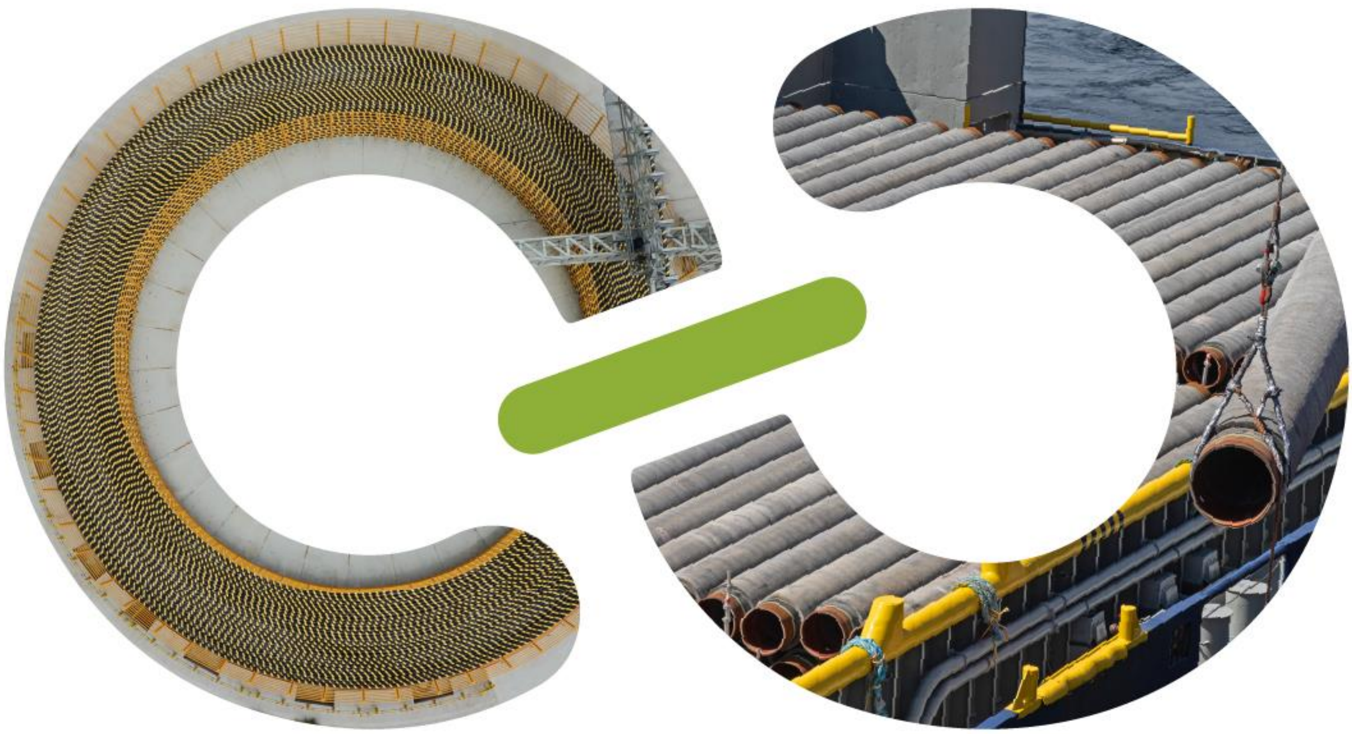
The world runs on Cenergy

INTERIM REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023



CENERGY HOLDINGS

CORINTH PIPEWORKS | HELLENIC CABLES

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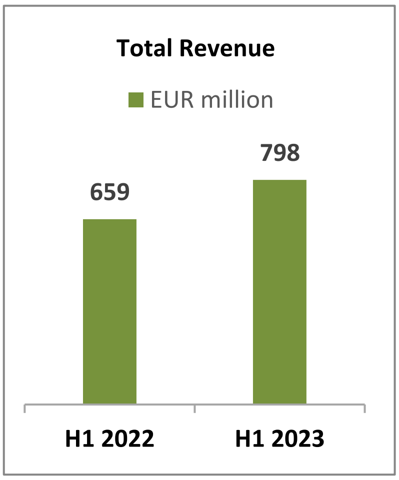

