CENERGY HOLDINGS

INTERIM REPORT

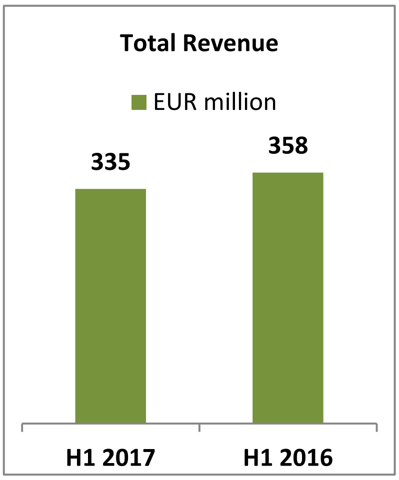
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

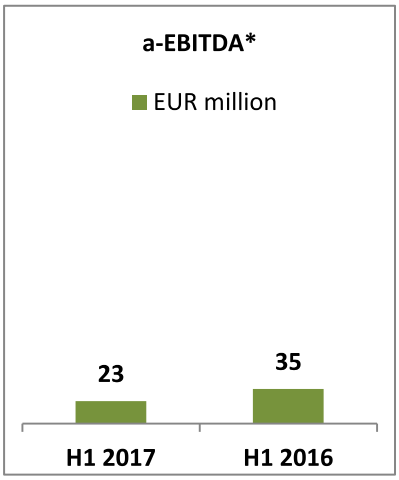
CORINTH PIPEWORKS
Delivering energy to the world

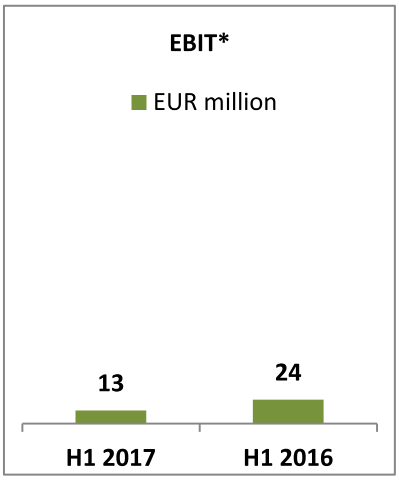
CABLEL® HELLENIC CABLES

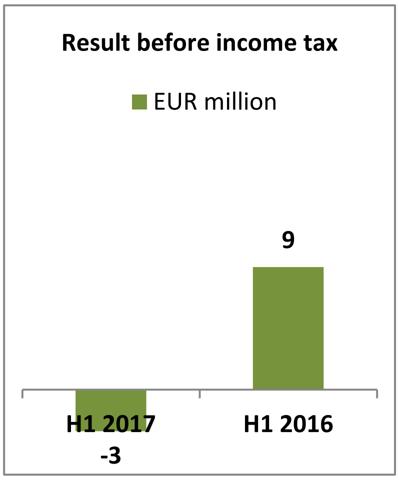
CONTENTS

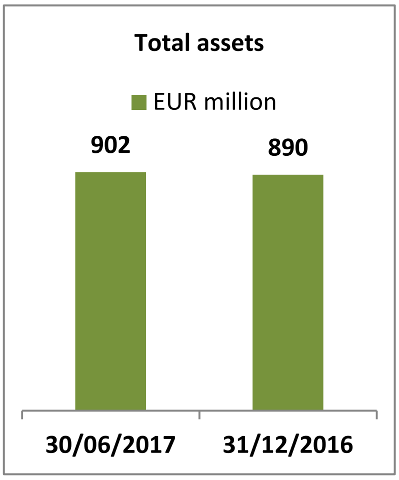
KEY CONSOLIDATED FINANCIAL DATA

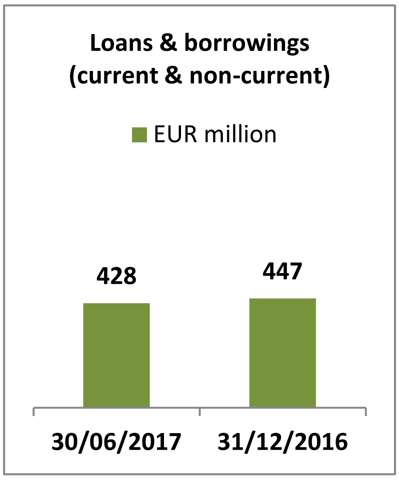


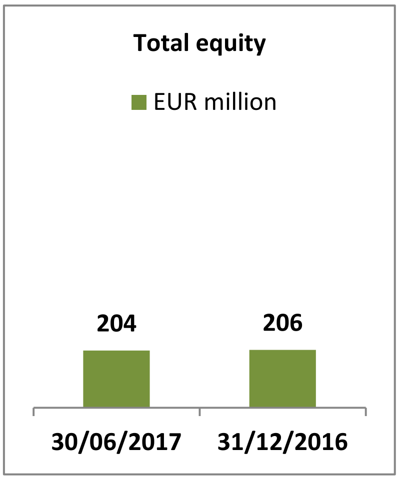












** Source: For the definitions of a-EBITDA and EBIT, see section APMs.*

This section focuses on Cenergy Holdings' business performance for the period ended 30 June 2017. The Condensed Consolidated Interim Financial Statements, prepared in accordance with IAS 34, are presented on pages 12 to 31.

Key highlights

Financial highlights

- In the first half of 2017, consolidated revenue declined by 6.5% year-on-year to EUR 335 million (H1 2016: EUR 358 million). This decrease is due to delays in commencement of signed projects and invoice timing for projects under execution.
- The above, along with a different project mix versus H1 2016, resulted in EBIT* of EUR 13 million in H1 2017, compared to EUR 24 million in the first half of 2016;
- Adjusted EBITDA* of EUR 23 million, compared to EUR 35 million in the first half of 2016;
- Loss before income tax of EUR 3 million, compared to profit before income tax of EUR 8.8 million in the first half of 2016;
- Loss of the period of EUR 2.2 million, compared to a profit of EUR 5.2 million in the first half of 2016;
- Net debt* up 5.1 % to EUR 395 million as at 30 June 2017.

** For the definitions, see section APMs.*

Operational highlights

Steel pipes segment	▪ Corinth Pipeworks Pipe Industry awarded and commenced execution of two projects to deliver steel pipes for off-shore pipeline construction in the East Mediterranean area.
Cables segment	▪ Hellenic Cables subsidiary, Fulgor awarded a turnkey contract by Enel Green Power Hellas to provide submarine cable interconnection to the Greek National Grid for the Kafireas wind complex located at Karystos, Evia, Greece. Hellenic Cables will also supply significant quantities of high and medium voltage land cables for the onshore part of the project.

Supported by recent investments, the strategic penetration plan especially for new offshore projects is progressing as expected.

