets from these construction contracts as most significant to our audit.

Reference is made to Note 5: Significant accounting policies: Revenue and Note 8: Revenue. At December 31, 2019 contract assets amounted to EUR 119 million.

How our audit addressed the key audit matter

Our testing on contract assets included procedures to gain an understanding of the related process and controls as well as substantive test procedures related to the recording of the contract assets, the related revenues and determination of the stage of completion of the contracts. Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies. We also included an evaluation of the significant judgements made by management based on the examination of the associated project documentation and the discussion on the status of projects under construction with finance and technical staff of the Group for specific individual transactions/projects. In addition, in order to evaluate the reliability of management's estimates, we performed a rundown of subsequent costs incurred for closed projects. We also performed testing over manual journals posted to revenue to identify unusual or irregular items that could influence contracts and the relating accrued profit included in this balance. We found management's judgements in respect of the contracts assets to be consistent and in line with our expectations.

Responsibilities of the board of directors for the preparation of the consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determine is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;

- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts and to report on these matters.

Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information is included in section F of the annual report on the consolidated accounts. The report of non-financial information contains the information required by virtue of article 3:32, §2 of the Companies' and Associations' Code, and agrees with the consolidated accounts for the same year. The Company has prepared the non-financial information, based on the UN's Sustainable Development Goals (SDGs) reporting framework. However, in accordance with article 3:80, §1, 5° of the Companies' and Associations' Code, we do *not* express an opinion as to whether the non-financial information has been prepared in accordance with the UN's Sustainable Development Goals (SDGs) reporting framework as disclosed in the directors' report on the consolidated accounts.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.

- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

Other statements

- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Sint-Stevens-Woluwe, 8 April 2020

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

Marc Daelman
Réviseur d’Entreprises / Bedrijfsrevisor

Declaration of responsible persons

Statement on the true and fair view of the consolidated financial statements and the fair overview of the management.

In accordance with the article 12, §2, 3° of the Royal Decree of 14 November 2007, the members of the Executive Management, (i.e. Dimitrios Kyriakopoulos, Ilias Bekiros, Alexios Alexiou and Alexandros Benos) declare that, on behalf and for the account of the Company, to the best of their knowledge:

a) the consolidated financial statements for the year ended 31 December 2019 which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the Equity, Financial position and Financial Performance of the Company, and the entities included in the consolidation as a whole,

b) the management report on the consolidated financial statements includes a fair overview of the development and performance of the business and the position of the Company, and the entities included in the consolidation, together with the description of the main risks and uncertainties with which they are confronted.

Stand-alone Condensed Statutory Balance Sheet and Income Statement

In accordance with article 3.17 of the Company and Associations Code, the non-consolidated accounts are presented hereafter in a summary version of the annual accounts, which does not include all the attachments required by law or the Statutory Auditor's report. The complete version of the annual accounts, once deposited with the National Bank of Belgium, will be available on request from the company's registered office.

The statutory Auditor's report on the annual accounts was unqualified.

Summary balance sheet

	As at 31 December	
Amounts in EUR thousand	**2019**	**2018**
Non- current assets	**176.120**	**176.396**
Start-up costs	365	540
Tangible assets	1	1
Financial assets	175.754	175.855
Current assets	**6.967**	**7.782**
Amounts receivable	5.523	6.752
Cash at the bank and in hand	1.374	943
Deferred charges and accrued income	70	86
Total assets	**183.086**	**184.178**
Capital and reserves	**178.869**	**180.333**
Capital	117.892	117.892
Share premium account	59.591	59.591
Reserves	8.575	8.575
Losses carried forward	-7.189	-5.725
Creditors	**4.217**	**3.845**
Amounts payable within one year	3.966	3.672
Accrued charges and deferred income	251	172
Total liabilities	**183.086**	**184.178**

Summary income statement

Amounts in EUR thousand	For the year ended 31 December **2019**	 **2018**
Sales and services	**21**	***63***
Operating charges	**-1,903**	***-1,848***
Miscellaneous goods and services	-1,181	*-1,310*
Remuneration, social security and pensions	-260	*-106*
Depreciation and amounts written off on start-up costs, intangible and tangible assets	-177	*-175*
Amounts written off stocks, contracts in progress and trade debtors	-67	*0*
Other operating expenses	-54	*0*
Other non recurring operating expenses	-164	*-257*
Loss of operating activities	**-1,881**	***-1,786***
Financial income	**518**	***247***
Income from financial assets	493	*224*
Non recurring income	25	*23*
Financial expenses	**-100**	***-759***
Other financial expenses	0	*0*
Amounts written off financial fixed assets	-100	*-759*
Loss for the year before income taxes	**-1,464**	***-2,298***
Income taxes on result	**0**	***0***
Loss for the year	**-1,464**	***-2,298***