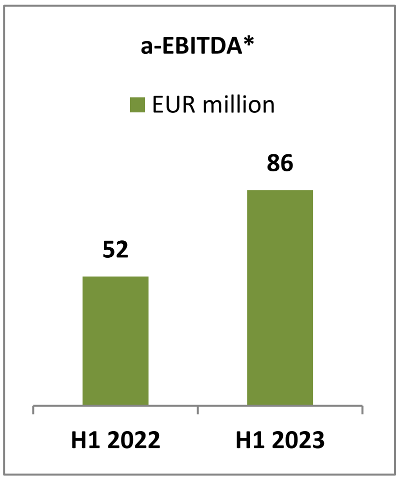

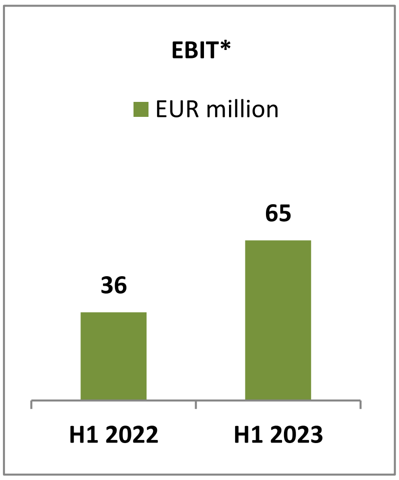

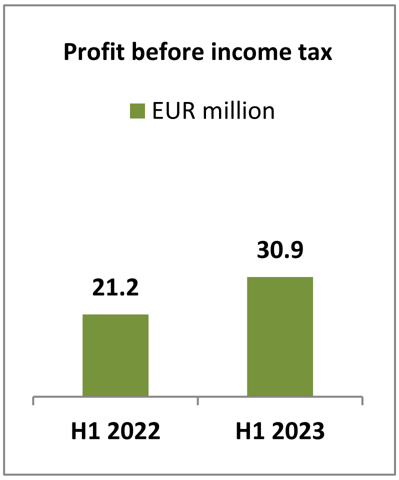

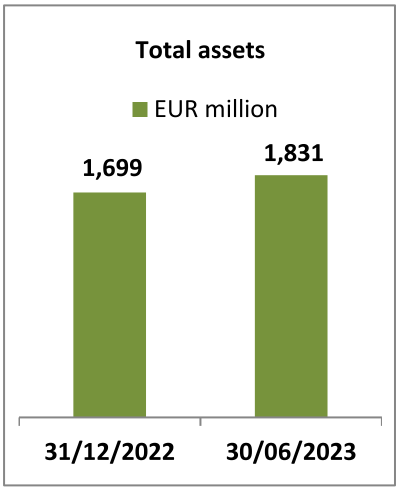

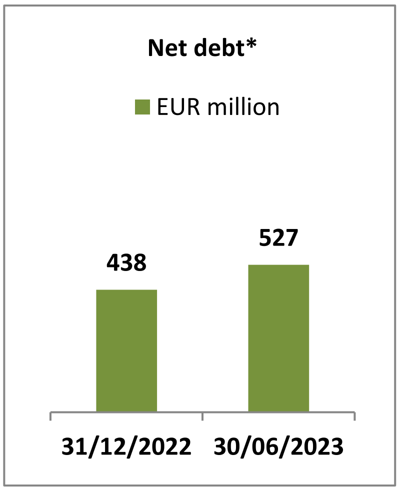

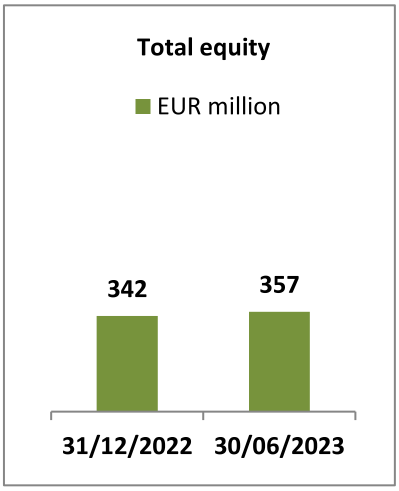

** Source: For the definitions of a-EBITDA, EBIT and Net debt, see section APMs.*

This section focuses on Cenergy Holdings' business performance for the period ended 30 June 2023. The Condensed Consolidated Interim Financial Statements, prepared in accordance with IAS 34, are presented on pages 15 to 35.

Key highlights

Growth across all segments, a strong full year financial outlook
Expansion strategy on track to serve growing demand from energy transition.

- **Revenue** reaches EUR 798 million, **21% higher** than prior year's corresponding semester (H1 2022: EUR 659 million).
- **Improved margins** in steel pipes and cables products business **drove operational profitability** (adjusted EBITDA) at **EUR 86 million**, based on **strong projects execution**. Consolidated **profit before tax** and **net profit after tax** grew to **EUR 30.9 million** and **EUR 23.6 million** respectively, substantially higher than H1 2022.
- **Order backlog**[1] kept growing on successful awards and reached **EUR 2.5 billion** as of 30 June 2023 (from EUR 2 billion on December 31st, 2022)
- The expansion of the Corinth submarine cables plant continues, contributing to total Capex for the first semester of 2023 of **EUR 58.3 million**.
- **FY 2023 guidance for adjusted EBITDA** in the range of EUR 180 – 200 million **is confirmed**.

Overview

Throughout the first half of 2023, Cenergy Holdings took advantage of the improving demand in the energy sector: on the one hand, demand for cables products stayed strong, driven by grid expansions and increased construction activity, on the other, energy projects in both the cables and the steel pipes segments were executed smoothly and laid the foundation for operational profitability for the period.

Both Hellenic Cables and Corinth Pipeworks preserved their strong commercial momentum and kept on succeeding in new project tenders, leading total backlog to EUR 2.5 billion. Recent awards include the 118km deep water Leviathan field project in the eastern Mediterranean run by Chevron, the contract with RWE for both export and inter-array cables for the Thor offshore wind farm, the largest in Denmark, the supply of approx. 155km of 20" longitudinally submerged arc welded steel pipes for the Tamar gas field optimization development near the Israeli coast as well as several awards for inter-array cables for wind farms in North Europe and the USA.

In the cables segment, the efficient execution of high-profile submarine projects combined with a high-capacity utilization of all production lines fostered growth and advanced performance. As noted above, low voltage and medium voltage power cables met strong demand during the first semester of 2023 and secured better profitability margins. The latter plus an improved product mix combined with timely and efficient project execution, resulting in a significant improvement in adjusted EBITDA (+26% y-o-y) that reached EUR 59.4 million. Along came several awards of new projects that further advanced the segment's backlog to a new record of EUR 1.85 billion. Such a solid project pipeline in both the interconnection and the offshore wind farm (OFW) markets confirm Hellenic Cables' key role in the energy transition fast-growing market. Given the growing demand for submarine cables already depicted in this rising backlog, the segment proceeded with a total capital expenditure

[1] *Backlog includes signed contracts, as well as contracts not yet enforced, for which the subsidiaries have either received a letter of award or been declared preferred bidder by the tenderers.*

of EUR 54.7 million during the first half of 2023, largely spent on the expansion of Hellenic Cables offshore cables plant in Corinth.

Following two years of deep disruption in oil and gas markets, 2022 ended as a turnaround year for the steel pipes segment and 2023 started with very strong dynamics from early on. Adjusted EBITDA for first half of the year surpassed 2019 levels and reached EUR 27 million, almost as much as the entire previous year. Such superior profitability was the result of high-capacity utilization as well as major new project awards. Together with all initiatives taken during the previous years, including (but not limited to) a thorough cost optimization plan and a Manufacturing Excellence and extensive RDI programme, Corinth Pipeworks solidified its competitive position and succeeded in increasing market share in the global market, taking a leadership position in energy transition technologies, such as hydrogen and Carbon Capture & Storage (CCS) pipelines. The significant recovery of the energy market and a series of important projects assigned, resulted in a backlog of EUR 0.63 billion. At the same time, the subsidiary committed to sustainability principles, set ambitious medium and long-term goals for carbon emissions of its overall supply chain, while securing certifications under the Environmental Product Declaration (EPD) for its steel products.