Group financial review

During the first half of 2017, the following developments had an impact in Cenergy Holdings' main markets:

- **Cables projects:** The delay in the execution of various onshore and offshore turnkey projects already signed along with some big offshore European projects that were put on hold led to low levels of utilization of the Fulgor plant.

- **Cables products:** A slowdown was witnessed in main European markets. Indicatively, the German medium voltage market, which performed well in H1 2016, slowed down as expected in H1 2017, while the UK market continues to be challenging due to uncertainty associated with Brexit.

- **Steel pipes:** Further delays in steel pipes' projects globally, due to low oil and natural gas prices.

The execution of significant contracts continued throughout H1 2017, including the Trans Adriatic Pipeline ("TAP") project and contracts for cable connections on behalf of the German electricity transmission system operator, TenneT, and the Danish TSO, Energinet.dk.

Summary consolidated statement of profit or loss

	For the six months ended 30 June	
Amounts in EUR thousand	**2017**	**2016**
Revenue	334,985	358,254
Gross profit	**27,407**	**37,673**
Gross profit (%)	8.2%	10.5%
Adjusted EBITDA	22,700	35,179
Adjusted EBITDA (%)	6.8%	9.8%
EBITDA	24,192	34,251
EBITDA (%)	7.2%	9.6%
EBIT	**13,134**	**24,152**
EBIT (%)	3.9%	6.7%
Net finance costs	**(16,136)**	**(15,330)**
Profit / (Loss) before income tax	**(3,002)**	**8,822**
Net margin before income tax (%)	(0.9%)	2.5%
Profit / (Loss) of the period	**(2,202)**	**5,217**
Profit / (Loss) attributable to owners of the Company	**(2,206)**	**5,237**

- *Source: Condensed Consolidated Interim Financial Statements and APMs*
- *All percentages are versus revenue*

Revenue for the first half of 2017 amounted to EUR 335 million, a decrease of 6.5% compared to EUR 358 million in the first half of 2016.

Gross profit decreased by 27.3% to EUR 27 million in H1 2017, from EUR 38 million in H1 2016.

Adjusted EBITDA decreased to EUR 23 million in H1 2017 from EUR 35 million in the first half of 2016.

The delay in the commencement of signed projects, invoice timing of projects under execution and a different project mix in the cables segment resulted in lower revenue and profitability versus H1 2016.

Net finance costs increased by 5.3%, amounting to EUR 16 million, as a result of increased net debt to finance working capital needs.

Loss before income tax amounted to EUR 3 million in H1 2017 compared to profit before tax of EUR 8.8 million in the first half of 2016, as a result of the above-mentioned factors.

Summary consolidated statement of financial position

	As at	
Amounts in EUR thousand	**30 June 2017**	**31 December 2016**
ASSETS		
Property, plant and equipment	380,794	384,601
Investment property	6,292	6,472
Other non-current assets	39,326	40,432
Non-current assets	**426,411**	**431,505**
Inventories	247,318	200,274
Trade and other receivables	194,409	183,923
Cash and cash equivalents	33,263	71,329
Other current assets	479	3,340
Current assets	**475,470**	**458,866**
TOTAL ASSETS	**901,880**	**890,371**
EQUITY	**203,625**	**206,462**
LIABILITIES		
Loans and borrowings	170,957	184,396
Deferred tax liabilities	26,459	27,220
Other non-current liabilities	27,211	28,730
Non-current liabilities	**224,626**	**240,345**
Loans and borrowings	257,333	262,823
Trade and other payables	213,544	178,624
Other current liabilities	2,752	2,117
Current liabilities	**473,629**	**443,564**
TOTAL LIABILITIES	**698,255**	**683,909**
TOTAL EQUITY & LIABILITIES	**901,880**	**890,371**

Source: Condensed Consolidated Interim Financial Statements

Non-current assets decreased from EUR 432 million at 31 December 2016 to EUR 426 million at 30 June 2017, as **capital expenditure** during the year amounted to EUR 6 million for the cables segment and EUR 1.5 million for the steel pipes segment, while **depreciation** of PP&E for 2016 amounted to EUR 11.5 million.

Current assets increased by 3.6% to EUR 475 million at 30 June 2017 from EUR 459 million at 31 December 2016, mainly due to higher inventory levels (EUR 47 million) for the execution of current steel pipe segment projects and increased amounts due from customers for construction contracts in progress in the cables segment. This was partially offset by lower levels of cash and cash equivalents held (EUR 38 million).

Liabilities increased by 2.1% from EUR 684 million at 31 December 2016 to EUR 698 million at 30 June 2017. **Trade and other payables** increased following the increase of inventories that will be used in the ongoing projects. **Current & non-current loans and borrowings** decreased by EUR 19 million. Cenergy Holdings companies' debt at 30 June 2017 comprised long term and short term facilities, at 40% and 60%, respectively. Short term facilities are predominately revolving credit facilities which finance working capital needs and specific ongoing projects.

Net debt increased to EUR 395 million at 30 June 2017 (31/12/2016: EUR 376 million), driven by the utilisation of cash and cash equivalents for the increased working capital requirements for ongoing projects.

Performance by business segment

Steel pipes

Revenue amounted to EUR 130 million in H1 2017, an 11% decrease year-on-year (H1 2016: EUR 146 million). During H1 2017, Corinth Pipeworks continued to execute the TAP project, the biggest project in its history, completion of which is expected by the end of Q3 2017. The second reeling project for pipes up to 20m in length was also successfully completed during the period. In addition to this, Corinth Pipeworks was awarded and began execution of two projects to deliver steel pipes for off-shore pipeline construction in the East Mediterranean area.

Gross profit amounted to EUR 13 million in H1 2017, a 22% decrease compared to H1 2016 (EUR 16.6 million), mainly driven by changes to the steel pipes delivery schedule for certain energy projects. The decrease in revenue and gross profit resulted in a 14% decrease in **adjusted EBITDA,** which amounted to EUR 12 million in H1 2017, compared to EUR 14 million in H1 2016. **Profit before income tax** amounted to EUR 2.0 million in the first half of 2017, compared to EUR 4.8 million in H1 2016. This decline is attributable to the above-mentioned factors, as well as increased finance costs.

Capital expenditure for the first six months of 2017 amounted to EUR 1.5 million and mainly concerned the installation of the concrete weight coating facility, which will be used for offshore applications, and the purchase of various machinery for the Thisvi plant.

