CENERGY HOLDINGS

INTERIM REPORT

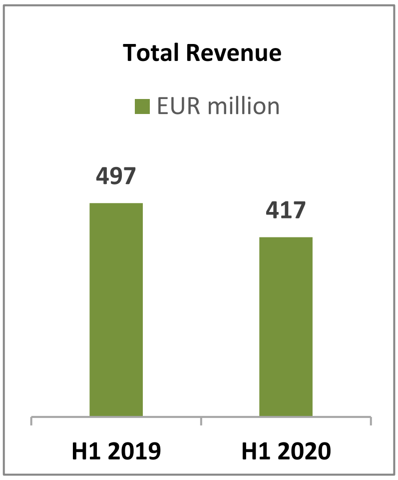
FOR THE SIX MONTH PERIOD ENDED

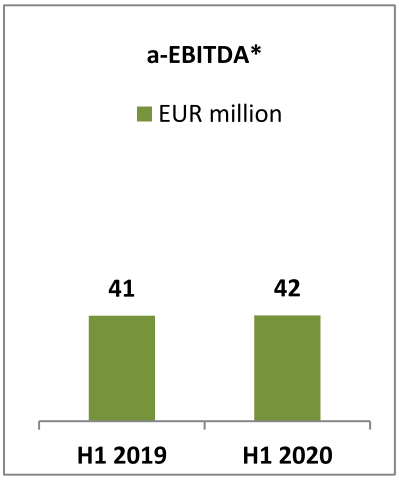
30 JUNE 2020

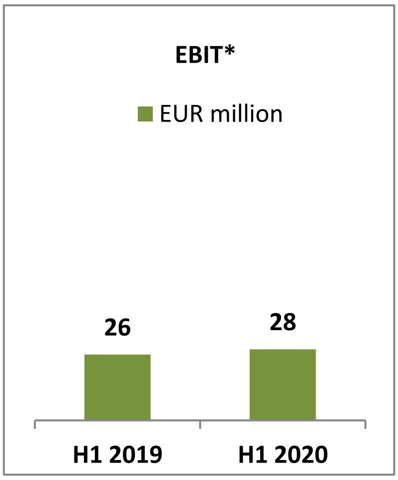
CORINTH PIPEWORKS / HELLENIC CABLES

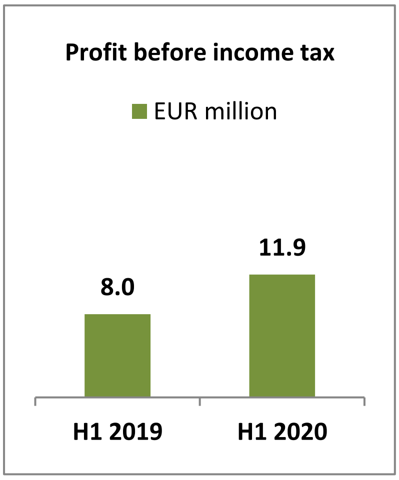
CONTENTS

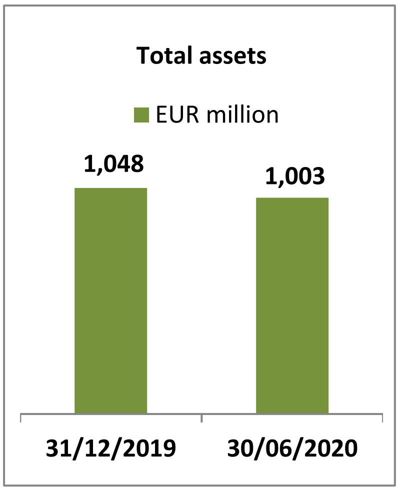
KEY CONSOLIDATED FINANCIAL DATA

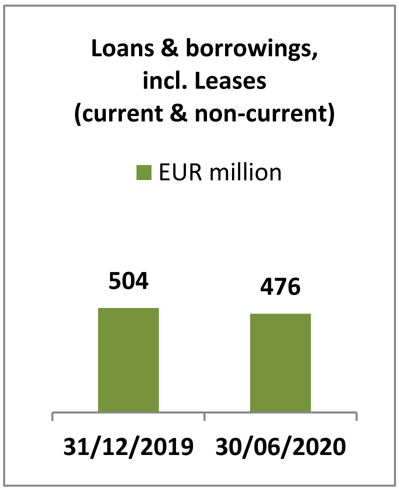


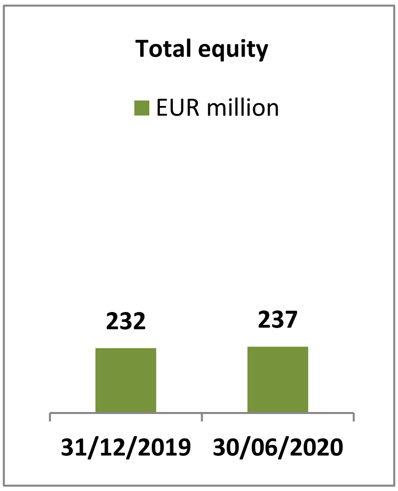












** Source: For the definitions of a-EBITDA and EBIT, see section APMs.*

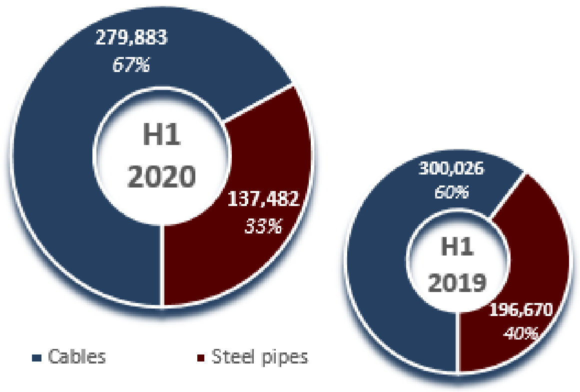
This section focuses on Cenergy Holdings' business performance for the period ended 30 June 2020. The Condensed Consolidated Interim Financial Statements, prepared in accordance with IAS 34, are presented on pages 14 to 36.

Key highlights

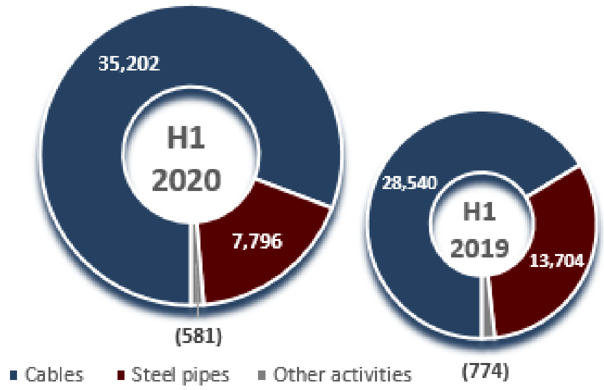
Resilience through hard times leads to profitability in H1 2020

- Stable operational profitability despite sales drop – Cables projects business drove **adjusted EBITDA to EUR 42.4 million** (H1 2019: EUR 41.4 million).
- **Substantial order backlog** at EUR 640 million as of 30 June 2020 (31 December 2019: EUR 530 million).
- Consolidated **profit before tax of EUR 11.8 million** vs. EUR 8.0 million in H1 2019.
- Management's top priority to protect and ensure employees' health & safety, secure supply chain and guarantee production continuity.

Revenue per segment (in EUR thousand)



a-EBITDA per segment (in EUR thousand)



Overview

As outlined in the Group's 2019 Annual Report, 2020 started with cautious optimism as European markets continued to grow and both demand and prices in our operating markets demonstrated positive trends. The outbreak of the SARS-Cov-2 virus during the first quarter forced every company in the world to reconsider such estimations. Cenergy Holdings companies have immediately activated protection mechanisms for their human resources and their partners in compliance with health authorities' guidelines, ensured availability of raw materials and liquidity for their smooth operation during the second quarter and closely monitored local and global developments.