Group financial review

Amounts in EUR thousand	H1 2023	H1 2022	Change (%)
Revenue	**798,272**	**658,651**	***21%***
Gross profit	91,681	54,940	***67%***
Gross profit margin (%)	*11.5%*	*8.3%*	*314 bps*
a-EBITDA	**86,113**	**51,626**	***67%***
a-EBITDA margin (%)	*10.8%*	*7.8%*	*295 bps*
EBITDA	79,249	49,067	***62%***
EBITDA margin (%)	*9.9%*	*7.4%*	*248 bps*
a-EBIT	**71,611**	**38,169**	***88%***
a-EBIT margin (%)	*9.0%*	*5.8%*	*318 bps*
EBIT	64,746	35,611	***82%***
EBIT margin (%)	*8.1%*	*5.4%*	*270 bps*
Net finance costs	(33,894)	(14,429)	*135%*
Profit before income tax	**30,852**	**21,181**	***46%***
Profit after tax for the year	23,631	18,458	*28%*
Net profit margin (%)	*3.0%*	*2.8%*	*16 bps*
Profit attributable to owners	23,634	18,456	*28%*

- *Source: Condensed Consolidated Statement of Profit or Loss and section APMs*
- *All percentages are versus revenue*

Amounts in EUR	H1 2023	H1 2022	Change (%)
Earnings per share	***0.12360***	***0.09707***	***27%***

Revenue grew by 21% y-o-y to EUR 798 million, with Q2 2023 being 16% higher than the corresponding quarter of 2022 and 9% higher than Q1 2023. In the cables segment, an improved product mix pushed the segment's revenue 6% higher (+15% in cables projects and +6% in power and telecom products), while steel pipes succeeded ca. 59% revenue growth compared to last year, a clear signal the segment is now on a growing trend.

Driven by the high increase in sales and improved margins in steel pipes, adjusted EBITDA reached EUR 86.1 million in H1 2023 (+67% y-o-y), while quarterly operational profitability grew by 45% y-o-y. The higher margins achieved during the first half of the year confirmed the focus on high value-added products in both segments and the ability of steel pipes to benefit from improved market conditions.

Net finance cost increased considerably and reached EUR 34 million in the first semester, compared with EUR 14.4 million during the same period last year. The increase is, to a large extent, due to higher cost of debt, as interest rate increases intensified with monetary policies tightening all around the globe for H1 2023. It is worth noting that, though credit spreads for all subsidiaries stayed fixed or even fell slightly during the first six months of the year, the reference rate of 3-month Euribor steeply rose (from -0.176% on 01/07/22 to 3.577% on 30/06/23).

To a lesser extent, the ongoing investments in the cables segment and a shift in the invoicing schedule for steel pipes, pushed net debt levels upwards and further added to the higher finance cost bill. The net debt increase is expected to reverse in the rest of the year, as payment milestones fall back on track.

Strong operational profitability obviously drove profit before income tax to levels 46% higher than last year (EUR 30.9 million), especially in steel pipes. Profit after tax followed at EUR 23.6 million, up from EUR 18.5 million in H1 2022 (2.9% of revenue).

Amounts in EUR thousand	**30 June 2023**	**31 December 2022**
ASSETS		
Property, plant and equipment	570,628	526,156
Intangible assets	31,420	31,957
Equity - accounted investees	37,288	40,959
Other non-current assets	24,862	21,511
Non-current assets	**664,197**	**620,582**
Inventories	490,030	507,545
Trade and other receivables	198,021	192,769
Contract assets	244,729	195,481
Cash and cash equivalents	212,840	167,160
Other current assets	21,619	15,209
Current assets	**1,167,238**	**1,078,163**
TOTAL ASSETS	**1,831,436**	**1,698,745**
EQUITY	**357,220**	**341,631**
LIABILITIES		
Loans and borrowings	222,214	127,161
Lease liabilities	5,305	2,233
Deferred tax liabilities	39,055	35,318
Other non-current liabilities	28,294	28,427
Non-current liabilities	**294,867**	**193,139**
Loans and borrowings	510,326	474,749
Lease liabilities	2,072	1,224
Trade and other payables	450,584	549,283
Contract liabilities	186,078	108,780
Other current liabilities	30,290	29,940
Current liabilities	**1,179,349**	**1,163,975**
TOTAL LIABILITIES	**1,474,216**	**1,357,114**
TOTAL EQUITY & LIABILITIES	**1,831,436**	**1,698,745**

- *Source: Condensed Consolidated Statement of Financial Position*

Total capital expenditure for the Group reached EUR 58.3 million in H1 2023, split between EUR 54.7 million for the cables and EUR 3.6 million for the steel pipes segment (see details in the segments discussion).

Total **working capital** (WC) increased by EUR 56 million, reaching EUR 271 million as of 30 June 2023 versus EUR 214 million as of 31 December 2022. This rise is mainly due to repayment of raw materials suppliers related to projects of steel pipe segment included in backlog, which will be fully delivered within 2023. The increase of WC is expected to be reversed for the year-end as significant contractual inflows will follow in the second half of the year as projects execution progresses and improved payment terms are secured with supply chain partners.

Though cash generated from operating activities was positive for H1 2023, net cash flow turned out negative as the positive earnings contribution (after adjustment for WC needs) was more than outweighed by elevated interest charges and related expenses. At the same time, capital expenditures related to the expansion of offshore cables business unit were fully financed through a loan facility of EUR 88 million provided by the EBRD combined with the Greek Recovery and Resilience Fund (RRF).

As a result of the above, **net debt** reached EUR 527 million, as of 30 June 2023, from EUR 438 million six months earlier (+EUR 89 million).

Performance by business segment

Cables

Revenue for the cables segment reached EUR 493 million (+6% y-o-y), the growth being driven mainly by the projects' business (+15% revenue growth y-o-y). The solid demand for cables products in all geographical regions (i.e., Central Europe, United Kingdom, Balkans, Southeast Mediterranean) helped the Power & Telecom business unit improve its profit margins per ton of products sold. This, along with a full production schedule, an improved sales mix and steady high margins in projects, led to a 26% y-o-y growth in a-EBITDA (+EUR 12.3 million).

During the first semester of the year, the tendering activity of Hellenic Cables continued successfully with several ***new projects awards*** in the offshore wind and interconnection markets:

- In the offshore export cables market, new awards included:
  - the turnkey interconnection project of a 275kV HVAC export cable system for Thor OWF in Denmark awarded by RWE to a consortium formed by Jan de Nul and Hellenic Cables;
  - the supply contract awarded by Končar Group for approx. 30km of 110kV high voltage submarine cables to replace outdated cable lines in the Adriatic Sea; and
  - the turnkey project awarded by TenneT to a consortium formed by Jan de Nul and Hellenic Cables for three high voltage alternating current (HVAC) offshore grid connection cables connecting wind farms to the DolWin Kappa convertor station in Germany.
- In the inter-array market, Hellenic Cables maintained its leading position, securing:
  - the supply of 260km of 66kV XLPE-insulated subsea inter-array cables and associated accessories for South Fork Wind and Revolution Wind in the Northeast U.S., two offshore wind projects developed by Ørsted and Eversource;
  - the supply of approx. 185km of 66kV aluminium and copper conductor cables to connect the wind turbines of four OWF sites in the German North Sea developed by RWE and Northland Power;
  - the turnkey project for an inter-array cable system consisting of approx. 200km of submarine cables and associated accessories for the Thor OWF in Denmark awarded by RWE to a consortium formed by Jan de Nul and Hellenic Cables,
  - a contract with Ørsted for the supply of inter-array cables for the Hornsea 3 OWF in the United Kingdom; and
  - the inter-array cable supply agreement with Vattenfall for the Norfolk Offshore Wind Zone in the United Kingdom.
- In the onshore sector, Hellenic Cables was awarded two turnkey projects by Greece's Independent Power Transmission Operator (ADMIE – IPTO) to carry out diversion and undergrounding of transmission lines on Evia Island in central Greece and at the area of Messatida in the Northern Peloponnese, Greece.