The summary consolidated statement of profit or loss for the **steel pipes segment** is as follows:

	For the six months ended 30 June	
Amounts in EUR thousand	**2017**	**2016**
Revenue	129,903	146,389
Gross profit	**13,067**	**16,658**
Gross profit (%)	10.1%	11.4%
Adjusted EBITDA	11,826	13,892
Adjusted EBITDA (%)	9.1%	9.5%
EBITDA	11,831	13,738
EBITDA (%)	9.1%	9.4%
EBIT	**7,136**	**9,469**
EBIT (%)	5.5%	6.5%
Net finance costs	**(5,157)**	**(4,624)**
Profit / (Loss) before income tax	**1,980**	**4,845**
Net margin before income tax (%)	1.5%	3.3%
Profit / (Loss) of the period	**2,435**	**3,509**
Profit / (Loss) attributable to owners of the Company	**2,435**	**3,509**

- *Source: Condensed Consolidated Interim Financial Statements and APMs*
- *All percentages are versus revenue*

Cables

During H1 2017, the cables business continued to face customer project delays and low sales volumes in its main markets. Also, the execution of different types of construction contract resulted in changes to the product mix compared to the previous year. This, as well as significant sales volume contraction in medium and low voltage power cables in Germany, the UK, Austria, Italy and Romania, adversely affected results for the period.

In addition, delays in the execution of various onshore and offshore turnkey projects already signed along with some big offshore European projects that were put on hold, which led to low utilisation of the Fulgor plant, negatively influenced results. Finally, strong market demand for telecom and signalling cables in Europe had a positive effect on the segment's margins.

Revenue for the period was down 3.2% year-on-year amounting to EUR 205 million, (H1 2016: EUR 212 million), whilst **adjusted EBITDA** amounted to EUR 11 million versus EUR 21 million in H1 2016, as a result of pressures outlined above. As a result, **loss before income tax** amounted to EUR 4.6 million in H1 2017, compared to profit before income tax of EUR 4 million in H1 2016.

In the first half of the year, Hellenic Cables and Fulgor progressed significant contracts on behalf of TenneT, for the supply of offshore wind farm export cable connections, and Energinet.dk. for cable connection between Denmark and Sweden and the replacement of overhead lines within Denmark. In addition to this, the cable interconnection of an offshore wind farm in the UK was concluded in April 2017.

Investments during the period reached EUR 6 million in the cables segment, largely attributable to productivity improvement projects at the Fulgor, Hellenic Cables, and Icme Ecab plants.

The summary consolidated statement of profit or loss for the **cables segment** is as follows:

	For the six months ended 30 June	
Amounts in EUR thousand	**2017**	**2016**
Revenue	205,082	211,865
Gross profit	**14,338**	**21,014**
Gross profit (%)	7.0%	9.9%
Adjusted EBITDA	11,220	21,339
Adjusted EBITDA (%)	5.5%	10.1%
EBITDA	12,708	20,565
EBITDA (%)	6.2%	9.7%
EBIT	**6,345**	**14,735**
EBIT (%)	3.1%	7.0%
Net finance costs	**(10,979)**	**(10,706)**
Profit / (Loss) before income tax	**(4,634)**	**4,029**
Net margin before income tax (%)	(2.3%)	1,9%
Profit / (Loss) of the period	**(4,563)**	**1,761**
Profit / (Loss) attributable to owners of the Company	**(4,567)**	**1,780**

- *Source: Condensed Consolidated Interim Financial Statements and APMs*
- *All percentages are versus revenue*

Main risks and uncertainties for H2 2017

This section has been developed in the notes to the Condensed Consolidated Interim Financial Statements, note 5 “Financial risk management”.

Subsequent events

There are no subsequent events affecting the consolidated financial information.

Outlook

High demand for new offshore projects in Europe, mainly in the North Sea and South Europe, is expected to drive growth in the cables segment.]The assignment of new projects (for which Hellenic Cables has already entered into negotiations) and the successful completion of ongoing projects (the Kafireas project for Enel and Oresund project for Energinet) are a key focus for the cables segment.

In the cables products business, there are signs of recovery in low and medium voltage cables markets in Western Europe, which were negatively impacted by competitive challenges in the first half of 2017. However, risks to recovery, such as the EU’s economic and political environment and potential major changes in trade policies, as well as the impact of Brexit on the European economy and on the financing of major infrastructure projects in the UK, persist.

In the steel pipes segment, the latest world oil and gas rig count data confirms a rebound in the OCTG market, evidenced by increasing drilling and exploration activity in the US. This supports an expected increase in energy sector investment from lows reached in 2016, from which Corinth Pipeworks Pipe Industry is well positioned to benefit. Furthermore, the planned delivery schedule of products in the second half of 2017 indicates positive prospects for the year overall.

Despite a volatile operating environment, Cenergy Holdings’ companies remain well-positioned to execute their longer-term strategies for growth through a continued focus on innovation and product diversification, the penetration of new geographical and product markets and the strengthening of customer relationships. A continued focus on these key areas supports plans for international expansion and the pursuit of large-scale projects in high growth segments.

Statement on the true and fair view of the condensed consolidated interim financial statements and the fair overview of the interim management report

Alexios Alexiou, Apostolos Papavasileiou, Dimitris Kyriacopoulos and Theodoros Panagopoulos, members of the Executive Management certify, on behalf and for the account of the Company, that, to their knowledge :

a) the condensed consolidated interim financial statements which have been prepared in accordance with IAS 34, "Interim Financial Reporting" 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 interim management report includes a fair overview of the information required under Article 13, §§ 5 and 6 of the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market

Cenergy Holdings' share capital is set at EUR 117,892,172.38 divided into 190,162,681 shares without nominal value. The shares have been issued in registered and dematerialised form. All shares are freely transferable and fully paid up. The Company has not issued any other category of shares, such as non-voting or preferential shares. All shares representing the share capital have the same rights. In accordance with the articles of association of the company, each share entitles its holder to one vote.

Cenergy Holdings' shares are listed under the symbol "CENER" with ISIN code BE0974303357 on the regulated market of Euronext Brussels and on the main market of the Athens Exchange with the same ISIN code and with the symbol CENER (in Latin characters).

Financial Calendar

Date	Publication / Event
Cenergy Holdings 2017 annual results	29 March 2018
Ordinary General Meeting 2018	29 May 2018

Contacts

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Condensed Consolidated Statements of Financial Position

Amounts in EUR thousand	Note	As at 30 June 2017	As at 31 December 2016
ASSETS			
Property, plant and equipment	10	380,794	384,601
Intangible assets and goodwill	11	15,215	15,416
Investment property	12	6,292	6,472
Equity - accounted investees		12,707	13,292
Other investments	15	4,662	4,662
Trade and other receivables		6,252	6,834
Deferred tax assets		489	229
Non-current assets		**426,411**	**431,505**
Inventories	8	247,318	200,274
Trade and other receivables	9	194,409	183,923
Derivatives	15	479	3,340
Cash and cash equivalents		33,263	71,329
Current assets		**475,470**	**458,866**
Total assets		**901,880**	**890,371**
EQUITY			
Share capital		117,892	117,892
Share premium		58,600	58,600
Reserves		35,977	36,613
Retained earnings/(losses)		(9,349)	(7,144)
Equity attributable to owners of the Company		**203,120**	**205,961**
Non-controlling interests		505	501
Total equity		**203,625**	**206,462**
LIABILITIES			
Loans and borrowings	13	170,957	184,396
Employee benefits		3,932	3,908
Grants		15,818	16,215
Trade and other payables		7,461	8,607
Deferred tax liabilities		26,459	27,220
Non-current liabilities		**224,626**	**240,345**
Loans and borrowings	13	257,333	262,823
Trade and other payables	14	213,544	178,624
Current tax liabilities		1,175	835
Derivatives	15	1,577	1,282
Current liabilities		**473,629**	**443,564**
Total liabilities		**698,255**	**683,909**
Total equity and liabilities		**901,880**	**890,371**