The robust profitability the Group recorded during H1 2020 demonstrates both the resilience built throughout its recent history and the results of the above measures which allowed all plants to work at satisfactory levels throughout the first semester. As a result, operational profitability (adjusted EBITDA) was stable at the levels of H1 2019, despite the 16% decrease in sales revenue, as both segments focused and successfully delivered high technology and high margin projects in the energy transfer markets. The tendering activity continued without disruptions with the total backlog as of 30 June 2020 reaching EUR 640 million.

In the cables segment, the good momentum of 2019 persisted during H1 2020 with the segment displaying a solid performance due to the high utilization of the submarine production lines and the smooth execution of projects. The demand in the products business was somehow shaken in April and May 2020, leading to a lower turnover there. The focus in value added products, however, allowed higher profit margins and a lift in profitability, leading the entire segment to a healthy performance. This was further stimulated by initiatives to enter new geographical markets and continue improving the quality of industrial products (high value-added solutions).

On the other hand, the steel pipes segment was affected by the historical decrease in oil & gas prices observed from March to mid-May 2020, which was further amplified by the effects of the pandemic. Market conditions being highly volatile, a large number of exploration projects were at best postponed if not cancelled, especially in the USA, narrowing the available tender opportunities for Corinth Pipeworks (hereafter "CPW"), the Group's main company in the segment. Turnover fell by almost 30% compared to H1 2019, while operational profitability in terms of adjusted EBITDA also suffered a decrease by EUR 5.9 million. Nonetheless, CPW demonstrated considerable stamina throughout these hard times, strengthening its presence in existing and emerging markets (Europe, North Africa, Asia, Central America), winning important new onshore and offshore projects and securing an uninterrupted production process all throughout the semester.

Group financial review

Amounts in EUR thousand	**H1 2020**	**H1 2019**
Revenue	**417,365**	**496,696**
Gross profit	46,954	44,699
a-EBITDA	**42,418**	**41,471**
a-EBITDA margin	*10.2%*	*8.3%*
EBITDA	**40,161**	**38,580**
a-EBIT	30,737	28,496
EBIT	**28,481**	**25,606**
Net finance costs	(16,617)	(17,562)
Profit before income tax	**11,864**	**8,044**
Profit of the year	8,076	4,297
Profit attributable to owners of the Company	8,076	4,307

- *Source: Condensed Consolidated Statement of Profit or Loss and section APMs*

Amounts in EUR	**H1 2020**	**H1 2019**
Earnings per share	***0.0425***	***0.0226***

Consolidated revenue for 30 June 2020 stands at EUR 417 million, a 16% y-o-y decrease reflecting the slowdown of demand of steel pipes, mainly because of lower oil & gas prices.

Adjusted EBITDA remained stable at EUR 42.4 million (H1 2019: 41.5 million), with cables achieving a meaningful increase to EUR 35.2 million (from EUR 28.5 million in H1 2019) and covering the gap in steel pipes (EUR 7.8 million vs. EUR 13.7 million in H1 2019).

Overall, the focus of the Group in value-added products is clear from the increase of a-EBITDA margin to 10.2% compared to 8.3% during H1 2019, the larger part of this gain coming from demanding cables projects executed during this period.

Net finance costs fell by 5.4% to EUR 16.6 million (-EUR 0.9 million compared to H1 2019), as net interest was EUR 1 million or 5% lower to its H1 2019 levels due both to lower rates and to a successful WC management by CPW.

Taken as a whole, Cenergy Holdings recorded a healthy profit before income tax of EUR 11.9 million in the first semester of this year compared to EUR 8.0 million in the corresponding 2019 semester.

Profit for the period amounted to EUR 8.1 million in H1 2020 compared to EUR 4.3 million in H1 2019.

Amounts in EUR thousand	**30 June 2020**	**31 December 2019**
ASSETS		
Property, plant and equipment	438,381	422,066
Investment property	764	764
Other non-current assets	78,220	73,982
Non-current assets	**517,366**	**496,812**
Inventories	217,833	228,495
Trade and other receivables	146,999	112,577
Contract assets	92,964	118,573
Cash and cash equivalents	26,040	90,408
Other current assets	1,395	760
Current assets	**485,232**	**550,814**
TOTAL ASSETS	**1,002,598**	**1,047,626**
EQUITY	**237,264**	**231,862**
LIABILITIES		
Loans and borrowings	162,045	177,730
Lease liabilities	3,653	3,990
Deferred tax liabilities	22,656	22,985
Other non-current liabilities	28,250	29,395
Non-current liabilities	**216,604**	**234,100**
Loans and borrowings	308,706	320,827
Lease liabilities	1,786	1,768
Trade and other payables	179,426	213,794
Contract liabilities	51,122	43,528
Other current liabilities	7,690	1,746
Current liabilities	**548,730**	**581,663**
TOTAL LIABILITIES	**765,334**	**815,763**
TOTAL EQUITY & LIABILITIES	**1,002,598**	**1,047,626**

Non-current assets increased from EUR 497 million on 31 December 2019 to EUR 517 million on 30 June 2020. **Capital expenditure** during the semester amounted to EUR 22.0 million for the cables segment, as the inter-array investment program is on schedule and progressing, and another EUR 7.5 million for the steel pipes segment, for an upgrade of the existing production lines in Thisvi plant.

Working capital (incl. contract assets & liabilities), as of 30 June 2020, rose to EUR 227 million (+12% y-o-y) mostly due to the increased needs of cable projects scheduled for 2020.

Consequently, **net debt** increased as well to EUR 450 million (31.12.2019: EUR 414 million), as the larger part of the cash available at the end of 2019 was used for financing of operating activities. Net debt repayments amounted to EUR 30 million for H1 2020, pushing the Group's debt (incl. lease liabilities) lower, to EUR 476 million from EUR 504 million a year earlier. The term structure mix of debt outstanding remains constant at 35% - 65% in favour of short term lines. The latter are predominantly revolving credit facilities supporting specific ongoing projects.

Performance by business segment

Cables

Cables segment's results of the first half of the year are characterized by the **steady growth** of projects' business and the **financial resilience** demonstrated during the COVID-19 crisis. As expected, the products business that is partially interconnected to the construction sector was impacted in Q2 2020 by the pandemic, although it had recorded a promising start in Q1 2020. Despite the challenges, cables companies achieved a high capacity utilisation level in all production units that drove **operational profitability** (adjusted EBITDA) **higher by 23%** compared to H1 2019.

The main highlights of the cable projects' business unit for H1 2020 are summarized below:

- The Crete – Peloponnese interconnection in Greece with high voltage cables entered production stage.
- Scottish & Southern Electricity Networks awarded an order for 11 kV and 33 kV interarray cables.
- 88km high voltage cables for the connection of the Hollandse Kust Zuid (HKZ) Alpha offshore platform to the onshore grid were loaded during June 2020.
- The Hollandse Kust Zuid (HKZ) Beta offshore platform and the Seagreen project progressed as scheduled.
- The high voltage submarine systems connecting the islands Paros and Naxos, as well as Naxos and Mykonos in the Aegean Sea, with the onshore high voltage grid of ADMIE on the mainland were successfully installed during Q1 2020.
- Hellenic Cables was awarded a contract by the Renewables business unit of Subsea 7, to supply 320km of 66kV inter-array cables and accessories for the Seagreen offshore wind farm in the UK.

Despite a full production schedule, Hellenic Cable continued its efforts in the tendering area, participating in several tenders across a number of geographical areas and succeeding to secure several awards, especially in the inter-array market. The **orders backlog** at 30 June 2020 amounted to **EUR 440 million**.

On the other hand, the products business units recorded a lower sales volume for both low voltage power and telecom cables (-6% compared to H1 2019), but succeeded in improving the sales mix towards higher value-added products. Hence, the negative impact of the COVID-19 crisis on the low voltage and telecom sectors during Q2 was counterbalanced by solid demand for medium voltage cables coming from Central Europe.