As a result of the above new order intake of ca. EUR 900 million, the **order backlog** of the segment reached **EUR 1.85 billion** by 30 June 2023, its highest level ever (EUR 1.35 billion on 31.12.22).

At the same time, throughout 2023, several projects were successfully delivered, fully or partially. Among others:

- The production for the turnkey interconnection projects of Lavrio - Serifos / Serifos - Milos interconnection (phase 4 of the Cyclades' interconnection in Greece, with a total cable length of 170km) started during H1 2023.
- The last batches of 66kV inter-array cables for phases A & B of the Doggerbank offshore wind farm in the UK were completed, while the production for the supply of 360km of 66kV cables and accessories for the Sofia OWF in the United Kingdom was initiated during the first semester of the year.
- The upgraded electrical interconnection between Kilini and Zakynthos was successfully electrified during the first semester, securing the energy supply of the Ionian Islands, Greece.

Profit margins for the ***products*** business unit increased due to solid demand in all main markets and a positive product mix. These factors eventually contributed further to the segment's profitability.

Driven by the above, the a-EBITDA for cables segment reached EUR 59.5 million in H1 2023, up by EUR 12.3 million from H1 2022. This increase was able to counterbalance the rise in net finance costs (+EUR 10.8million vs. H1 2022). Corresponding profit before income tax reached EUR 21.3 million, compared to EUR 25.3 million in 2022, negatively impacted by the metal price lag. Net profit after tax followed the same trend and reached EUR 16.6 million (EUR 19.8 million in H1 2022).

The segment's net debt increased by EUR 21 million reaching EUR 357 million on 30.06.2023. This increase is driven mainly by the ongoing investment programme in the submarine cable facility in Corinth.

H1 2023 capital expenditure for cables segment amounted to EUR 54.7 million and mainly concerned the following:

- EUR 36.6 million for the Corinth plant, mainly for the implementation of the planned offshore cables capacity expansion;
- EUR 5.6 million for selective investments in Hellenic Cables onshore cables plants in the area of Thiva;
- EUR 5.5 million for the Bucharest plant, including the acquisition of a neighboring property; and
- EUR 3.2 million to support the construction of a submarine cables factory in the USA.

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	**2023**	**2022**
Revenue	493,281	466,572
Gross profit	**60,361**	**50,506**
Gross profit margin (%)	12.2%	10.8%
a-EBITDA	59,446	47,109
a-EBITDA margin (%)	12.1%	10.1%
EBITDA	52,581	45,051
EBITDA margin (%)	10.7%	9.7%
a-EBIT	**49,703**	**38,105**
a-EBIT margin (%)	10.1%	8.2%
EBIT	**42,839**	**36,046**
EBIT margin (%)	8.7%	7.7%
Net finance costs	**(21,538)**	**(10,773)**
Profit before income tax	**21,301**	**25,274**
Profit after tax for the year	**16,581**	**19,797**
Net profit margin (%)	3.4%	4.2%
Profit attributable to owners	**16,584**	**19,795**

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

Steel pipes

The end of 2022 showed that the steel pipes segment was on a turnaround path. This was confirmed in the first six months of this year, as revenue increased by 59% compared to prior year's corresponding semester

(EUR 305 million vs. EUR 192 million), and profitability followed with profit before income tax turning a positive EUR 9.8 million versus a loss of EUR 4.2 million in H1 2022.

The gas fuel transportation market turned around in the beginning of 2023 with steadily higher energy prices coexisting with the urge for energy security faced by many European countries. Demand growth resulted in many pipeline projects being revived and hastily pushed to execution phase. In this positive commercial environment, Corinth Pipeworks consolidated its position as a Tier1 pipe manufacturer and a leader in new gas transportation technologies such as high-pressure pipelines for hydrogen and CCS pipelines. Within the year, it successfully executed several pipeline projects and was awarded significant new ones that included some of these new technologies:

- In January, Chevron Mediterranean Ltd. awarded to CPW 155km of steel pipes for the Tamar gas field optimization development, in the Southeastern Mediterranean.
- Later in the year, Equinor awarded a contract for 15km of pipes for IRPA field development project in the Norwegian sea.
- A new contract by ONE-Dyas B.V. to provide 16km of hydrogen certified steel pipes for the N05-A platform in the North Sea was won in March.
- Chevron Mediterranean Ltd. followed later in the year with an award of 118km of steel pipes for the 3rd gathering line of the Leviathan gas field, in the Southeastern Mediterranean.

These came on top of contracts in Italy, the Mediterranean region, the North & Norwegian Sea, Africa and U.S.A., and confirmed the segment's robust profitability position, despite higher financing costs.

As a result of the abovementioned awards, the backlog at the end of H1 2023 reached EUR 630 million with a new intake of over EUR 220 million.

High-capacity utilization along with a higher-margin projects mix led to a notable improvement in profitability with gross profit equal to EUR 31.3 million in H1 2023 (from EUR 4.4 million in H1 2022) and adjusted EBITDA, following to EUR 27.0 million, more than five times the EUR 4.5 million achieved in H1 2022. The improvement in operational profitability translated to a net profit for the six-month period of EUR 7.3 million compared to a net loss of EUR 1.5 million in H1 2022.

Higher revenue and increased needs for raw materials related to significant projects in the order backlog to be executed within the second semester of the year, pushed working capital for the steel segment upwards by ca. EUR 78 million from its 2022 levels. Consequently, net debt climbed to EUR 171.5 million, EUR 68 million higher than its 31.12.22 level. Nevertheless, this increase is attributed mainly to phasing of milestone payments relating to projects in the order backlog and will be reversed until the end of the year as projects execution progresses.