The notes on pages 17 to 31 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statements of Profit or Loss

Amounts in EUR thousand		**For the six months ended 30 June**	
	Note	**2017**	**2016**
Revenue		334,985	358,254
Cost of sales		(307,578)	(320,582)
Gross profit		**27,407**	**37,673**
Other income		3,084	3,711
Selling and distribution expenses		(5,444)	(5,732)
Administrative expenses		(9,754)	(10,041)
Other expenses		(2,140)	(1,333)
Operating profit		**13,152**	**24,278**
Finance income		191	170
Finance costs		(16,327)	(15,500)
Net finance costs		**(16,136)**	**(15,330)**
Share of profit/loss (-) of equity-accounted investees, net of tax		(19)	(126)
Profit /Loss (-) before tax		**(3,002)**	**8,822**
Income tax expense	7	800	(3,604)
Profit/Loss (-) from continuing operations		**(2,202)**	**5,217**
Profit/Loss (-) attributable to:			
Owners of the Company		(2,206)	5,237
Non-controlling interests		3	(19)
		(2,202)	**5,217**
Earnings per share (in EUR per share)			
Basic and diluted		(0.0116)	0.0275

The notes on pages 17 to 31 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the six months ended 30 June	
Amounts in EUR thousand	2017	2016
Profit/Loss (-) from continuing operations	**(2,202)**	**5,217**
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences	(839)	1,970
Cash flow hedges – effective portion of changes in fair value	(302)	(289)
Cash flow hedges – reclassified to profit or loss	552	665
Related tax	(46)	(116)
	(635)	**2,230**
Total comprehensive income / (expense) after tax	**(2,837)**	**7,447**
Total comprehensive income attributable to:		
Owners of the Company	(2,841)	7,467
Non-controlling interests	4	(20)
	(2,837)	**7,447**

The notes on pages 17 to 31 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statements of Changes in Equity

Amounts in EUR thousand	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Total	Non-controlling Interest	Total equity
Balance as at 1 January 2017	**117,892**	**58,600**	**(15,708)**	**52,321**	**(7,144)**	**205,961**	**501**	**206,462**
Total comprehensive income								
Profit / (Loss)	-	-	-	-	(2,206)	**(2,206)**	3	**(2,202)**
Other comprehensive income	-	-	(837)	202	-	**(635)**	1	**(634)**
Total comprehensive income	**-**	**-**	**(837)**	**202**	**(2,206)**	**(2,841)**	**4**	**(2,837)**
Balance as at 30 June 2017	**117,892**	**58,600**	**(16,545)**	**52,523**	**(9,349)**	**203,120**	**505**	**203,625**

Amounts in EUR thousand	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2016	**117,831**	**58,600**	**(18,678)**	**51,575**	**(767)**	**208,561**	**538**	**209,099**
Total comprehensive income								
Profit / (Loss)	-	-	-	-	5,237	**5,237**	(19)	**5,218**
Other comprehensive income	-	-	1,970	260	-	**2,230**	(1)	**2,229**
Total comprehensive income	**-**	**-**	**1,970**	**260**	**5,237**	**7,467**	**(20)**	**(7,447)**
Transactions with owners of the company								
Contributions and distributions								
Issue of ordinary shares	62	-	-	-	-	**62**	-	**62**
Taxes on share capital increase of subsidiaries	-	-	-	-	(861)	**(861)**	-	**(861)**
Total transactions with owners of the Company	**62**	**-**	**-**	**-**	**(861)**	**(799)**	**-**	**(799)**
Balance as at 30 June 2016	**117,892**	**58,600**	**(16,707)**	**51,836**	**3,610**	**215,229**	**518**	**215,747**

The notes on pages 17 to 31 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statements of Cash Flows

Amounts in EUR thousand	Note	For the six months ended 30 June 2017	2016
Cash flows from operating activities			
Profit / (loss) of the period		(2,202)	5,217
Adjustments for:			
- Income tax		(800)	3,604
- Depreciation	6	10,921	10,037
- Amortization	6	534	466
- Amortization of grants		(397)	(403)
- Impairment losses / (Reversal of impairment) on property, plant and equipment and investment property	12	(149)	2
- Net finance costs		16,136	15,330
- Share of profit of equity-accounted investees, net of tax		19	126
- (Gain) / loss from sale of property, plant & equipment and investment property		98	-
- (Profit) / loss from sale of financial assets		-	(1,792)
- Unrealised (Gain) / Loss from valuation of derivatives		3,407	(933)
- Taxes paid for share capital increase of subsidiaries		-	(861)
		27,565	30,794
Changes in:			
- Inventories		(47,044)	(46,390)
- Trade and other receivables		(10,486)	(66,045)
- Trade and other payables		35,291	54,883
- Employee benefits		24	13
Cash generated from operating activities		*5,350*	*(26,745)*
Interest charges & related expenses paid		(15,075)	(13,510)
Income tax paid		(540)	(542)
Net Cash from / (used in) operating activities		**(10,265)**	**(40,797)**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(7,218)	(9,137)
Acquisition of intangible assets		(269)	(98)
Proceeds from sale of property, plant & equipment		-	7
Proceeds from sale of investment property		80	-
Interest received		4	159
Acquisition of subsidiary, net of cash acquired		-	(6,099)
Net Cash flows used in investing activities		**(7,404)**	**(15,167)**
Cash flows from financing activities			
Proceeds from share capital increase		-	62
Proceeds from new borrowings	13	126,773	106,696
Repayment of borrowings	13	(146,187)	(54,549)
Net cash flows from financing activities		**(19,414)**	**52,208**
Net (decrease)/ increase in cash and cash equivalents		**(37,083)**	**(3,756)**
Cash and cash equivalents at 1 January		71,329	37,672
Effect of movement in exchange rates on cash held		(983)	(104)
Cash and cash equivalents at 30 June		**33,263**	**33,812**

The notes on pages 17 to 31 are an integral part of these Condensed Consolidated Interim Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. Reporting entity

Cenergy Holdings S.A. (hereafter referred to as “the Company” 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 Group” 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 and on the Athens Stock exchange (trading ticker “CENER”).

Cenergy Holdings is a subsidiary of Viohalco S.A. (81.93% of voting rights). Viohalco S.A. (“Viohalco”) is the Belgium-based holding company of leading metal processing companies across Europe. Viohalco’s subsidiaries specialise in the manufacture of aluminium, copper, cables, steel and steel pipes products and technological advancement.