Alternative Performance Measures

In addition to the results reported in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, this annual report includes information regarding certain alternative performance measures which are not prepared in accordance with IFRS ("Alternative Performance Measures" or "APMs"). The APMs used in this annual report are: **Earnings Before Interest and Tax (EBIT), Adjusted EBIT, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), Adjusted EBITDA** and **Net debt**. Reconciliations to the most directly comparable IFRS financial measures are presented below.

We believe these APMs are important supplemental measures of our operating and financial performance and are frequently used by financial analysts, investors and other interested parties in the evaluation of companies in the steel pipes and cables production, distribution and trade industries. By providing these measures, along with the reconciliations included in this appendix, we believe that investors will have better understanding of our business, our results of operations and our financial position. These APMs, however, shall not be considered as an alternative to the IFRS measures.

These APMs are also key performance metrics on which Cenergy Holdings prepares, monitors and assesses its annual budgets and long-range (5 year) plans. However, it must be noted that adjusted items should not be considered as non-operating or non-recurring.

EBIT, Adjusted EBIT, EBITDA and Adjusted EBITDA have limitations as analytical tools, and investors should not consider it in isolation, or as a substitute for analysis of the operating results as reported under IFRS and may not be comparable to similarly titled measures of other companies.

APM definitions have been modified compared to those applied as at 31 December 2018. The modifications are minor and have been made in order to reflect business performance more accurately. The impact of such modifications was rather limited and is presented below.

The change in definition concern the adjustment related to "Unrealised gains/losses on derivatives and on foreign exchange differences", which has been removed from the calculation of a-EBIT and a-EBITDA, since it was concluded that such amounts are connected with the business performance of Cenergy Holdings companies. Comparatives have been restated accordingly.

The current definitions of APMs are as follows:

EBIT is defined as result of the period (earnings after tax) before:

- income taxes,
- net finance costs

EBITDA is defined as result of the period (earnings after tax) before:

- income taxes,
- net finance costs
- depreciation and amortisation

a-EBIT and **a-EBITDA** are defined as EBIT and EBITDA, respectively, adjusted to exclude:

- metal price lag,
- impairment / reversal of impairment of fixed, intangible assets and investment property
- impairment / reversal of impairment of investments

- gains/losses from sales of fixed assets, intangible assets, investment property and investments,
- exceptional litigation fees and fines and,
- other exceptional or unusual items

Net Debt is defined as the total of:

- Long term loans & borrowings and lease liabilities,
- Short term loans & borrowings and lease liabilities,

Less:

- Cash and cash equivalents

Detailed reconciliation between APMs as previously published for 2018 and comparatives of this Annual Report, is presented below.

Reconciliation of Operating Profit to EBIT and EBITDA:

	Cables		Steel Pipes		Other activities		Total	
EUR thousands	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Profit/(Loss) before tax (as reported in Consolidated Statement of Profit or Loss)	**26,107**	**(4,477)**	**3,988**	**7,178**	**(1,603)**	**(1,993)**	**28,492**	**708**
Adjustments for:								
Net finance costs	22,273	22,285	12,336	9,921	17	5	34,626	32,211
EBIT	**48,380**	**17,808**	**16,324**	**17,099**	**(1,586)**	**(1,988)**	**63,117**	**32,919**
Add back:								
Depreciation & Amortisation	16,526	13,673	10,420	9,310	210	321	27,156	23,304
EBITDA	**64,905**	**31,481**	**26,744**	**26,409**	**(1,376)**	**(1,667)**	**90,273**	**56,223**

Reconciliation of EBIT to a-EBIT and a-EBITDA:

	Cables		Steel pipes		Other activities		Total	
EUR thousands	2019	2018	2019	2018	2019	2018	2019	2018
EBIT	**48,380**	**17,808**	**16,324**	**17,099**	**(1,586)**	**(1,988)**	**63,117**	**32,919**
Adjustments for:								
Metal price lag (1)	3,088	1,679	-	173	-	-	3,088	1,852
Loss from out of court settlement	-	2,000	-	-	-	-	-	2,000
Exceptional legal fees (2)	-	-	-	906	-	-	-	906
Gain from sale of subsidiaries	(3,538)	-	-	-	(92)	-	(3,630)	-
Impairment/ (Reversal of Impairment) on investment property	79	-	-	-	(89)	-	(10)	-
(Gains)/ Loss from sales of fixed assets	366	(1)	16	(19)	(5)	(10)	377	(30)
Adjusted EBIT	**48,374**	**21,485**	**16,340**	**18,159**	**(1,772)**	**(1,998)**	**62,942**	**37,647**
Add back:								
Depreciation & Amortisation	16,526	13,673	10,420	9,310	210	321	27,156	23,304
Adjusted EBITDA	**64,900**	**35,159**	**26,760**	**27,469**	**(1,562)**	**(1,677)**	**90,098**	**60,951**

(1) Metal price lag is the P&L effect resulting from fluctuations in the market prices of the underlying commodity metals (ferrous and non-ferrous) which Cenergy Holdings' subsidiaries use as raw materials in their end-product production processes,
Metal price lag exists due to:
- *(i) the period of time between the pricing of purchases of metal, holding and processing the metal, and the pricing of the sale of finished inventory to customers,*
- *(ii) the effect of the inventory opening balance (which in turn is affected by metal prices of previous periods) on the amount reported as Cost of Sales, due to the costing method used (e.g. weighted average),*
- *(iii) certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when our sales price fixes and the sale actually occurs,*

Subsidiaries in cables segment use back to back matching of purchases and sales, or derivative instruments in order to minimise the effect of the Metal Price Lag on their results. There will, however, always be some impact (positive or negative) in the P&L, since in Cables segment part of the inventory is treated as a fixed asset and not hedged while in the Steel Pipes segment, no commodities hedging is possible.

(2) Legal consulting services regarding the US antidumping investigation.

Reconciliation of loans and borrowings to Net debt:

EUR thousands	Cables 31.12.19	Cables 31.12.18	Steel pipes 31.12.19	Steel pipes 31.12.18	Other activities 31.12.19	Other activities 31.12.18	Total 31.12.19	Total 31.12.18
Loans and borrowings (incl. Lease liabilities) - Long term	132,628	123,954	49,091	50,615	-	223	181,719	174,792
Loans and borrowings (incl. Lease liabilities) - Short term	192,232	196,784	130,363	167,070	-	-	322,595	363,854
Cash and cash equivalents	(69,229)	(29,571)	(19,805)	(34,679)	(1,374)	(954)	(90,408)	(65,203)
Net debt	**255,630**	**291,167**	**159,649**	**183,007**	**(1,374)**	**(731)**	**413,905**	**473,442**

Restatement of previously reported APMs

a-EBIT:

EUR thousands	Cables	Steel pipes	Other activities	Total
Published a-EBIT for 2018	**21,131**	**20,295**	**(1,998)**	**39,428**
Excluding Unrealised (gains)/losses on foreign currency balances and derivatives	*355*	*(2,136)*	-	*(1,781)*
Restated a-EBIT for 2018	**21,485**	**18,159**	**(1,998)**	**37,647**

a-EBITDA:

EUR thousands	Cables	Steel pipes	Other activities	Total
Published a-EBITDA for 2018	**34,804**	**29,605**	**(1,677)**	**62,732**
Excluding Unrealised (gains)/losses on foreign currency balances and derivatives	*355*	*(2,136)*	-	*(1,781)*
Restated a-EBITDA for 2018	**35,159**	**27,469**	**(1,677)**	**60,951**

Information to our Shareholders

Cenergy Holdings is a Belgian listed subsidiary of Viohalco S.A. (81.93% of voting rights).

On 14 December 2016, Cenergy Holdings S.A. announced the completion of the cross-border merger by absorption of Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme by Cenergy Holdings S.A.

On 21 December 2016, the trading of Cenergy Holdings' shares commenced on Euronext Brussels and on the Athens Stock Exchange (Athex).

During 2019, Hellenic Cables has sold its 100% subsidiary Cablel Wires, which had absorbed its enameled wires sector during the year.