Capital expenditure in steel pipes amounted to EUR 3.6 million, mostly related to operational improvements in the Thisvi plant.

Concurrently, Corinth Pipeworks continued its extensive R&D program in green hydrogen transportation expanding its laboratory capabilities into specialized high-pressure tests in hydrogen environments, as continuous innovation and improvement remains both a requirement for growth and an objective by itself for the subsidiary. Excellence was also pursued through a process digitalization roadmap and a vast number of qualifications by global energy companies. Process upgrade and geographical diversification is a path leading to a stronger competitive advantage.

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	**2023**	**2022**
Revenue	304,991	192,079
Gross profit	**31,319**	**4,434**
Gross profit margin (%)	10.3%	2.3%
a-EBITDA	27,034	4,449
a-EBITDA margin (%)	8.9%	2.3%
EBITDA	27,034	3,949
EBITDA margin (%)	8.9%	2.1%
a-EBIT	**22,281**	**3**
a-EBIT margin (%)	7.3%	0.0%
EBIT	**22,281**	**(497)**
EBIT margin (%)	7.3%	-0.3%
Net finance costs	**(12,435)**	**(3,701)**
Profit / (Loss) before income tax	**9,846**	**(4,198)**
Profit / (Loss) after tax for the year	**7,344**	**(1,445)**
Net profit margin (%)	2.4%	-0.8%
Profit / (Loss) attributable to owners	**7,344**	**(1,445)**

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

Main risks and uncertainties for H2 2023

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 15 "Subsequent events".

Outlook

The **cables segment** is confidently continuing its performance momentum in both business units, as demand for *products* remains strong while the *projects* backlog is growing. The set of secured project orders and high-capacity utilisation in all plants throughout 2023 remain the two profitability pillars of the segment. The electrification momentum in Europe and the increasing demand of grid connections are expected to further fuel the order book for land cables. Preparing for this, Hellenic Cables has already acquired an industrial area near its factory in Thiva to serve future expansion plans in order to serve that growing onshore demand. As for the offshore projects business unit, several awards were secured during the last months and more projects are expected to be awarded in the forthcoming year.

Hellenic Cables, through its two-year investment program in Corinth plant, aims to strengthen further its role as a key enabler of the Green Energy transition. Such investments will allow the Company to effectively execute a record high order backlog and serve the increasing expectations of customers and stakeholders. Last, and following previous announcements, the discussions with Ørsted on the partnership for the construction of a submarine inter array cables factory in Maryland, USA are continuing.

The **steel pipes** segment is building on its strengthened position and continues its profitability growth, based on high-capacity utilization until the end of the year. Strong operations are expected to bring back down any seasonal peaks in working capital observed during the semester and normalize leverage to far more sustainable levels. Looking ahead, Corinth Pipeworks expects the gas fuel industry to keep on evolving together with the other energy transition pillars. As market conditions improve, so is the order backlog, feeding into a positive outlook for next year, too.

Given the strong order backlog for both segments and the growing demand for energy infrastructure products worldwide, Cenergy Holdings confirms its FY 2023 guidance previously published and expects an adjusted EBITDA in the range of EUR 180 – 200 million for the FY 2023. The usual caveats published in our Q1 2023 trading update still hold.

As stated often in past financial results announcements, Cenergy Holdings remains focused on value growth over volume growth. Our strategy is to keep creating profit from our unique role in the new global energy framework and invest in our production ability to serve the growing energy infrastructure markets.

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 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 represented by 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

Publication / Event	Date
H1 2023 Financial Results Conference Call	21 September 2023
Q3 2023 trading update	16 November 2023
Q3 2023 trading update - Conference Call	17 November 2023
Financial results FY 2023 – Press release	6 March 2024
Financial results FY 2023 – Conference Call	7 March 2024
Ordinary General Meeting 2024	28 May 2024

Contacts

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Condensed Consolidated Statement of Financial Position

Amounts in EUR thousand		30 June 2023	31 December 2022
ASSETS	**Note**		
Property, plant and equipment	9	570,628	526,156
Right of use assets		7,715	3,764
Intangible assets	10	31,420	31,957
Investment property		155	155
Equity - accounted investees	11	37,288	40,959
Other investments	13	6,524	6,308
Derivatives	13	4,607	6,992
Trade and other receivables		841	1,227
Contract costs		222	222
Deferred tax assets		4,798	2,844
Non-current assets		**664,197**	**620,582**
Inventories	8	490,030	507,545
Trade and other receivables		198,021	192,769
Contract assets	6	244,729	195,481
Contract costs		-	14
Income tax receivables		8,102	5,575
Derivatives	13	13,516	9,620
Cash and cash equivalents		212,840	167,160
Current assets		**1,167,238**	**1,078,163**
Total assets		**1,831,436**	**1,698,745**
EQUITY			
Share capital		117,892	117,892
Share premium		58,600	58,600
Reserves		42,539	37,839
Retained earnings		138,155	127,261
Equity attributable to owners of the Company		**357,185**	**341,592**
Non-controlling interests		35	38
Total equity		**357,220**	**341,631**
LIABILITIES			
Loans and borrowings	12	222,214	127,161
Lease liabilities	12	5,305	2,233
Employee benefits		3,092	2,891
Grants		15,313	15,648
Deferred tax liabilities		39,055	35,318
Contract liabilities		9,889	9,889
Non-current liabilities		**294,867**	**193,139**
Loans and borrowings	12	510,326	474,749
Lease liabilities	12	2,072	1,224
Trade and other payables		450,584	549,283
Provisions		14,622	14,897
Contract liabilities		186,078	108,780
Current tax liabilities		8,982	4,253
Derivatives	13	6,685	10,790
Current liabilities		**1,179,349**	**1,163,975**
Total liabilities		**1,474,216**	**1,357,114**
Total equity and liabilities		**1,831,436**	**1,698,745**

The notes on pages 20 to 35 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	**2023**	**2022**
Revenue	6	798,272	658,651
Cost of sales		(706,591)	(603,711)
Gross profit		**91,681**	**54,940**
Other income		2,103	3,314
Selling and distribution expenses		(9,659)	(6,474)
Administrative expenses		(17,430)	(15,547)
Impairment loss on receivables, including contract assets		(333)	(55)
Other expenses		(2,096)	(2,839)
Operating profit		**64,266**	**33,339**
Finance income		467	287
Finance costs		(34,361)	(14,716)
Net finance costs		**(33,894)**	**(14,429)**
Share of profit of equity-accounted investees, net of tax	11	480	2,271
Profit before tax		**30,852**	**21,181**
Income tax expense	7	(7,221)	(2,723)
Profit for the period		**23,631**	**18,458**
Profit attributable to:			
Owners of the Company		23,634	18,456
Non-controlling interests		(3)	2
		23,631	**18,458**
Earnings per share (in EUR per share)			
Basic and diluted		0.12427	0.09707