These interim financial statements were authorised for issue by the Company’s Board of Directors on 27 September 2017.

The Company’s electronic address is www.cenergyholdings.com, where the Condensed Consolidated Interim Financial Statements have been posted.

2. Basis of preparation

Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2016. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Cenergy Holdings Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2016.

Use of judgements and estimates

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2016.

3. Significant accounting policies

The condensed consolidated interim financial statements have been prepared using accounting policies consistent with those adopted for the preparation of the annual financial statements as of December 31, 2016 and which are comprehensively presented in the notes to the annual financial statements. There are no standards, amendments to standards or interpretations which are effective for the current financial year and have already been endorsed by the European Union.

Standards and Interpretations effective for subsequent periods:

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the subsequent years. Cenergy Holdings' evaluation of the effect of these new standards, amendments to standards and interpretations is set out below.

- *IFRS 15 "Revenue from Contracts with Customers"* (effective for annual periods beginning on or after 1 January 2018).

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

Cenergy Holdings will apply the cumulative effect method to transition to IFRS 15 in accordance with paragraph C3(b) of IFRS 15. Cenergy Holdings is currently performing a detailed assessment of the impact resulting from the application of IFRS 15.

- *IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7* (effective for annual periods beginning on or after 1 January 2018). In July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments.

IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Cenergy Holdings plans to apply IFRS 9 initially on 1 January 2018 and is currently assessing the potential impact of the adoption of IFRS 9 on its consolidated financial statements. There were no changes in the impact assessment which was included in the 2016 consolidated financial statements, except for the following paragraphs:

a. Classification – Financial Assets:

At 30 June 2017, Cenergy Holdings had equity investments classified as available-for-sale with a carrying amount value of EUR 4.6 million. If these investments continue to be held at initial application of IFRS 9, Cenergy Holdings will elect to classify them as FVOCI. In this case, all fair value gains and losses would be reported in other comprehensive income, no impairment losses would be recognised in profit or loss and no gains or losses would be reclassified to profit or loss on disposal.

b. Impairment – Financial Assets and contract assets:

Cenergy Holdings' assessment indicated that no significant additional loss allowances should be expected, since the majority of trade receivables is insured against possible default events of customers. However, Cenergy Holdings has not yet finalised the impairment methodologies that will apply under IFRS 9.

4. Common control transaction

On 14 December 2016, Cenergy Holdings announced the completion of the cross-border merger by absorption by Cenergy Holdings S.A. of the formerly Greek listed companies, Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme (together referred as the “absorbed companies”).

The transaction was approved by the Company’s shareholders on 7 December 2016 and those of Hellenic Cables S.A. Holdings Société Anonyme and Corinth Pipeworks Holdings S.A. on 8 December 2016. On 14 December 2016, the cross-border merger became effective from a legal perspective, both in Belgium and in Greece. As a result, as from 8 December 2016, the Company has assumed the control of the subsidiaries of the absorbed companies.

On 21 December 2016, the trading of its shares commenced on Euronext Brussels and the Athens Stock Exchange.

The merger has enabled Cenergy Holdings’ subsidiaries to group their financial leverage and business outreach, and thus to provide to the underlying industrial companies in Greece and abroad solid sponsorship and reliable reference when bidding for demanding international projects or seeking access to restricted international financing. As a listed company, both in Brussels and in Athens, the Company presents the international investor community with an opportunity to invest in a promising business sector under conditions of increased visibility and scrutiny. The ability of Cenergy Holdings to access the international financial markets will help consolidate the underlying industrial Greek companies' achievements and secure long term employment for their highly qualified workforce. It will also help enhance their competitiveness and confirm their development and investment prospects.

The business combination between Cenergy Holdings, Hellenic Cables S.A. Holdings Société Anonyme and Corinth Pipeworks Holdings S.A. qualifies as a common control transaction, since all of the combining entities are ultimately controlled by the same party (Viohalco) both before and after the business combination and that control is not transitory.

Before the business combination, Viohalco controled all the combining entities since it controled 99.84% of voting rights of the Company, 74.48% of voting rights of Hellenic Cables S.A. Holdings Société Anonyme (1.95% directly and 72.53% through its subsidiary Halcor S.A.) and 85.89% of voting rights of Corinth Pipeworks Holdings S.A.. Upon the completion of the business combination Viohalco controls 81.93% (56.77% directly and 25.16% through its subsidiary Halcor S.A.).

All assets and liabilities of the absorbed companies were recorded at their carrying amount and therefore the share capital increase resulting from the merger amounted to the addition of the share capital of Cenergy Holdings and the absorbed companies and there was no difference to recognize within equity.

Due to the above and in order to provide financial information which is relevant, meaningful and reliable, the Company’s condensed consolidated interim financial statements as of and for the period ended 30 June 2017 are presented as if the cross-border merger had occurred before the start of the earliest period presented (i.e. 1st January 2016). Thus, results of operations for the comparative period comprise the previously separate entities combined. By eliminating the effects of intercompany transactions in determining the results of operations for the comparative period, those results are substantially on the same basis as the results of operations for the current period. The effects of intercompany transactions on current assets, current liabilities, revenue, and cost of sales for the comparative period and on retained earnings at the beginning of the comparative period presented are also eliminated.

The election of the policy described above has been done on the basis of pronouncements of other standard-setting bodies that use a conceptual framework to develop accounting standards similar to IFRS (especially SFAS 141, D.12), other accounting literature and accepted industry practices.

In order for Cenergy Holdings to apply consistent and uniform accounting policies the following adjustments have been performed to the financial information issued by the absorbed companies previously:

- Steel pipes segment's cost of sales includes direct sales expenses, amounted to EUR 9,061 thousand for the period ended 30 June 2016. Steel pipes segment's cost of sales for the period ended 30 June 2016 includes net foreign exchange result and net losses from foreign exchange derivatives, amounting to EUR 484 thousand. These amounts were classified as selling and distribution expenses in the consolidated financial statements of the former Corinth Pipeworks Group.
- Cables segment's cost of sales includes net foreign exchange gains, amounting to EUR 75 thousand for the period ended 30 June 2016. These amounts were classified as net finance costs in the consolidated financial statements of the former Hellenic Cables Group.
- In the consolidated financial statements of the former Hellenic Cables Group, certain classes of assets included in "Property, plant and equipment" were accounted for based on the revaluation model of IAS 16. More specifically, the classes of assets, which were revalued in the published financial statements of the former Hellenic Cables Group were land, buildings and productive machinery. In addition, the former Hellenic Cables Group accounted for its "Investment property" based on the fair value model of IAS 40.
  More specificlly, based on the accounting policies followed by the former Hellenic Cables Group, certain classes of assets included in "Property, plant and equipment", i.e. land, buildings and machinery used in manufacturing or provision of goods and services were presented in the consolidated statement of financial position at their revalued value, which is the fair value on the revaluation date less any subsequent accumulated depreciation. Reassessments were carried out at regular intervals to ensure that carrying amounts did not vary substantially from those that would have been determined using the fair value upon expiry of each reporting period.
  Based on the accounting policies followed by Cenergy Holdings, all classes of assets included in "Property, plant and equipment" (i.e. including land, buildings and machinery used in manufacturing or provision of goods and services) are presented at their acquisition cost less accumulated depreciation and impairment.
  Based on the accounting policies followed by the former Hellenic Cables Group, Investment property was initially recognised at acquisition cost and subsequently recognised at fair value with any changes thereof recognised as gain or loss through profit or loss.
  Based on the accounting policies followed by Cenergy Holdings, 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 as 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.