On the environmental front, Hellenic Cables has entered an agreement with Enel Green Power to ensure that 100% of its power supply needs in Greece originate from renewable energy. This is another step taken by Hellenic Cables to minimize its environmental impact. It follows a series of initiatives in the same line including adoption of circular economy practices and waste reduction.

It is also worth noting that all plants, irrespective of their specific product range, remained fully operational throughout the COVID-19 crisis, since an action plan to adapt to stricter health and safety standards, secure an undisrupted supply chain and mitigate financial impact with liquidity preservation, was immediately put in place from mid-March 2020 onwards.

Driven by the above, the segment exhibited a **EUR 6.7 million increase in adjusted EBITDA**, reaching EUR 35.2 million in H1 2020, up from EUR 28.5 million in H1 2019.

Investments continued during this turbulent semester and amounted to EUR 22 million, mainly for:

- the expansion of inter-array cable capacity in the submarine cable production plant in Corinth (Fulgor), so that we can better supply a wide range of cables and support the growing offshore wind market;
- productivity and operational improvements at the Thiva plant (Hellenic Cables) and in Romania (Icme Ecab).

Net finance costs were constant (-2% compared to H1 2019), at EUR 11.1 million, as improved interest rates offset the increase in net debt (higher WC) coming, on the one hand, from initiatives to secure sufficient raw materials through disperse international lockdowns and, on the other, from the specific payment milestone structure of projects in progress.

Profit before income tax reached EUR 14.5 million, compared to EUR 6.6 million recorded in H1 2019 while **net profit after tax** followed the same trend and reached **EUR 11.1 million** (EUR 4.3 million in H1 2019).

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	**2020**	**2019**
Revenue	**279,883**	**300,026**
Gross profit	36,961	28,824
Gross profit (%)	13.2%	9.6%
Adjusted EBITDA	**35,202**	**28,540**
Adjusted EBITDA (%)	12.6%	9.5%
EBITDA	**32,946**	**25,794**
EBITDA (%)	11.8%	8.6%
a-EBIT	**27,857**	**20,684**
a-EBIT (%)	10.0%	6.9%
EBIT	**25,601**	**17,938**
EBIT (%)	9.1%	6.0%
Net finance costs	**(11,083)**	**(11,313)**
Profit before income tax	**14,518**	**6,625**
Net margin before income tax (%)	*5.2%*	*2.2%*
Profit of the period	**11,052**	**4,323**
Profit attributable to owners of the Company	**11,052**	**4,333**

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

Steel pipes

The first half of 2020 was surely a difficult semester for the steel pipes segment. Energy markets were strongly shaken by the historic oil & gas price drop in early March 2020, its roots being in a price war between major suppliers and leading to the postponement or even cancellation of many fossil fuel distribution projects. The breakup of the COVID 19 pandemic further disturbed energy demand due to extended lockdowns around the globe.

In these adverse market conditions, revenue for the segment declined considerably to EUR 137 million in H1 2020, 30% lower from its H1 2019 level of ca. EUR 200 million. Consequently, gross profit decreased to EUR 10 million in H1 2020 (from EUR 15.9 million in H1 2019) and adjusted EBITDA followed, down to EUR 7.8 million

(EUR 13.7 million in H1 2019). As a result, the segment yielded a **loss before tax** of **EUR 2.1 million**, compared to profits of EUR 2.4 million in H1 2019.

The lower activity resulted in lower working capital needs which, together with improved interest rates, led to lower net interest costs by 11% (H1 2020: EUR 5.5 million vs. H1 2019: EUR 6.2 million). Net debt was also lower by EUR 16 million compared to 31 December 2019. Investments continued, though at a slower pace, and mounted to EUR 7.5 million in the first semester, related mainly to selected operational improvements in existing production lines in the Thisvi plant.

Nonetheless, during this turbulent period, CPW showed a lot of commercial and operational resilience, mainly illustrated by:

- Its **important backlog**, standing on June 30, 2020, at EUR 200 million.
- An effort to **strengthen its presence in new markets** like Europe, Americas, North Africa and Asia, and winning new projects and, above all,
- The safeguarding of its personnel safety, securing uninterrupted production for all its current projects.

More specifically, during the first six months of the year, Corinth Pipeworks successfully completed:

- A further three reel lay projects in the North Sea.
- The Tolmount gas export pipeline for Premier Oil in the UK, installed by Saipem in June.
- The first deliveries of 32” & 36” pipes with CWC to Denmark for the Baltic Gas offshore project.

It is currently executing the Interconnection project between Greece and Bulgaria (ICGB project) with 155 km of 32” pipes, while in the meantime, it has also been awarded the following:

- The Baltic Pipe Lot3 onshore project with 140km of 32”, 36” and 40” pipes in Denmark;
- 35km of 24” LSAW pipes in heavy wall thickness to be used in a slurry pipeline in the Andean Mountains in Chile for Anglo American Sur S.A.
- 200km of HFI pipes for Snam in Italy as part of an ongoing agreement for its onshore gas network maintenance.

Finally, Corinth Pipeworks actively supports the goals of the Paris Climate Agreement and the UN Sustainability Goals, implements important initiatives for a low carbon future and aims to become within 2020 the first steel pipe manufacturer for the energy sector, whose operations will be carbon neutral. One step was the agreement signed with the Public Power Corporation (PPC) of Greece, market leader in power generation and supply, to ensure that 100% of its electricity needs originate from renewable sources. Electricity accounts for 91% of the total energy consumption of the company.

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	**2020**	**2019**
Revenue	**137,482**	**196,670**
Gross profit	9,993	15,875
Gross profit (%)	7.3%	8.1%
Adjusted EBITDA	**7,796**	**13,704**
Adjusted EBITDA (%)	5.7%	7.0%
EBITDA	**7,796**	**13,560**
EBITDA (%)	5.7%	6.9%
a-EBIT	**3,462**	**8,744**
a-EBIT (%)	2.5%	4.4%
EBIT	**3,462**	**8,599**
EBIT (%)	2.5%	4.4%
Net finance costs	**(5,533)**	**(6,240)**
Profit / (Loss) before income tax	**(2,071)**	**2,360**
Net margin before income tax (%)	*(1.5%)*	*1.2%*
Profit / (Loss) of the period	**(2,392)**	**915**
Profit / (Loss) attributable to owners of the Company	**(2,392)**	**915**

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

Main risks and uncertainties for H2 2020

This section has been developed in the notes to the Condensed Consolidated Interim Financial Statements, note 4 “Financial risk management”.

Subsequent events

This section has been developed in the notes to the Condensed Consolidated Interim Financial Statements, note 19 “Subsequent events”.

Outlook

As the world lives through a second wave of the COVID-19 disease, the prediction of the full extent and duration of its business and economic impact remains challenging. Consequently, the range of potential outcomes for the global economy are difficult to predict and the outlook for the remainder of the year, is itself subject to the manner in which this second wave of the epidemic will impact different geographical areas.

Regarding the cables projects business, given the existing backlog and the nature of projects assigned and based on currently available data and information, the impact from COVID-19 on long term business and/or short-term financial results is expected to be limited. Taking into account the strong forecast of new projects and the potential of expanding to new markets, the secured orders and the growth potential of the offshore cables sector, the overall outlook for cables segment remains positive for 2020. Fulgor’s plant (i.e., the submarine cables business unit) is expected to retain the high utilisation capacity throughout the year, continuing to drive the entire segment’s profitability.

Furthermore, in the cable products unit, some signs of demand stability in its main markets of Western Europe, Middle East and the Balkans, start to appear as demand from construction and industrial use shows signs of recovery, after being strongly hit during the first wave of the pandemic. Such markets, however, continue to experience competitive challenges and the segment subsidiaries will actively seek to geographically diversify their revenue streams. Finally, the focus for the cables segment always remains the successful execution of existing projects and the award of new ones, while optimising internal processes to take advantage of any arising new market opportunity.