The notes on pages 20 to 35 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**	**2023**	**2022**
Profit for the period		**23,631**	**18,458**
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	13	216	302
		216	**302**
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences		(3,400)	6,892
Cash flow hedges – effective portion of changes in fair value		5,368	7,820
Cash flow hedges – reclassified to profit or loss		564	1,955
Share of other comprehensive income of associates accounted for using the equity method	11	13	(51)
Related tax		(1,293)	(2,113)
		1,251	**14,505**
Total comprehensive income after tax		**25,098**	**33,265**
Total comprehensive income attributable to:			
Owners of the Company		25,101	33,263
Non-controlling interests		(3)	2
		25,098	**33,265**

The notes on pages 20 to 35 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 of 1 January 2023	**117,892**	**58,600**	**(20,735)**	**58,574**	**127,261**	**341,592**	**38**	**341,631**
Total comprehensive income								
Profit for the period	-	-	-	-	23,634	**23,634**	(3)	**23,631**
Other comprehensive income	-	-	(3,400)	4,855	13	**1,467**	-	**1,467**
Total comprehensive income	**-**	**-**	**(3,400)**	**4,855**	**23,647**	**25,101**	**(3)**	**25,098**
Transactions with owners of the company								
Contributions and distributions								
Dividend	-	-	-	-	(9,508)	**(9,508)**	(1)	**(9,509)**
Transfer of reserves	-	-	-	3,245	(3,245)	**-**	-	**-**
Total contributions and distributions	**-**	**-**	**-**	**3,245**	**(12,754)**	**(9,508)**	**(1)**	**(9,509)**
Balance as of 30 June 2023	**117,892**	**58,600**	**(24,135)**	**66,674**	**138,155**	**357,185**	**35**	**357,220**

Amounts in EUR thousand	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Total	Non-controlling Interest	Total equity
Balance as of 1 January 2022	**117,892**	**58,600**	**(21,333)**	**54,391**	**67,956**	**277,506**	**35**	**277,541**
Total comprehensive income								
Profit for the period	-	-	-	-	18,456	**18,456**	2	**18,458**
Other comprehensive income	-	-	6,892	7,965	(51)	**14,807**	-	**14,807**
Total comprehensive income	**-**	**-**	**6,892**	**7,965**	**18,406**	**33,263**	**2**	**33,265**
Transactions with owners of the company								
Contributions and distributions								
Transfer of reserves	-	-	-	1,968	(1,968)	**-**	-	**-**
Total contributions and distributions	**-**	**-**	**-**	**1,968**	**(1,968)**	**-**	**-**	**-**
Balance as of 30 June 2022	**117,892**	**58,600**	**(14,440)**	**64,324**	**84,393**	**310,769**	**37**	**310,806**

The notes on pages 20 to 35 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement of Cash Flows

		For the six months ended 30 June	
Amounts in EUR thousand	Note	2023	2022
Cash flows from operating activities			
Profit of the period		23,631	18,458
Adjustments for:			
- Income tax		7,221	2,723
- Depreciation	5	12,610	11,825
- Amortization	5	2,226	2,044
- Amortization of grants		(335)	(411)
- Net finance costs		33,894	14,429
- Share of profit of equity-accounted investees, net of tax	11	(480)	(2,271)
- (Gain) from disposal of property, plant & equipment		-	(1)
- (Gain) from disposal of investment property		-	(340)
- Loss from fixed assets write off		143	34
- Change in fair value of derivatives		1,096	(2,133)
- Impairment of inventories		337	4,299
- Impairment loss on receivables, including contract assets		333	55
		80,677	48,710
Changes in:			
- Inventories		17,178	(103,801)
- Trade and other receivables		(5,152)	(58,659)
- Trade and other payables		(100,398)	60,543
- Contract assets		(49,296)	(111,815)
- Contract liabilities		77,298	19,840
- Contract costs		14	23
- Employee benefits		202	174
- Provisions		-	500
Cash generated from operating activities		*20,523*	*(144,485)*
Interest charges & related expenses paid		(32,205)	(13,885)
Income tax paid		(4,139)	(2,132)
Net Cash from / (used in) operating activities		**(15,821)**	**(160,502)**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(55,365)	(23,024)
Acquisition of intangible assets		(1,104)	(683)
Proceeds from disposal of property, plant & equipment		1	7
Proceeds from disposal of investment property		-	1,100
Dividends received		284	47
Interest received		266	12
Net Cash flows used in investing activities		**(55,919)**	**(22,540)**
Cash flows from financing activities			
Dividends paid		(8,931)	-
Proceeds from borrowings	13	211,264	113,696
Repayment of borrowings	13	(83,647)	(18,188)
Principal elements of lease payments	13	(928)	(646)
Net cash flows from / (used in) financing activities		**117,757**	**94,861**
Net (decrease)/ increase in cash and cash equivalents		**46,017**	**(88,181)**
Cash and cash equivalents on 1 January		167,160	129,606
Effect of movement in exchange rates on cash held		(337)	295
Cash and cash equivalents on 30 June		**212,840**	**41,719**

The notes on pages 20 to 35 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 16 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. (79.78% 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 20 September 2023.

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 of and for the year ended 31 December 2022. 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 of and for the year ended 31 December 2022.

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 2022.

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 of and for the year ended 31 December 2022.

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 2023.

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 2023 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.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The IAS 1 amendment requires companies to disclose their material accounting policy information rather than their significant accounting policies. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

The amendment to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change in the amendments is an exemption from the initial recognition exemption of IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

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 2023 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. 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.

Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as current or non-current' <u>(effective for annual periods beginning on or after 1 January 2024)</u>

The amendments affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
- Clarify how conditions with which an entity must comply within 12 months after the reporting period, such as covenants, affect the corresponding liability's classification.

Amendments to IFRS 16 'Leases': Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The amendments explain how an entity accounts for a sale and leaseback after the date of the transaction, specifically where some or all the lease payments are variable lease payments that do not depend on an index or rate. They state that, in subsequently measuring the lease liability, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains. Any gains and losses relating to the full or partial termination of a lease continue to be recognised when they occur as these relate to the right of use terminated and not the right of use retained.

Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures': Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendment describes the characteristics for which reporters will have to provide additional disclosures regarding the impact of supplier finance arrangements on liabilities, cash flows and exposure to liquidity risk.

C. Changes in accounting policies

IFRS 9 Hedge accounting

IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement" and involves three phases: "Classification and Measurement of Financial Assets", "Impairment" and "Hedge Accounting". Cenergy Holdings applied the first two phases beginning on January 1, 2018, of which application was mandatory, while the Group applied IAS 39 related to hedge accounting until December 31, 2022, as the standard provides this choice regarding the third phase «Hedge accounting.

On 1 January 2023, Cenergy Holdings applied the hedging part of IFRS 9, without any material impact on the consolidated financial statements. The Group applied the standard prospectively without restatement of the comparative information for prior years.

D. Power Purchase Agreements

Within the second quarter of 2023, Cenergy Holdings' subsidiaries signed a 10-year Power Purchase Agreement (PPA) for the purchase of electricity.

The PPA provides for the physical delivery of electricity during a certain fixed period starting on 28 April 2023(Period A) and subsequently a virtual delivery of electricity with financial settlement for an agreed period expected to start on 1 January 2025 (Period B) as produced by specific photovoltaic facilities, and is subject to specific terms and conditions.

Cenergy Holdings' subsidiaries assessed the PPA and determined:

a) that the requirements of IFRS 10, with respect to the existence of control over one or more assets that will result in future from the implementation of the PPA, are not applicable;

b) that the requirements of IFRS 16, for the recognition of a lease with respect to these future assets, are not applicable;

c) that each of the Periods stemming from the PPA should be accounted for separately as two different transactions in accordance with the specific terms and conditions that underline each of the Periods; and

d) that the specific terms and conditions for each of the Periods should be separately assessed in accordance with the requirements of IFRS 9.

With respect to Period A, it was determined that it is a contract for the delivery of non-financial assets in accordance with the expected future electricity purchases of Cenergy Holdings' subsidiaries, and meets the criteria for exemption under IFRS 9 as own use/executory contracts. Therefore, Period A will not be accounted for as a derivative financial instrument. Period A will be accounted for from 28 April 2023 when Cenergy Holdings' subsidiaries commence electricity purchases.

As regards Period B, the definition of a derivative under IFRS 9 is relevant as a virtual PPA is present and therefore, has to be accounted for as a derivative financial instrument when the rights and obligations with respect to Period B crystalise, as the criteria for the exemption from IFRS 9, as own use/executory contracts, are not met. Period B will be accounted for at the time when the rights and obligations with respect to Period B crystalise, which is expected to be in the fourth quarter of 2023.

4. Financial risk management

There were no changes in Cenergy Holdings' subsidiaries financial risk management objectives and policies during 2023.

Cenergy Holdings' companies follow 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.

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 on 30 June 2023 and 2022.

30 June 2023	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment revenue	747,662	390,459	-	**1,138,121**
Inter-segment revenue	(254,380)	(85,468)	-	**(339,848)**
External revenues	**493,281**	**304,991**	**-**	**798,272**
Gross profit	60,361	31,319	-	**91,681**
Operating profit / (loss)	42,839	22,549	(1,122)	**64,266**
Finance income	284	101	82	**467**
Finance costs	(21,822)	(12,537)	(3)	**(34,361)**
Share of profit of equity-accounted investees, net of tax	-	(268)	749	**480**
Profit / (Loss) before tax	**21,301**	**9,846**	**(294)**	**30,852**
Income tax expense	(4,720)	(2,501)	-	**(7,221)**
Profit/(Loss) for the period	**16,581**	**7,344**	**(294)**	**23,631**

30 June 2022	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment revenue	780,136	265,482	-	**1,045,618**
Inter-segment revenue	(313,564)	(73,403)	-	**(386,967)**
External revenues	**466,572**	**192,079**	**-**	**658,651**
Gross profit	50,506	4,434	-	**54,940**
Operating profit / (loss)	36,046	(1,703)	(1,004)	**33,339**
Finance income	232	8	47	**287**
Finance costs	(11,004)	(3,710)	(2)	**(14,716)**
Share of profit of equity-accounted investees, net of tax	-	1,206	1,065	**2,271**
Profit / (Loss) before tax	**25,274**	**(4,198)**	**106**	**21,181**
Income tax expense	(5,476)	2,753	-	**(2,723)**
Profit/(Loss) for the period	**19,797**	**(1,445)**	**106**	**18,458**

Other information per segment as at and for the period ended 30 June 2023 and 30 June 2022 are as follows:

30 June 2023	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Depreciation and amortization	(10,053)	(4,778)	(6)	**(14,837)**
Capital expenditure	54,677	3,625	2	**58,304**

30 June 2022	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Depreciation and amortization	(9,329)	(4,532)	(6)	**(13,868)**
Capital expenditure	23,463	1,787		**25,249**

Information per segment about the reportable segments' assets and liabilities as of 30 June 2023 and 31 December 2022 are as follows:

30 June 2023	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment assets	1.099.345	700.036	32.054	**1.831.436**
Out of which:				
- *Non-current assets excl. deferred tax and financial instruments*	*423.196*	*201.789*	*23.284*	**648.268**
- *Equity-accounted investees*	-	*14.041*	*23.247*	**37.288**
Segment liabilities	925.435	547.802	979	**1.474.216**

31 December 2022	**Reportable segments**			
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment assets	1.033.712	633.766	31.267	**1.698.745**
Out of which:				
- *Non-current assets excl. deferred tax and financial instruments*	*374.845*	*206.062*	*23.532*	***604.439***
- *Equity-accounted investees*	-	*17.468*	*23.490*	***40.959***
Segment liabilities	867.224	489.442	448	**1.357.114**

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 2023**	**H1 2022**	**H1 2023**	**H1 2022**	**H1 2023**	**H1 2022**
Greece	223,835	163,922	71,919	14,362	295,754	178,284
Other European Union countries	173,523	177,633	59,757	82,366	233,279	260,000
Other European countries	37,434	57,529	53,528	12,619	90,962	70,148
America	7,536	6,348	113,089	73,463	120,625	79,810
Rest of the world	50,954	61,139	6,699	9,270	57,653	70,408
Total	**493,281**	**466,572**	**304,991**	**192,079**	**798,272**	**658,651**