The adjustments made in the Statement of Financial Position published by the former Hellenic Cables Group as of 1 January 2016, due to the above, are presented in the table below:

Amounts in EUR thousand	**Hellenic Cables Published***	**Adjustments**	**Total**
Property, plant and equipment	235.711	(32.550)	203.161
Deferred tax assets	-	182	182
Reserves	55.656	(33.726)	21.931
Retained earnings/(losses)	(22.907)	7.961	(14.946)
Non-controlling interests	806	(268)	538
Deferred tax liabilities	13.339	(6.335)	7.004

** As reported in the Condensed Consolidated Interim Financial Statements in the Semi-Annual Financial Report for 30 June 2016 of the former Hellenic Cables Group.*

The adjustments made in the Statement of Profit or Loss published by the former Hellenic Cables Group for the six months ended 30 June 2016 are presented in the table below:

Amounts in EUR thousand	**Hellenic Cables Published***	**Adjustments**	**Total**
Cost of sales	(192,453)	1,346	(191,107)
Other expenses	(2,244)	912	(1,332)
Income tax expense	(1,691)	(577)	(2,268)

** As reported in the Condensed Consolidated Interim Financial Statements in the Semi-Annual Financial Report for 30 June 2016 of the former Hellenic Cables Group.*

- Intercompany eliminations for the balances and transactions between the components of the two sub-groups were also made. For the six months ended 30 June 2016, intercompany transactions of EUR 250 thousand were eliminated. As at 30 June 2016 intercompany balances of EUR 233 thousand were eliminated.

5. Financial risk management

There were no changes in Cenergy Holdings' subsidiaries financial risk management objectives and policies during 2017.

The macroeconomic and financial environment in Greece, where most of Cenergy Holdings' subsidiaries are located, is showing signs of improvement. However uncertainties still exist.

After the completion of the recapitalization of the Greek banks, at the end of 2015, and following the EUR 86 billion bailout program between the institutions and the Greek government, in June 2017, the Eurogroup and the institutions finalized their discussion on the second review of the Greek programme which paved the way to release the third tranche of financial assistance to Greece, amounting to EUR 8.5 billion.

The capital controls that have been in force in Greece since June 2015, and still remain (although eased), have not prevented the Company's affiliates to continue their activities as before. Cash flows from operational activities have not been disrupted.

Additionally, the Company's affiliates' strong customer base outside Greece along with their established facilities abroad minimize the liquidity risk which may arise from the uncertainty of the economic environment in Greece.

Cenergy Holdings and its subsidiaries follow closely and on a continuous basis the developments in both 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.

Cenergy Holdings' companies' debt amounting to EUR 428 million comprises of 40% long term and 60% short term facilities. Taking into account cash & cash equivalents (13% of short term debt), Cenergy Holdings' companies' Net Debt amounts to EUR 395 million. Loans and borrowings are held with banks and financial institutions, which are rated from A to CCC+ based on ratings of Standard and Poor's. Substantial portion of these loans and borrowings is held with Greek banks. Long term facilities have an average maturity of four years. Short term facilities are predominately revolving credit facilities, which are reviewed annually with anniversaries spread throughout the year and, within those revolving credit limits, short term loans of various maturities are drawn and when matured are renewed automatically if needed. There are sufficient credit limits in place to serve working capital requirements and refinance short term loans.

Cenergy Holdings 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.

6. Operating segments

A. Information about reportable segments and reconciliations to IFRS measures

The following tables illustrate the information about the reportable segments' profit or loss for the six months ended at 30 June 2017 and 2016.

30 June 2017	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment revenue	307,133	151,866	-	458,999
Inter-segment revenue	(102,051)	(21,963)	-	(124,014)
External revenues	**205,082**	**129,903**	**-**	**334,985**
Gross profit	14,338	13,067	-	27,405
Operating profit / (loss)	6,345	7,231	(423)	13,152
Finance income	128	63	-	191
Finance costs	(11,107)	(5,219)	-	(16,327)
Share of profit/(loss) of equity accounted investees, net of tax	-	(95)	76	(19)
Profit / (Loss) before tax	**(4,634)**	**1,980**	**(347)**	**(3,002)**
Income tax expense	71	455	273	800
Profit/Loss (-) from continuing operations	**(4,563)**	**2,435**	**(74)**	**(2,202)**

30 June 2016	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment revenue	301,104	189,947	-	491,051
Inter-segment revenue	(89,239)	(43,558)	-	(132,797)
External revenues	**211,865**	**146,389**	**-**	**358,254**
Gross profit	21,014	16,658	-	37,673
Operating profit	14,735	9,549	(6)	24,278
Finance income	102	68	-	170
Finance costs	(10,808)	(4,692)	-	(15,500)
Share of profit/(loss) of equity accounted investees, net of tax	-	(80)	(46)	(126)
Profit / (Loss) before tax	**4,029**	**4,845**	**(53)**	**8,822**
Income tax expense	(2,268)	(1,336)	-	(3,604)
Profit/Loss (-) from continuing operations	**1,761**	**3,509**	**(53)**	**5,217**

Other information per segment as at and for the period ended 30 June 2017 and 30 June 2016 are as follows:

30 June 2017	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Depreciation and amortization	(6,761)	(4,694)	-	**(11,455)**
Capital expenditure	6,031	1,457	-	**7,488**

30 June 2016	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Depreciation and amortization	(6,233)	(4,269)	-	**(10,502)**
Capital expenditure	4,326	4,909	-	**9,235**

Information per segment about the reportable segments' assets and liabilities as at 30 June 2017 and 31 December 2016 are as follows:

30 June 2017	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment assets (excl. equity-accounted investees)	440,064	437,631	11,478	**889,173**
Equity-accounted investees	-	12,458	250	**12,707**
Segment liabilities	400,928	295,310	2,017	**698,255**

31 December 2016	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment assets (excl. equity-accounted investees)	418,538	445,485	13,056	**877,079**
Equity-accounted investees	-	13,088	204	**13,292**
Segment liabilities	375,222	305,211	3,476	**683,909**

7. Income tax

	For the six months ended 30 June	
Amounts in EUR thousand	**2017**	**2016**
Current tax expense	(294)	(1,937)
Deferred tax expense (-) / income	1,094	(1,667)
Total	**800**	**(3,604)**

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2017 was 26.6% (six months ended 30 June 2016: 40.9%). The change in effective tax rate was caused mainly by the following factors :

- no additional deferred tax asset was recorded on the current period's losses of the cables segment (based on the existing tax planning);
- an adjustment of current income tax from previous year (credit of EUR 0.4 million) and an adjustment of deferred tax asset (credit of EUR 0.5 million).