In the steel pipes segment, the global economic environment in which Corinth Pipeworks operates remains volatile. Nevertheless, CPW has already showed a lot of strength throughout these hard times with uninterrupted production towards the fulfilment of its contractual obligations. Its focus remains the successful execution of existing projects and the award of new ones in both onshore and offshore markets worldwide. Seen from this angle, the outlook for 2020 remains positive as, for H2 2020, there remain considerable secured orders in Europe, Americas, North Africa and Asia that ensure the high utilization capacity of its Thisvi plant.

Overall, despite current market volatility, **Cenergy Holdings** expects to maintain the positive momentum gained in 2019. Its companies' diverse business model and solid organizational structure continue to provide resilience in this challenging environment, providing confidence for long-term sustainable growth.

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

Dimitrios Kyriakopoulos, Alexios Alexiou, Ilias Bekiros and Alexandros Benos, 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 its subsidiaries and associates;
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 2020 annual results	17 March 2021
Ordinary General Meeting 2021	25 May 2021

Contacts

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Condensed Consolidated Statement of Financial Position

Amounts in EUR thousand	Note	30 June 2020	31 December 2019
ASSETS			
Property, plant and equipment	10	438,381	422,066
Right of use assets		5,664	5,881
Intangible assets	11	25,632	24,773
Investment property		764	764
Equity - accounted investees	12	36,212	34,583
Other investments	14	5,617	5,015
Trade and other receivables		1,314	1,482
Contract costs		84	84
Derivatives	14	797	-
Deferred tax assets		2,900	2,164
Non-current assets		**517,366**	**496,812**
Inventories	8	217,833	228,495
Trade and other receivables	9	146,999	112,577
Contract assets	6	92,964	118,573
Contract costs		531	512
Income tax receivables		270	35
Derivatives	14	581	213
Other investments		13	-
Cash and cash equivalents		26,040	90,408
Current assets		**485,232**	**550,814**
Total assets		**1,002,598**	**1,047,626**
EQUITY			
Share capital		117,892	117,892
Share premium		58,600	58,600
Reserves		32,266	34,699
Retained earnings		28,219	20,377
Equity attributable to owners of the Company		**236,977**	**231,568**
Non-controlling interests		286	295
Total equity		**237,264**	**231,862**
LIABILITIES			
Loans and borrowings	13	162,045	177,730
Lease liabilities	13	3,653	3,990
Employee benefits		5,840	5,677
Grants		13,691	14,006
Trade and other payables		1,175	2,170
Deferred tax liabilities		22,656	22,985
Contract liabilities		7,543	7,543
Non-current liabilities		**216,604**	**234,100**
Loans and borrowings	13	308,706	320,827
Lease liabilities	13	1,786	1,768
Trade and other payables		179,426	213,794
Contract liabilities		51,122	43,528
Current tax liabilities		4,328	18
Derivatives	14	3,362	1,728
Current liabilities		**548,730**	**581,663**
Total liabilities		**765,334**	**815,763**
Total equity and liabilities		**1,002,598**	**1,047,626**

The notes on pages 19 to 36 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement of Profit or Loss

Amounts in EUR thousand		For the six months ended 30 June	
	Note	**2020**	**2019**
Revenue	6	417,365	496,696
Cost of sales		(370,411)	(451,997)
Gross profit		**46,954**	**44,699**
Other income		2,482	2,002
Selling and distribution expenses		(5,761)	(6,288)
Administrative expenses		(14,298)	(13,444)
Impairment loss on receivables, including contract assets		(202)	(171)
Other expenses		(1,036)	(1,598)
Operating profit		**28,139**	**25,200**
Finance income		88	1,156
Finance costs		(16,705)	(18,719)
Net finance costs		**(16,617)**	**(17,562)**
Share of profit of equity-accounted investees, net of tax	12	342	406
Profit before tax		**11,864**	**8,044**
Income tax expense	7	(3,787)	(3,747)
Profit for the period		**8,076**	**4,297**
Profit/(Loss) attributable to:			
Owners of the Company		8,076	4,307
Non-controlling interests		-	(10)
		8,076	**4,297**
Earnings per share (in EUR per share)			
Basic and diluted		0.0425	0.0226

The notes on pages 19 to 36 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

		For the six months ended 30 June	
Amounts in EUR thousand	**Note**	**2020**	**2019**
Profit for the period		8,076	4,297
Items that will never be reclassified to profit or loss			
Changes in the fair value of equity instruments at fair value through other comprehensive income	14	602	-
Share of other comprehensive income of associates accounted for using the equity method	12	(141)	-
		461	**-**
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences		(1,705)	1,115
Cash flow hedges – effective portion of changes in fair value		(3,080)	914
Cash flow hedges – reclassified to profit or loss		1,235	491
Related tax		414	(377)
		(3,136)	**2,142**
Total comprehensive income after tax		**5,401**	**6,439**
Total comprehensive income attributable to:			
Owners of the Company		5,410	6,452
Non-controlling interests		(8)	(13)
		5,401	**6,439**

The notes on pages 19 to 36 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement 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 2020	**117,892**	**58,600**	**(17,552)**	**52,251**	**20,377**	**231,568**	**295**	**231,862**
Total comprehensive income								
Profit / (Loss) for the period	-	-	-	-	8,076	**8,076**	-	**8,076**
Other comprehensive income	-	-	(1,701)	(825)	(141)	**(2,667)**	(8)	**(2,675)**
Total comprehensive income	**-**	**-**	**(1,701)**	**(825)**	**7,935**	**5,410**	**(8)**	**5,401**
Transactions with owners of the company								
Contributions and distributions								
Transfer of reserves	-	-	-	93	(93)	**-**	-	**-**
Total contributions and distributions	**-**	**-**	**-**	**93**	**(93)**	**-**	**-**	**-**
Balance as at 30 June 2020	**117,892**	**58,600**	**(19,253)**	**51,519**	**28,219**	**236,977**	**286**	**237,264**

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 2019	**117,892**	**58,600**	**(18,676)**	**51,950**	**(6,784)**	**202,981**	**317**	**203,298**
Total comprehensive income								
Profit / (Loss) for the period	-	-	-	-	4,307	**4,307**	(10)	**4,297**
Other comprehensive income	-	-	1,120	1,026	-	**2,146**	(3)	**2,142**
Total comprehensive income	**-**	**-**	**1,120**	**1,026**	**4,307**	**6,452**	**(13)**	**6,439**
Transactions with owners of the company								
Contributions and distributions								
Transfer of reserves	-	-	-	50	(50)	**-**	-	**-**
Total contributions and distributions	**-**	**-**	**-**	**50**	**(50)**	**-**	**-**	**-**
Changes in ownership interests								
Acquisition of subsidiary (Common control transaction)	-	-	-	-	(26)	**(26)**	-	**(26)**
Total changes in ownership interests	**-**	**-**	**-**	**-**	**(26)**	**(26)**	**-**	**(26)**
Total transactions with owners of the Company	**-**	**-**	**-**	**50**	**(76)**	**(26)**	**-**	**(26)**
Balance as at 30 June 2019	**117,892**	**58,600**	**(17,557)**	**53,026**	**(2,553)**	**209,408**	**304**	**209,712**

The notes on pages 19 to 36 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement of Cash Flows