Hellenic Cables, during the last quarter of 2019, established Hellenic Cables America Inc., a wholly owned subsidiary in order to provide US customers with direct support and expertise throughout the lifetime of energy projects.

Market data

The table below sets forth, for the periods indicated, the maximum and minimum year-end closing prices and the end of the year closing prices of Cenergy Holdings on Euronext Brussels and Athens Stock Exchange (Athex).

Market Euronext Brussels and Athens Stock Exchange

Ticker	CENER
ISIN code	BE 0974303357

Share price EURONEXT BRUSSELS in EUR	**2019**	**2018**
At the end of the year	1.32	1.22
Maximum	1.53	1.59
Minimum	1.05	1.00
Dividends	0	0
Gross annual return in %	8.20	3.39

Share price ATHENS EXCHANGE in EUR	**2019**	**2018**
At the end of the year	1.36	1.27
Maximum	1.60	1.58
Minimum	1.20	1.03
Dividends	0	0
Gross annual return in %	7.09	3.25

Investor relations contact details

Sofia Zairi
Head of Investor Relations
Email: ir@cenergyholdings.com, szairi@cenergyholdings.com

Cenergy Holdings S.A. 30 Marnix Avenue, 1000 Brussels, Belgium	Cenergy Holdings S.A. – Greek Branch 2-4 Mesogeion Avenue, 115 27 Athens, Greece
Belgium tel:	(+32) 2 224 0960
Greece tel:	(+30) 210 6787 111, (+30) 210 6787 773

Financial calendar

Date	Publication / Event
April 8, 2020	Presentation of 2019 financial results to the analysts (Athens Stock Exchange)
May 26, 2020	Ordinary General Meeting 2020
September 24, 2020	Half Yearly 2020 results

Glossary

The following explanations are intended to assist the general reader in understanding certain terms used in this Annual Report. The definitions set out below apply throughout the annual report, unless the context requires otherwise.

ABB	ABB is a global technology company in power and automation that enables utility, industry, and transport and infrastructure customers to improve their performance while lowering environmental impact
Adjusted EBIT	EBIT excluding restructuring costs, metal price lag, unrealised (gains)/losses on foreign currency balances and derivatives and other exceptional or unusual (income)/expenses
Adjusted EBITDA	EBITDA excluding restructuring costs, metal price lag, unrealised (gains)/losses on foreign currency balances and derivatives and other exceptional or unusual (income)/expenses
Aramco	Saudi Aramco is the state-owned oil company of the Kingdom of Saudi Arabia. It is the world's top exporter of crude oil and natural gas liquids.
BCAC	the Belgian Companies and Associations Code
Belgian GAAP	the applicable accounting framework in Belgium
BG	BG Group is an international exploration and production and LNG company.
Board of Directors or **Board**	the Board of Directors of the Company from time to time appointed in accordance with the Articles of Association
BP	BP is one of the world's leading integrated oil and gas companies. It provides customers with fuel for transportation, energy for heat and light, lubricants to keep engines moving, and the petrochemicals products used to make everyday items as diverse as paints, clothes and packaging
Cheniere Energy	Houston-based energy company primarily engaged in LNG-related businesses
Chevron	Chevron is one of the world's leading integrated energy companies.
Cross-Border Merger	the cross-border merger through absorption of Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme (both formally listed in Greece), by the Company in accordance with articles 772/1 and following of the BCC and the Greek law 3777/2009 in conjunction with articles 68 §2 and 69 to 77a of the Greek Codified Law 2190/1920
DCP Midstream	is an energy company that sits squarely between a growing resource base and expanding petrochemical and energy markets.
Debt/Equity	Total liabilities/equity or (Total assets-equity)/equity
Denbury	Denbury Resources Inc. is an independent oil and natural gas company
EBIT	Operating result as reported in the Profit or loss statement plus share of profit/(loss) of equity accounted investees
EBITDA	EBIT plus depreciation and amortisation
EDF	EDF Energy, the UK's largest producer of low-carbon electricity
EEA	the European Economic Area