8. Inventories

During the six months ended 30 June 2017, the Group wrote down its finished goods inventory by EUR 139 thousand (30 June 2016: EUR 434 thousand). The write-down is included in 'cost of sales' in the consolidated statement of profit or loss.

The increase in inventories is mainly due to the increase of finished goods for projects in the steel pipes segment whose delivery occurred after the reporting date.

9. Trade and other receivables

The increase noticed is mainly attributed to the increase in amount due from customers for construction contracts in progress in the cables segment.

The developments of the ongoing litigation of the subsidiary Corinth Pipeworks Industry S.A. against a former customer in the Middle-East regarding the recovery of an overdue receivable of USD 24.8 million, plus legal interest, are as follows:
At the hearing of 5 June 2017, the Court of Appeal rejected the counterclaim raised by the subsidiary's customer and obliged the latter to pay an amount of USD 24 million. Subsidiary's customer filed an appeal before the Court of Cassation challenging the aforesaid decision of the Court of Appeals. Based on assessment of the lawyers handling the legal case before the civil courts of Dubai, the appeal that has been filed by the Company's customer would have poor prospects of success and the Court of Cassation will most likely dismiss the said appeal. Therefore, management believes that the likelihood of an outflow of resources from the outcome of the counterclaim of the customer is remote.
Since no final judgments have been issued, management considers that there is no reason to revise the impairment recorded in the past related to this overdue receivable.

10. Property, plant and equipment

During the six months ended 30 June 2017, the Group acquired assets with a cost of EUR 7,218 thousand (six months ended 30 June 2016: EUR 9,137 thousand).

No assets were disposed of during the period.

11. Intangible assets and goodwill

During the six months ended 30 June 2017, the Group acquired assets with a cost of EUR 269 thousand (six months ended 30 June 2016: EUR 98 thousand).

12. Investment property

During the six months ended 30 June 2017, the Group sold a property with carrying amount of EUR 178 thousand, while depreciation of investment property for the period amounted to EUR 152 thousand.

Based on management's assessment, during the current period, there were indications for reversal of previously recorded impairment for a certain property owed by the subsidiary VET S.A..

The fair value of this property was determined by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. For the determination of the fair value of this property, a market approach was used for land and the depreciated replacement cost method was used for the vacant building. The fair value measurement for land has been categorised as a Level 2 fair value based on the inputs to the valuation technique used and the fair value measurement for the building has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. Inputs used to determine the fair value of land were based on observable prices of similar properties. These observable data were adjusted considering the status of the property and the volume of transactions and/or asking prices in real estate market for similar properties. The fair value of the building determined based on the depreciated replacement cost method reflects the amount that currently would be required to replace or to reconstruct these assets.

Based on the above a reversal of impairment of EUR 149 thousand was recorded.

13. Loans and borrowings

Amounts in EUR thousand	30 June 2017	31 December 2016
Non-current liabilities		
Unsecured bank loans	33,687	34,665
Secured bond issues	122,342	133,947
Unsecured bond issues	13,860	15,240
Finance lease liabilities	1,069	544
Total	**170,957**	**184,396**
Current liabilities		
Secured bank loans	6,837	44,487
Unsecured bank loans	209,467	181,706
Loans from related parties	5,175	5,175
Current portion of secured bond issues	15,069	21,514
Current portion of unsecured bond issues	9,381	1,974
Current portion of finance lease liabilities	287	178
Current portion of unsecured bank loans	11,117	7,790
Total	**257,333**	**262,823**
Total loans and borrowings	**428,289**	**447,219**

The maturities of non-current loans are as follows:

Amounts in EUR thousand	30 June 2017	31 December 2016
Between 1 and 2 years	62,045	61,103
Between 2 and 5 years	75,265	79,604
Over 5 years	33,646	43,689
Total	**170,957**	**184,396**

The effective weighted average interest rates at the reporting date are as follows:

	30 June 2017	31 December 2016
Bank lending (non-current) - EUR	2.2%	2.0%
Bank lending (current) - EUR	5.6%	5.6%
Bank lending (current) - GBP	5.0%	5.3%
Bank lending (current) - USD	5.8%	5.4%
Bond issues - EUR	4.4%	4.5%
Finance lease obligations	3.4%	4.1%

The loans are denominated primarily in Euro.

During 2017, Cenergy Holdings' subsidiaries obtained new bank loans in Euro, which amounted to EUR 127 million and repaid bank loans of EUR 146 million with maturity date in 2017. The new loans obtained mainly concern withdrawals from existing revolving credit lines of current bank loans having similar terms and conditions. The current bank loans have an average interest rate of 5.6%. In addition, the subsidiary Fulgor S.A. received a new five-year loan of EUR 3,057 thousand with interest rate 6M Euribor plus margin, in order to extend its production capacity of its plant in Soussaki. The margin for this loan is similar to the terms of the existing bond issues.

The decrease in loans and borrowings is mainly attributed to the bond repayments that took place during the year in accordance with their terms.

The subsidiaries have adequate credit lines available to meet future needs.

Mortgages and pledges in favour of banks have been recorded on property, plant and equipment of subsidiaries.

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 2017 of breach of the terms of the loans of Cenergy Holdings' companies.

14. Trade and other payables

The increase in suppliers' balances (EUR 13.7 million) follows the increase for materials and finished goods that will be used in the ongoing projects of subsidiaries. There is also an increase in advances received from customers (EUR 18.5 million) for the execution of current projects.

15. Financial instruments

A. Carrying amounts 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.

30 June 2017

Amounts in EUR thousand	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	4,662	-	-	4,662	**4,662**
Derivative financial assets	479	109	370	-	**479**
	5,140	**109**	**370**	**4,662**	**5,140**
Derivative financial liabilities	(1,577)	-	(1,577)	-	**(1,577)**
	3,564	**109**	**(1,207)**	**4,662**	**3,564**

31 December 2016

Amounts in EUR thousand	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	4,662	-	-	4,662	**4,662**
Derivative financial assets	3,340	120	3,220	-	**3,340**
	8,002	**120**	**3,220**	**4,662**	**8,002**
Derivative financial liabilities	(1,282)	(360)	(922)	-	**(1,282)**
	6,720	**(239)**	**2,297**	**4,662**	**6,720**

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques 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

There was no movement in Level 3 financial assets during the period.