Amounts in EUR thousand	Note	For the six months ended 30 June 2020	2019
Cash flows from operating activities			
Profit of the period		8,076	4,297
Adjustments for:			
- Income tax		3,787	3,747
- Depreciation	5	10,311	12,096
- Amortization	5	1,755	1,265
- Amortization of grants		(386)	(386)
- Net finance costs		16,617	17,562
- Share of profit of equity-accounted investees, net of tax		(342)	(406)
- (Gain) / loss from sale of property, plant & equipment		-	10
- Change in fair value of derivatives		(1,377)	(189)
- Impairment / (Reversal of impairment) of inventories		165	(461)
- Impairment loss on receivables, including contract assets		202	171
		38,809	37,706
Changes in:			
- Inventories		10,497	34,146
- Trade and other receivables		(34,456)	61,039
- Trade and other payables		(34,699)	(34,296)
- Contract assets		25,609	(55,711)
- Contract liabilities		7,594	(10,105)
- Contract costs		(18)	1,259
- Employee benefits		163	146
Cash generated from operating activities		13,499	34,183
Interest charges & related expenses paid		(14,616)	(17,039)
Income tax paid		(267)	(338)
Net Cash from / (used in) operating activities		**(1,384)**	**16,806**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(28,430)	(25,605)
Acquisition of intangible assets		(1,334)	(766)
Acquisition of subsidiary, net of cash acquired		-	(23)
Acquisition of associate	12	(3,285)	-
Dividends received		60	50
Interest received		17	19
Acquisition of financial assets		(13)	-
Net Cash flows used in investing activities		**(32,984)**	**(26,325)**
Cash flows from financing activities			
Proceeds from borrowings	14	24,052	31,410
Repayment of borrowings	14	(53,261)	(42,695)
Principal elements of lease payments		(929)	(785)
Proceeds from grants		72	169
Net cash flows from / (used in) financing activities		**(30,066)**	**(11,901)**
Net (decrease)/ increase in cash and cash equivalents		**(64,433)**	**(21,420)**
Cash and cash equivalents at 1 January		90,408	65,203
Effect of movement in exchange rates on cash held		65	203
Cash and cash equivalents at 30 June		**26,040**	**43,987**

The notes on pages 19 to 36 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 23 September 2020.

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 2019. 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 2019.

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 described in the consolidated financial statements as at and for the year ended 31 December 2019.

3. Significant accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Cenergy Holdings' consolidated financial statements as at and for the year ended 31 December 2019.

The changes in accounting policies are also expected to be reflected in the annual consolidated financial statements as at and for the year ending 31 December 2020.

A. Standards and Interpretations effective for the current financial year

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2020 and have been applied in preparing these consolidated financial statements. None of these had a significant effect on the consolidated financial statements of the Group.

IFRS 3 (Amendments) 'Definition of a business'
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.

IAS 1 and IAS 8 (Amendments) 'Definition of material'
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 IFRSs.

IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform'
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.

B. Standards and Interpretations effective for subsequent periods

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions' <u>(effective for annual periods beginning on or after 1 June 2020)</u>
The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications. The amendment has not yet been endorsed by the EU.

IFRS 4 (Amendment) 'Extension of the Temporary Exemption from Applying IFRS 9' <u>(effective for annual periods beginning on or after 1 January 2021)</u>
The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 'Insurance Contracts' from applying IFRS 9 'Financial Instruments', so that entities would be required to apply

IFRS 9 for annual periods beginning on or after 1 January 2023. The amendment has not yet been endorsed by the EU.

IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use' (effective for annual periods beginning on or after 1 January 2022)
The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities. The amendment has not yet been endorsed by the EU.

IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract' (effective for annual periods beginning on or after 1 January 2022)
The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment has not yet been endorsed by the EU.

IFRS 3 (Amendment) 'Reference to the Conceptual Framework' (effective for annual periods beginning on or after 1 January 2022)
The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been endorsed by the EU.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2023)
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.

Annual Improvements to IFRS Standards 2018–2020 (effective for annual periods beginning on or after 1 January 2022)
The amendments set out below include changes to three IFRSs. The amendments have not yet been endorsed by the EU.

- *IFRS 9 'Financial instruments'*
  The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

- *IFRS 16 'Leases'*
  The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

- *IAS 41 'Agriculture'*
  The amendment has removed the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41.

4. Financial risk management

There were no changes in Cenergy Holdings' subsidiaries financial risk management objectives and policies during 2020.

Cenergy Holdings' companies follows closely and continuously both international and domestic developments and timely adapt their business strategy and risk management policies in order to minimize the operational impact of macroeconomic conditions.

Impact of COVID-19 Outbreak

The COVID-19 pandemic has had a limited impact on the financial performance of the Group's cables segment, during the first half of 2020, while the steel pipes segment experienced a negative sway, mainly due to the large oil & gas prices fall and the subsequent drop in demand of steel pipes products.

The health and safety of the Group's employees is of the highest priority for the Executive Management, which continues to closely monitor the situation, observing national and local authority guidelines and ensuring an undisrupted supply chain. Since the beginning of the COVID-19 outbreak, Cenergy Holdings Management has put in place a multi-faceted action plan to mitigate negative effects and focusing on the following pillars:

- Workforce protection, to avoid production interruptions
- Operational stability and customer engagement
- Continuity of the supply chain
- Sufficient liquidity
- Commercial resilience (both sales & orders)

The measures introduced were successfully implemented at all sites, and until now all production plants of both segments in Greece, Romania and Bulgaria are in undisrupted operation. Production continuity was maintained, while health & safety measures were enforced. Raw material supply was safeguarded and the Group faced no shortage whatsoever in all critical inputs.

The expenses related to COVID 19 measures applied during the first six months of 2020 amounted to EUR 596 thousand. Such expenses concerned mainly medical equipment, employee benefits, nursery staff and other related expenses.

In the context of uncertainty caused by the pandemic, Cenergy Holdings subsidiaries have also taken the following, more detailed actions to anticipate any negative financial feedback:

- Secure the subsidiaries' liquidity position through a close monitoring of operating cash flows coupled to confirming sufficient unutilised credit lines.
- Review the capital expenditures plans and suspend any non-strategic and/or non-essential outlays.
- Put in place a cost savings plan for 2020 onwards, without jeopardizing the projected growth of both segments.
- Investigate the extent to which subsidiaries may apply for and receive government assistance in the countries they operate.

All of the above areas will continue to be a high priority for the Group's Executive Management.

On the other hand, so far, the commercial implications for Cenergy Holdings have been limited.

In the cables segment, only the telecom and low voltage markets experienced a downturn during the first half of the year. On the contrary, a number of medium and high voltage cable projects and/or corresponding frame agreements were instead awarded during that same period.

Despite the fact that the steel pipes segment has seen a significant drop in customer demand, mainly due to the significant decrease in oil prices that particularly impacted the feasibility of planned exploration projects, Corinth Pipeworks was awarded significant onshore and offshore projects in Europe, Americas, North Africa and Asia. These projects enhance Corinth's backlog and create anticipations of a positive performance for the second semester of 2020.

Given the present economic downturn and besides the aforementioned actions, the Group has re-examined non-financial and financial assets for possible impairment.

Regarding intangible assets with indefinite useful life, related to the offshore cables business unit, management concluded there are no indications of impairment for the time being. This is grounded on (a) the observation that demand in that sector seems unaffected by the downturn, (b) the fact that operating profitability for 2020 of the business unit is in line with expectations and (c) the sufficient headroom of EUR 345 million based on the latest impairment test, disclosed in 2019 Annual Report.

For trade and other receivables allowances in the context of the Expected Credit Loss model, Cenergy Holdings' subsidiaries used provisional rates based on, among others, revised forecasts of future economic conditions, in addition with specific information for individual trade receivables. The reassessment shows that the recoverability of the receivables was not significantly altered.

A reassessment of the recoverability of deferred tax assets was equally performed by subsidiaries based on forecasted taxable profits. It was concluded that deferred tax assets remain recoverable.

Finally, regarding loan covenants, Cenergy Holdings subsidiaries will make every effort to obtain a waiver from our banking partners at the next measurement date (December 31st, 2020) in view of the covenants which are expected to be breached, as has always been the case in the past whenever such a waiver was necessary. In the unlikely event that no waivers will be obtained, existing credit lines will cover any obligations that may arise from such breaches.

The future impact of COVID-19 pandemic remains challenging to foresee and will be closely linked to a potential second wave of the pandemic and the duration of restrictions imposed across the globe.

5. Operating segments

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 2020 and 2019.