Enbridge	Enbridge, Inc. is an energy delivery company based in Calgary, Canada. It focuses on the transportation, distribution and generation of energy, primarily in North America. As a transporter of energy, Enbridge operates in Canada and the United States, the longest crude oil and liquid hydrocarbons transportation system in the world. As a distributor of energy, it owns and operates Canada's largest natural gas distribution network, providing distribution services in Ontario, Quebec, New Brunswick and New York State
Energy Transfer	Energy Transfer is a Texas-based company that began in 1995 as a small intrastate natural gas pipeline operator and is now one of the largest and most diversified investment grade master limited partnerships in the United States. Growing from roughly 200 miles of natural gas pipelines in 2002 to approximately 71,000 miles of natural gas, natural gas liquids (NGLs), refined products, and crude oil pipelines today, the Energy Transfer family of partnerships remains dedicated to providing exceptional service to its customers and attractive returns to its investors.
EPCO	Energy Planners Company is an energy management and consultation firm. EPCO works with commercial, industrial, and nonprofit clientele to aid them in better understanding how and where energy is consumed in their facility.
FSMA	Financial Services and Market Authority, which succeeded the Belgian Banking, Finance and Insurance Commission as the financial regulatory agency for Belgium on 1 April 2011
Current ratio	Current Assets / Short term liabilities
Greek Public Natural Gas Corporation (DEPA)	DEPA is the public natural gas supply corporation of Greece
Gross annual return	the gross annual return is calculated on the share price it equals to (change in price from January 1 to 31 December/share price on January)
IAS	International Accounting Standards
IFRS	International Financing Reporting Standards, as adopted by the EU
IPTO S.A.	Independent Hellenic Transmission Operator
LSAW	Longitudinal Submerged Arc Welded Mill for the production of high-strength offshore and onshore energy pipes
LTIR	Lost time incident rate
National Grid	United Kingdom-based utilities company
OGC	a leading organisation in the Sultanate's Oil and Gas sector and managing Oman's major natural gas distribution network
OMV	is an integrated international oil and gas company. It is active in the upstream (Exploration and Production) and downstream businesses (Refining and Marketing as well as Gas and Power). OMV is one of the largest listed industrial companies in Austria.
PDO	Petroleum Development Oman is the major exploration and production company in the Sultanate
Pioneer Pipe Inc	Pioneer is one of the largest full-service construction, maintenance, and fabrication companies in the Midwest, specializing in general,

	structural, mechanical, and electrical construction, pipe fabrication and installation, steel fabrication and erection, modular fabrication and assembly, and plant maintenance.
Plains All American	Plains All American Pipeline is one of the largest and most admired midstream energy companies in North America. Plains All American Pipeline (Plains) is a publicly-traded master limited partnership that owns and operates midstream energy infrastructure and provides logistics services for crude oil, natural gas liquids (NGL), natural gas, and refined products. It owns an extensive network of pipeline transportation, terminalling, storage and gathering assets in key crude oil and NGL producing basins and transportation corridors, and at major market hubs in the United States and Canada.
Shell	Shell Global is a global group of energy and petrochemical companies
Snam	an Italian natural gas infrastructure company. The utility mainly operates in Italy and is one of Europe’s leading regulated gas utilities
Socar	The State Oil Company of the Azerbaijan Republic (SOCAR) is involved in exploring oil and gas fields, producing, processing, and transporting oil, gas, and gas condensate, marketing petroleum and petrochemical products in domestic and international markets, and supplying natural gas to industry and the public in Azerbaijan.
Spartan	Spartan Energy Corp. is an oil and gas company based in Calgary, Alberta. Spartan has operations in central Alberta and in southeast Saskatchewan and maintains a multi-year inventory of oil focused horizontal drilling opportunities.
Spectra Energy	Spectra Energy Corp is a S&P500 company headquartered in Houston Texas, that operates in three key areas of the natural gas industry: transmission and storage, distribution, and gathering and processing.
SR	Severity rate
STEG	Tunisian Company of Electricity and Gas is a Tunisian public company non-administrative. Established in 1962, its mission is the production and distribution of electricity and natural gas on the Tunisian territory.
Subsea	Subsea7 is a world-leading seabed-to-surface engineering, construction and services contractor the offshore energy industry.
Tideway	Tideway is a subsidiary of the Belgian dredging, environmental and marine engineering group DEME, an international market leader for complex marine engineering works.
TIGF	Transport et Infrastructures Gaz France offer and develop natural gas transport and storage solutions for the European market
Transparency Law	the law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market
Van Oord	Van Oord is a Dutch family-owned company with 150 years of experience as an international marine contractor.

The annual report, full versions of the statutory and consolidated annual accounts, as well as the audit reports regarding said annual accounts are available on the website (www.cenergyholdings.com).