B. Measurement of fair values

(a) Valuation techniques and significant unobservable inputs

During the period there were no changes in valuation processes compared to those described in the last annual consolidated financial statements as at and for the period ended 31 December 2016.

(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 2017 during the period and no transfers either in 2016.

16. Commitments

Purchase commitments

The subsidiaries have entered into contracts according to their investment plans, which are expected to be concluded during the next 12 months.

Amounts in EUR thousand	**30 June 2017**	**31 December 2016**
Property, plant and equipment	2,953	2,405

17. 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 six months ended 30 June	
Amounts in EUR thousand	**2017**	**2016**
Sales of goods		
Equity-accounted investees	45	13,184
Other related parties	34,450	12,277
	34,496	**25,461**
Sales of services		
Equity-accounted investees	138	160
Other related parties	586	656
	724	**815**
Sales of property, plant & equipment		
Other related parties	80	7
	80	**7**
Purchases of goods		
Other related parties	9,820	15,366
	9,820	**15,366**
Purchases of services		
Viohalco	119	149
Equity-accounted investees	2,342	2,326
Other related parties	3,834	3,131
	6,295	**5,605**
Purchase of property, plant and equipment		
Equity-accounted investees	60	304
Other related parties	610	326
	670	**630**

Other related parties comprise subsidiaries, associates and joint ventures of Viohalco Group.

Transactions with Metal Agencies S.A. which ceased to be an equity-accounted investee as from 30 June 2016, as a result of the loss of significant influence are presented in H1 2017 as transactions with “Other related parties”.
In addition, during H1 2017, sales performed through the commercial related parties to external customers have increased, while purchases of goods from other related parties were reduced, as Cenergy Holdings’ companies had purchased higher volumes of raw materials from affiliates in H1 2016 compared to H1 2017 in order to cover production needs.

Services to and from related parties as well as sales and purchases of goods are carried out in accordance with the price lists applying to non-related parties.

During the first quarter of 2016, the shares of VET S.A. were acquired from SOVEL SA (a subsidiary of Viohalco) against EUR 6,103 thousand.

Icme Ecab received a loan of EUR 5,150 thousand in market rates from Viohalco, which was renewed during 2017. There is no collateral for this short-term loan. The movement of this loan during the period is as follows:

Amounts in EUR thousand	2017	2016
Balance at January 1	**5,175**	**5,150**
Loans granted during the year	-	-
Interest charged for the period	150	303
Interest paid	(150)	(278)
Balance at the end of the period	**5,175**	**5,175**

Closing balances that arise from sales/purchases of goods, services, fixed assets, etc. are as follows:

	30 June 2017	31 December 2016
Current receivables from related parties		
Viohalco	-	8
Equity-accounted investees	452	79
Other related parties	37,569	24,400
	38,021	**24,487**
Non-current receivables from related parties		
Equity-accounted investees	3,603	3,603
	3,603	**3,603**
Current liabilities to related parties		
Viohalco	914	818
Equity-accounted investees	2,530	2,243
Other related parties	17,540	10,802
	20,984	**13,863**

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 12 months, since the balances concern only short-term receivables & payables.

B. Key management personnel compensation

The remuneration paid during the six months ended 30 June 2017 to the Board members and the executive management for the execution of their mandate amounted to EUR 373 thousand (H1 2016: EUR 210 thousand).
The fees to directors and executive management are fixed compensation. No variable compensation, post-employment benefits or share based benefits were paid during the period.

18. Subsequent events

There are no subsequent events affecting the Condensed Consolidated Interim Financial Statements.

KPMG

Statutory auditor's report to the board of directors of Cenergy Holdings SA on the review of the condensed consolidated interim financial statements as at 30 June 2017 and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Cenergy Holdings SA as at 30 June 2017, the condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial statements"). The board of directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2017 and for the six-month period then ended are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Brussels, 27 September 2017

KPMG Réviseurs d'Entreprises
Statutory Auditor
represented by

Benoit Van Roost
Réviseur d'Entreprises

In addition to the results reported in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, Management presents information regarding certain alternative performance measures which are not prepared in accordance with IFRS ("Alternative Performance Measures" or "APMs"). These APMs are: **Earnings Before Interest and Tax (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, we believe that investors will have better understanding of our business, our results of operations and our financial position. However, these APMs shall not be considered as an alternative to the IFRS measures.

EBIT, EBITDA, Adjusted EBITDA have limitations as analytical tools, and investors should not consider them in isolation, or as a substitute for analysis of the operating results as reported under IFRS and they may not be comparable to similarly titled measures of other companies.

EBIT is defined as the Operating result as reported in the Consolidated statement of profit or loss plus Share of profit/(loss) of equity accounted investees, net of tax.

EBITDA is defined as EBIT plus depreciation and amortization (net of the amortization of grants).

Adjusted EBITDA is defined as EBITDA excluding restructuring costs, metal price lag, unrealised (gains)/losses on foreign currency balances and derivatives and other exceptional or unusual (income)/expenses.

Net debt is defined as the total of long term loans and borrowings and short term loans and borrowings less cash and cash equivalents.

Reconciliation of Operating Profit to EBIT, EBITDA and Adjusted EBITDA:

	For the six months ended 30 June	
Amounts in EUR thousand	**2017**	**2016**
Operating profit	**13,152**	**24,278**
Share of profit/(loss) of equity accounted investees, net of tax	(19)	(126)
EBIT	**13,134**	**24,152**
Depreciation & Amortization	11,058	10,099
EBITDA	**24,192**	**34,251**
Metal price lag (1)	(1,664)	2,337
Unrealized (gains)/losses on foreign currency balances and derivatives	173	89
Restructuring costs	-	123
Other exceptional or unusual (income)/expenses (2)	(2)	(1,620)
Adjusted EBITDA	**22,700**	**35,179**

(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 minimize the effect of the Metal Price Lag on their results. However, there will be always some impact (positive or negative) in the P&L, since in Cables segment part of the inventory is treated as fixed asset and not hedged and in the Steel Pipes segment no commodities hedging is possible.

(2) Other exceptional or unusual (income)/expenses for 2016, mainly include the gain from exchange of shares of International Trade.

Reconciliation of loans and borrowings to Net debt:

Amounts in EUR thousand	Cables segment		Steel pipes segment		Other activities		Cenergy Holdings	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Loans and borrowings - Long term	98,877	104,999	72,079	79,397	-	-	170,957	184,396
Loans and borrowings - Short term	150,107	141,884	107,226	120,940	-	-	257,333	262,823
Cash and cash equivalents	(4,808)	(6,811)	(27,341)	(62,813)	(1,114)	(1,706)	(33,263)	(71,329)
Net debt	**244,176**	**240,072**	**151,964**	**137,524**	**(1,114)**	**(1,706)**	**395,026**	**375,890**