30 June 2020	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment revenue	417,123	166,859	-	583,981
Inter-segment revenue	(137,240)	(29,376)	-	(166,616)
External revenues	**279,883**	**137,482**	**-**	**417,365**
Gross profit	36,961	9,993	-	46,954
Operating profit / (loss)	25,601	3,312	(773)	28,139
Finance income	3	85	-	88
Finance costs	(11,086)	(5,618)	(2)	(16,705)
Share of profit of equity-accounted investees, net of tax	-	151	192	342
Profit / (Loss) before tax	**14,518**	**(2,071)**	**(583)**	**11,864**
Income tax expense	(3,466)	(322)		(3,787)
Profit/(Loss) for the period	**11,052**	**(2,392)**	**(583)**	**8,076**

30 June 2019	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment revenue	473,758	258,142	-	731,900
Inter-segment revenue	(173,732)	(61,473)	-	(235,204)
External revenues	**300,026**	**196,670**	**-**	**496,696**
Gross profit	28,824	15,875	-	44,699
Operating profit / (loss)	17,938	8,291	(1,030)	25,200
Finance income	1,146	10	-	1,156
Finance costs	(12,459)	(6,250)	(9)	(18,719)
Share of profit of equity-accounted investees, net of tax	-	308	98	406
Profit / (Loss) before tax	**6,625**	**2,360**	**(941)**	**8,044**
Income tax expense	(2,302)	(1,444)	-	(3,747)
Profit/(Loss) for the period	**4,323**	**915**	**(941)**	**4,297**

Other information per segment as at and for the period ended 30 June 2020 and 30 June 2019 are as follows:

30 June 2020	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Depreciation and amortization	(7,731)	(4,334)	(1)	**(12,066)**
Capital expenditure	22,008	7,527	-	**29,535**

30 June 2019	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Depreciation and amortization	(8,242)	(4,960)	(158)	**(13,361)**
Capital expenditure	21,604	3,619	1	**25,224**

Information per segment about the reportable segments' assets and liabilities as at 30 June 2020 and 31 December 2019 are as follows:

30 June 2020	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment assets	586,476	388,066	28,055	**1,002,598**
Out of which: Equity-accounted investees	-	16,083	20,129	**36,212**
Segment liabilities	523,510	241,471	353	**765,334**

31 December 2019	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment assets	602,426	416,842	28,358	**1,047,626**
Out of which: Equity-accounted investees	-	*14,161*	*20,422*	***34,583***
Segment liabilities	548,654	266,540	570	**815,763**

6. Revenue

Cenergy Holdings' operations and main revenue streams are those described in the last annual financial statements.

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 5):

Primary geographical markets

Segment	**Cables**		**Steel Pipes**		**Total**	
Amounts in EUR thousand	**H1 2020**	**H1 2019**	**H1 2020**	**H1 2019**	**H1 2020**	**H1 2019**
Greece	139,552	113,772	10,478	7,479	150,030	121,252
Other European Union countries	119,974	153,752	90,600	109,428	210,574	263,180
Other European countries	2,244	4,646	4,738	6,267	6,981	10,913
America	-	1,087	31,086	73,496	31,086	74,583
Rest of the world	18,113	26,769	581	-	18,694	26,769
Total	**279,883**	**300,026**	**137,482**	**196,670**	**417,365**	**496,696**

Major products and service lines

Segment	**Cables**		**Steel Pipes**		**Total**	
Amounts in EUR thousand	**H1 2020**	**H1 2019**	**H1 2020**	**H1 2019**	**H1 2020**	**H1 2019**
Steel pipes projects	-	-	121,553	182,257	121,553	182,257
Hollow structural sections	-	-	7,263	8,556	7,263	8,556
Cables projects	109,875	112,780	-	-	109,875	112,780
Power & telecom cables	145,058	155,654	-	-	145,058	155,654
Enameled cables & wires	-	21,623	-	-	-	21,623
Other (raw materials, scrap, merchandize etc.)	24,949	9,969	8,666	5,857	33,616	15,825
Total	**279,883**	**300,026**	**137,482**	**196,670**	**417,365**	**496,696**

Timing of revenue recognition

Segment	**Cables**		**Steel Pipes**		**Total**	
Amounts in EUR thousand	**H1 2020**	**H1 2019**	**H1 2020**	**H1 2019**	**H1 2020**	**H1 2019**
Products transferred at a point in time	170,007	187,246	15,930	14,413	185,937	201,659
Products / Services transferred over time	109,875	112,780	121,553	182,257	231,428	295,037
Total	**279,883**	**300,026**	**137,482**	**196,670**	**417,365**	**496,696**

Consolidated revenue for 30 June 2020 stands at EUR 417 million, a 16% y-o-y increase reflecting the slowdown of demand in steel pipes segment mainly due to the impact of lower oil & gas prices.

Contract balances

The contract assets primarily relate to the rights to consideration for work completed but not billed at the reporting date on customized products or energy projects. The contract assets are transferred to receivables when the rights become unconditional. This occurs when the Cenergy Holdings companies issue an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for construction of cutomized products or energy projects.

Contract assets decreased by EUR 25.6 million compared to 31 December 2019 due to lower amounts of unbilled receivables, as for turnkey cables projects, customized steel pipes and cables products, 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 products.

Contract liabilities increased by EUR 7.5 million compared to 31 December 2019, as prepayments for upcoming were received during H1 2020.

7. Income tax

	For the six months ended 30 June	
Amounts in EUR thousand	**2020**	**2019**
Current tax expense	(4,342)	(611)
Deferred tax (expense) / income	555	(3,135)
Total	**(3,787)**	**(3,747)**

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 corporate income tax rate of legal entities in Greece is set at 24% for fiscal year 2020 and onwards. The corporate income tax rate of legal entities in Romania is set at 16%.

Reconciliation of effective tax rate

	For the six months ended 30 June	
Amounts in EUR thousand	**2020**	**2019**
Profit before income tax	**11,864**	**8,044**
Tax using the domestic tax rate in Greece (2019: 28%, 2020: 24%)	(2,847)	(2,252)
Non-deductible expenses for tax purposes	(894)	(1,145)
Tax-exempt income	147	164
Recognition of previously unrecognised tax losses, tax credit or temporary differences of a prior period	330	250
Effect of tax rates in foreign jurisdictions	7	77
Current-year losses for which no deferred tax asset is recognised	(191)	(299)

	For the six months ended 30 June	
Amounts in EUR thousand	**2020**	**2019**
Change in tax rate or composition of new tax	-	(40)
Other taxes	(49)	(70)
Derecognition of previously recognised deferred tax assets	(51)	-
Adjustment for prior year income tax	(239)	(431)
Income tax expense reported in the statement of profit or loss	**(3,787)**	**(3,747)**
Effective tax rate	***31.9%***	***46.6%***

8. Inventories

During the six months ended 30 June 2020, the Group recorded an impairment of inventories of EUR 165 thousand. This impairment is included in 'cost of sales' in the consolidated statement of profit or loss.

The decrease in inventories is mainly due to the decrease in raw and other materials held by steel pipes.

9. Trade and other receivables

The increase noted in Trade and other receivables by EUR 34 million is attributed mainly to invoicing of milestones for ongoing projects during the current period. However, this increase shall be seen in conjuction with the decrease of contract assets, i.e. receivables not yet invoiced for ongoing projects, by EUR 25.6 million.

Regarding Corinth Pipeworks case against a former customer in the Middle-East, there were no substantial developments during the first semester of 2020. As described in 2019 Annual Report, management has booked an impairment for the entire amount due (USD 24.8 million or EUR 22.2 million at 30 June 2020). However, the subsidiary will continue any and all actions required to collect the full amount of that receivable.

10. Property, plant and equipment

During the six months ended 30 June 2020, the Group acquired assets of EUR 27,549 thousand (six months ended 30 June 2019: EUR 23,929 thousand).

Capital expenditure for Property, plant and equipment of cables segment in H1 2020 amounted to EUR 21.3 million (H1 2019: EUR 20.7 million). These amounts mainly concerned the following:

- the new investment plan in Fulgor' plant, aiming at expanding the inter-array cables production capacity in order to supply offshore wind developers worldwide with a wide range of cables and support the growing offshore wind market and
- investments for productivity and operational improvements at Thiva plant (Hellenic Cables) and the Romanian plant (Icme Ecab).

Capital expenditure in the steel pipes segment amounted to EUR 6.3 million in H1 2020 (H1 2019: EUR 3.2 million) related mainly to existing production lines upgrade and to selected operational improvements in Thisvi CPW plant.

Depreciation of property, plant and equipment for the six month period amounted to EUR 9,556 thousand (six months ended 30 June 2019: EUR 11,271 thousand).

Change in estimate of useful lives

During 2020, the Group conducted an operational efficiency review at all of its plants, which resulted in changes in the expected useful life of plants and production machinery.

The factors taken into account for this operational review were the following:

- the frequent and consistent maintenance of the machinery and plants,
- the level of capacity utilization of certain assets since their initial acquisition compared to industry's standards and
- technological developments and technical advances in production methods in the industries where the subsidiaries are operating.

As a result, in cables segment, the expected useful life of plants was extended by 7 years on average and the useful life of heavy machinery was extended by 6 years on average. In steel pipes segment, the expected useful life of plants was extended by 10 years on average and the useful life of heavy machinery extended by 9 years on average.

Upon the application of the changes described above, the ranges of useful lives as described in the relative accounting policy remained unaffected.

The effect of these changes on annual depreciation expense, included in 'Cost of sales', will be EUR 5.2 million for 2020 and approximately EUR 5 million for the period 2021-2024 on an annual basis.

The effect recorded for the six month period ended on 30 June 2020 was EUR 2.6 million.

11. Intangible assets

During the six months ended 30 June 2020, the Group acquired assets with a cost of EUR 1,333 thousand (six months ended 30 June 2019: EUR 766 thousand). The additions for the current period mainly concerned externally purchased know-how regarding production methods and associated software programmes. The useful lives for the know-how and associated software programmes purchased during H1 2020 is set to 10 years, while their amortization will start as of 1 July 2020, when the intangible is ready for use.

12. Equity - accounted investees

Amounts in EUR thousand	2020	2019
Balance at 1 January	34,583	11,929
Share in profit after taxes	342	1,600
Share in other comprehensive income	(141)	(17)
Reclassification from Other investments	-	12,004
Additions	3,285	8,149
Dividends received	(370)	(498)
Foreign exchange differences	(1,487)	1,416
Balance at the end of the period	**36,212**	**34,583**

During January 2020, the subsidiary CPW America acquired an interest of 20% of Bellville Tube Company based in Texas, USA in exchange of USD 3.3 million. Bellville Tube Company manufactures steel tubular products for the local market.

Based on the purchase agreement the shareholders of Bellville Tube Company granted CPW America with a call option to purchase 100% of the outstanding capital stock of Bellville Tube Company held by them based on a predetermined formula regarding the calculation of the purchase price. The exercise period for the call option starts in 2022 and expires in 2025.

In addition, the purchase agreement prescribes that if CPW America does not exercise the call option described above, shall have the option (“put option”), but not the obligation, during the period 2022-2025 to require Bellville Tube Company to redeem all, but not less than all, of the shares of Bellville Tube Company then held by CPW America. The aggregate purchase price for the redeemed shares if the put option is exercised will be USD 3.3 million, i.e. equal to the amount initially disbursed.

The options described above were recognized on the statement of financial position upon valuation performed and as a result a gain of EUR 810 thousand, included in ‘Other Income’ in the statement of Profit or loss. Based on the inputs used in order to determine the fair value of the put and the call options, such options are categorized as Level 3.

The valuation of the call & put options was based on a widely acceptable pricing model methodology considering the complexity of the option plan.

The basic inputs that have been used in the valuation model are the following:

- expected turnover & EBITDA margins of the associate;
- future working capital needs;
- volatility, defined as the range of values for all inputs used in the valuation model

For the fair values of the call and put options, reasonably possible changes at the reporting date to one of the significant unobservable inputs stated above, holding other inputs constant, would have the following effects:

- If turnover was higher by 1%, then the fair value of the options would be higher by EUR 80 thousand.
- If volatility was higher by 1%, then the fair value of the options would be higher by EUR 87 thousand.
- If working capital was higher by 1%, then the fair value of the options would be lower by EUR 20 thousand.

13. Loans and borrowings & Lease liabilities

Amounts in EUR thousand	30 June 2020	31 December 2019
Non-current liabilities		
Secured bank loans	8,104	9,355
Unsecured bank loans	14,064	16,770
Secured bond issues	87,482	93,166
Unsecured bond issues	52,395	58,439
Loans and borrowings – Long term	**162,045**	**177,730**
Lease Liabilities – Long term	**3,653**	**3,990**
Total Long-term debt	**165,698**	**181,719**
Current liabilities		
Secured bank loans	739	1,962
Factoring with recourse	31,145	9,662
Unsecured bank loans	245,297	276,589
Current portion of secured bond issues	12,615	12,800
Current portion of unsecured bond issues	10,329	11,222
Current portion of secured bank loans	2,518	2,504
Current portion of unsecured bank loans	6,063	6,088
Loans and borrowings – Short-term	**308,706**	**320,827**
Lease Liabilities – Short-term	**1,786**	**1,768**
Total Short-term debt	**310,492**	**322,595**
Total Debt	**476,191**	**504,314**

The maturities of long-term debt are as follows:

Amounts in EUR thousand	30 June 2020	31 December 2019
Between 1 and 2 years	38,841	35,012
Between 2 and 5 years	91,340	103,689
Over 5 years	35,518	43,019
Total	**165,698**	**181,719**

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

	30 June 2020		31 December 2019	
	Carrying amount	Interest rate	Carrying amount	Interest rate
Bank lending (non-current) - EUR	21,910	2.6%	26,125	3.0%
Bank lending (non-current) - USD	258	1.0%	-	-
Bank lending (current) - EUR	283,143	3.6%	292,282	3.8%
Bank lending (current) - GBP	128	3.8%	448	4.3%
Bank lending (current) - USD	218	3.8%	644	5.4%
Bank lending (current) - RON	2,273	3.5%	2,140	5.0%
Bank lending (current) - LEV	-	-	1,290	4.6%
Bond issues - EUR	162,821	4.6%	175,626	4.7%

During H1 2020, Cenergy Holdings' subsidiaries issued new debt in Euro, which amounted to EUR 24.0 million and repaid debt of EUR 53.2 million with maturity date during H1 2020. The new loans assumed mainly concerned recourse factoring and withdrawals from existing revolving credit lines. The loans and borrowings had an average interest rate of 3.9% (2019: 4.0%).

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

The table below summarizes loans and borrowings & lease liabilities movement for the period per type of debt:

	For the six months ended 30 June	
Amounts in EUR thousand	**2020**	**2019**
Balance at 1 January	**504,314**	**538,645**
New issues		
Bond issues	-	10,000
Bank loans assumed	2,831	18,270
Recourse Factoring	21,221	3,030
Loans from related parties	-	110
	24,052	**31,410**
Repayments		
Bond issues	(12,766)	(14,238)
Bank loans	(40,495)	(14,808)
Recourse Factoring	-	(13,649)
	(53,261)	**(42,695)**
Principal elements of lease payments	*(929)*	*(785)*
Change in accounting policy - IFRS 16 adoption	*-*	*3,507*
Other movements	*2,015*	*1,215*
Balance at 30 June	**476,191**	**531,296**

Mortgages and pledges in favour of banks have been registered on property, plant and equipment and inventories of subsidiaries. The carrying amount of assets mortgaged or pledged as of 30 June 2020 was EUR 154.2 million.

There was no incident during H1 2020 of breach of the terms of the loans of Cenergy Holdings' companies.

14. 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 2020

Amounts in EUR thousand	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
FVOCI – equity instruments (Non-Current assets)	5,617	-	-	5,617	5,617
FVTPL – equity instruments (Current assets)	13	-	-	13	13
Derivative financial assets (Non-Current assets)	797	-	-	797	797
Derivative financial assets (Current assets)	581	-	581	-	581
	7,009	**-**	**581**	**6,427**	**7,009**
Derivative financial liabilities (Current liabilities)	(3,362)	(3,130)	(233)	-	(3,362)
	3,646	**(3,130)**	**349**	**6,427**	**3,646**

31 December 2019

Amounts in EUR thousand	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
FVOCI – equity instruments (Non-Current assets)	5,015	-	-	5,015	5,015
Derivative financial assets (Current assets)	213	-	213	-	213
	5,228	**-**	**213**	**5,015**	**5,228**
Derivative financial liabilities (Current liabilities)	(1,728)	(1,407)	(322)	-	(1,728)
	3,499	**(1,407)**	**(109)**	**5,015**	**3,499**

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

Specifically, the carrying amount of loans and borrowings is considered as a good approximation of their fair value as 92% of consolidated Loans and borrowings concern floating-rate debt, which are a very good approximation of current market rates.

The following table shows reconciliation between opening and closing balances for Level 3 financial assets:

Amounts in EUR thousand	2020		2019
	Derivatives	Equity instruments	Equity instruments
Balance at 1 January	**-**	**5,015**	**4,579**
Additions	797	13	4,790
Change in fair value	-	602	7,650
Reclassification to equity-accounted investees	-	-	(12,004)
Balance at the end of the period	**797**	**5,630**	**5,015**

Derivatives

The following table sets out the carrying amount of derivatives per type:

Amounts in EUR thousand	30 June 2020	31 December 2019
Non-Current assets		
Options	797	-
Total	**797**	**-**
Current assets		
Forward foreign exchange contracts	581	213
Total	**581**	**213**
Current liabilities		
Forward foreign exchange contracts	233	322
Future contracts	3,130	1,407
Total	**3,362**	**1,728**

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 2019.

(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 2020 and 2019.

15. 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	**2020**	**2019**
Sales of goods		
Equity-accounted investees	51,737	1
Other related parties	28,932	55,663
	80,670	**55,664**
Sales of services		
Equity-accounted investees	205	188
Other related parties	681	5,365
	886	**5,553**
Sales of property, plant & equipment		
Other related parties	-	1
	-	**1**
Purchases of goods		
Other related parties	5,330	10,959
	5,330	**10,959**
Purchases of services		
Viohalco	41	152
Equity-accounted investees	4,309	3,756
Other related parties	4,547	5,469
	8,896	**9,377**
Purchase of property, plant and equipment		
Equity-accounted investees	86	124
Other related parties	1,448	3,384
	1,534	**3,508**

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

During 2020, the sales of goods to related parties have increased mainly due to sales performed through Viohalco's commercial companies in the main European markets.

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

Amounts in EUR thousand	30 June 2020	31 December 2019
Current receivables from related parties		
Equity-accounted investees	3,907	15,497
Other related parties	29,841	18,345
	33,749	**33,842**
Non-current receivables from related parties		
Other related parties	115	115
	115	**115**
Current liabilities to related parties		
Viohalco	41	82
Equity-accounted investees	1,186	3,584
Other related parties	8,087	6,279
	9,313	**9,945**

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 2020 to the Board members and the executive management for the execution of their mandate amounted to EUR 438 thousand (H1 2019: EUR 440 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.

16. Subsequent events

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

To the Board of Directors
Cenergy Holdings S.A.

STATUTORY AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Cenergy Holdings S.A. and its subsidiaries as of 30 June 2020, the related condensed consolidated statement of profit or loss, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Sint-Stevens-Woluwe, 23 September 2020

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

Marc Daelman
Registered auditor

In addition to the results reported in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union, this interim 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 interim 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. However, these APMs 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,

The 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

APM definitions have not been modified compared to those applied as at 31 December 2019.

Reconciliation tables:

EBIT and EBITDA:

Amounts in EUR thousand	Cables		Steel Pipes		Other activities		Total	
	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
Profit/(Loss) before tax (as reported in Statement of Profit or Loss)	**14,518**	**6,625**	**(2,071)**	**2,360**	**(583)**	**(941)**	**11,864**	**8,044**
Adjustments for:								
Net finance costs	11,083	11,313	5,533	6,240	2	9	16,617	17,562
EBIT	**25,601**	**17,938**	**3,462**	**8,599**	**(582)**	**(932)**	**28,481**	**25,606**
Add back:								
Depreciation & Amortization	7,346	7,856	4,334	4,960	1	158	11,680	12,975
EBITDA	**32,946**	**25,794**	**7,796**	**13,560**	**(581)**	**(774)**	**40,161**	**38,580**

a-EBIT and a-EBITDA:

Amounts in EUR thousand	Cables		Steel pipes		Other activities		Total	
	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
EBIT	**25,601**	**17,938**	**3,462**	**8,599**	**(582)**	**(932)**	**28,481**	**25,606**
Adjustments for:								
Metal price lag (1)	2,257	2,746	-	-	-	-	2,257	2,746
Other exceptional or unusual (income)/expenses	-	-	-	145	-	-	-	144
Adjusted EBIT	**27,857**	**20,684**	**3,462**	**8,744**	**(582)**	**(932)**	**30,737**	**28,496**
Add back:								
Depreciation & Amortization	7,346	7,856	4,334	4,960	1	158	11,680	12,975
Adjusted EBITDA	**35,202**	**28,540**	**7,796**	**13,704**	**(581)**	**(774)**	**42,418**	**41,471**

(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

Net debt:

Amounts in EUR thousand	Cables 30 Jun 2020	Cables 31 Dec 2019	Steel pipes 30 Jun 2020	Steel pipes 31 Dec 2019	Other activities 30 Jun 2020	Other activities 31 Dec 2019	Total 30 Jun 2020	Total 31 Dec 2019
Loans and borrowings (incl. Lease liabilities) - Long term	125,180	132,628	40,519	49,091	-	-	165,698	181,719
Loans and borrowings (incl. Lease liabilities) - Short term	194,656	192,232	115,836	130,363	-	-	310,492	322,595
Cash and cash equivalents	(12,780)	(69,229)	(12,622)	(19,805)	(638)	(1,374)	(26,040)	(90,408)
Net debt	**307,056**	**255,630**	**143,733**	**159,649**	**(638)**	**(1,374)**	**450,151**	**413,905**

Restatement of previously reported APMs:

Amounts in EUR thousand	Cables segment	Steel pipes segment	Other activities	Total
EBIT H1 2019 as published in prior year's interim report	**17,938**	**8,686**	**(848)**	**25,776**
Add back: Share of profit/(loss) of equity accounted investees, net of tax	-	308	98	406
Excluding: EBIT of associates	-	(395)	(181)	(577)
EBIT H1 2019 restated	**17,938**	**8,599**	**(932)**	**25,606**
Adjusted EBIT H1 2019 as published in prior year's interim report	**20,684**	**8,831**	**(848)**	**28,667**
Add back: Share of profit/(loss) of equity accounted investees, net of tax	-	308	98	406
Excluding: EBIT of associates	-	(395)	(181)	(577)
EBIT H1 2019 restated	**20,684**	**8,744**	**(932)**	**28,496**
EBITDA H1 2019 as published in prior year's interim report	**25,794**	**13,811**	**(635)**	**38,971**
Add back: Share of profit/(loss) of equity accounted investees, net of tax	-	308	98	406
Excluding: EBIT of associates	-	(395)	(181)	(577)
Excluding: Depreciation & Amortization of associates	-	(165)	(55)	(220)
EBITDA H1 2019 restated	**25,794**	**13,560**	**(774)**	**38,580**
Adjusted EBITDA H1 2019 as published in prior year's interim report	**28,540**	**13,956**	**(635)**	**41,862**
Add back: Share of profit/(loss) of equity accounted investees, net of tax	-	308	98	406
Excluding: EBIT of associates	-	(395)	(181)	(577)
Excluding: Depreciation & Amortization of associates	-	(165)	(55)	(220)
EBITDA H1 2019 restated	**28,540**	**13,704**	**(774)**	**41,471**