Major products and service lines

Segment	**Cables**		**Steel Pipes**		**Total**	
Amounts in EUR thousand	**H1 2023**	**H1 2022**	**H1 2023**	**H1 2022**	**H1 2023**	**H1 2022**
Steel pipes projects	-	-	275,588	142,944	275,588	142,944
Hollow structural sections	-	-	15,669	33,011	15,669	33,011
Cables projects	147,556	128,529	-	-	147,556	128,529
Power & telecom cables	295,517	278,373	-	-	295,517	278,373
Other (raw materials, scrap, merchandize etc.)	50,207	59,670	13,734	16,124	63,941	75,793
Total	**493,281**	**466,572**	**304,991**	**192,079**	**798,272**	**658,651**

Timing of revenue recognition

Segment	**Cables**		**Steel Pipes**		**Total**	
Amounts in EUR thousand	**H1 2023**	**H1 2022**	**H1 2023**	**H1 2022**	**H1 2023**	**H1 2022**
Products transferred at a point in time	345,725	338,043	29,403	49,135	375,127	387,178
Products / Services transferred over time	147,556	128,529	275,588	142,944	423,145	271,473
Total	**493,281**	**466,572**	**304,991**	**192,079**	**798,272**	**658,651**

Revenue grew by 21% y-o-y to EUR 798 million, as in the cables segment, an improved product mix pushed the segment’s revenue 6% higher (+15% in cables projects and +6% in power and telecom products), while steel pipes succeeded 59% revenue growth compared to last year, since the segment is now on a growing trend and started to execute more projects from its backlog.

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 customized products or energy projects.

Contract assets increased by EUR 49.2 million compared to 31 December 2022 due to higher amounts of unbilled receivables, as for turnkey cables projects, customized steel pipes and cables, 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 77.3 million compared to 31 December 2022, as prepayments for upcoming projects were received during H1 2023 and follows the trend of the rising orders backlog.

Overall, balances deriving from contracts with customers are driven by phasing of milestone payments relating to projects in both segments.

7. Income tax

	For the six months ended 30 June	
Amounts in EUR thousand	**2023**	**2022**
Current tax expense	(6,341)	(4,011)
Deferred tax (expense) / income	(881)	1,288
Total	**(7,221)**	**(2,723)**

Income tax expense is recognised at an amount determined by multiplying the profit 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 in Belgium according to the applicable tax legislation is 25%.

The taxable profit of each subsidiary is taxed at the applicable income tax rate in the country where each subsidiary is domiciled. According to the Greek law 4799/2021, the corporate income tax rate for legal entities in Greece, where most of Cenergy Holdings' subsidiaries are located is set at 22%. The corporate income tax rate of legal entities in Romania is set at 16% and in the USA the federal corporate income tax rate is set at 21%.

Reconciliation of effective tax rate

	For the six months ended 30 June	
Amounts in EUR thousand	**2023**	**2022**
Profit before income tax	**30,852**	**21,181**
Tax calculated at parent company's statutory income tax rate (2023 & 2022: 25.0%)	(7,713)	(5,295)
Effect of different tax rates in other jurisdictions that the Group rate	1,328	988
Tax calculated at weighted average income tax rate (2023: 20.7% & 2022: 20.3%)	**(6,385)**	**(4,308)**
Adjustments for:		
Non-deductible expenses for tax purposes	(1,606)	(1,373)
Tax-exempt income	175	578
Recognition of previously unrecognised tax losses, tax credit or temporary differences of a prior period	2,066	3,021
Current-year losses for which no deferred tax asset is recognised	(231)	(215)
Incremental R&D tax incentives	526	308
Adjustment for prior year income tax	(1,765)	(734)
Income tax expense reported in the statement of profit or loss	**(7,221)**	**(2,723)**
Effective tax rate	***23,4%***	***12,9%***

8. Inventories

During the six months ended 30 June 2023, the Group recorded an impairment of inventories of EUR 337 thousand. This impairment is included in 'cost of sales' in the consolidated statement of profit or loss.

9. Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired assets of EUR 57,200 thousand (six months ended 30 June 2022: EUR 24,566 thousand).

Capital expenditure for Property, plant and equipment of cables segment in H1 2023 amounted to EUR 54.0 million (H1 2022: EUR 23.0 million). These amounts mainly concerned the following:

- EUR 36.6 million for the Corinth plant, mainly for the implementation of the planned offshore cables capacity expansion;
- EUR 5.6 million for selective investments in Hellenic Cables onshore cables plants in the area of Thiva;
- EUR 5.5 million for the Bucharest plant, including the acquisition of a neighboring property; and
- EUR 3.2 million to support the construction of a submarine cables factory in the USA.

Capital expenditure in steel pipes amounted to EUR 3.6 million (H1 2022: EUR 1.8 million), mostly related to operational improvements in the Thisvi CPW plant.

Depreciation of property, plant and equipment for the six-month period amounted to EUR 11,715 thousand (six months ended 30 June 2022: EUR 11,340 thousand).

10. Intangible assets

During the six months ended 30 June 2023, the Group acquired assets with a cost of EUR 1,103 thousand (six months ended 30 June 2022: EUR 683 thousand).

11. Equity - accounted investees

The movement in equity-accounted investees during the period is as follows:

Amounts in EUR thousand	**H1 2023**	**FY 2022**
Balance on 1 January	40,959	36,431
Share in profit after taxes	480	6,059
Share in other comprehensive income	13	(133)
Dividends received	(246)	(282)
Share capital reduction	(759)	-
Foreign exchange differences	(3,159)	1,241
Disposals	-	(2,358)
Balance at the end of the period	**37,288**	**40,959**

12. Loans and borrowings & Lease liabilities

Amounts in EUR thousand	**30 June 2023**	**31 December 2022**
Non-current liabilities		
Secured bank loans	5,173	3,530
Unsecured bank loans	87,643	-
Secured bond issues	28,535	32,427
Unsecured bond issues	100,863	91,204
Loans and borrowings – Long term	**222,214**	**127,161**
Lease Liabilities – Long term	**5,305**	**2,233**
Total Long-term debt	**227,518**	**129,393**
Current liabilities		
Secured bank loans	6,731	8,454
Factoring with recourse	19,188	14,638
Unsecured bank loans	401,375	367,567
Current portion of secured bond issues	3,743	4,358
Current portion of unsecured bond issues	74,069	71,809
Current portion of secured bank loans	2,148	2,651
Current portion of unsecured bank loans	3,072	5,273
Loans and borrowings – Short-term	**510,326**	**474,749**
Lease Liabilities – Short-term	**2,072**	**1,224**
Total Short-term debt	**512,397**	**475,972**
Total Debt	**739,915**	**605,366**

The maturities of long-term debt are as follows:

Amounts in EUR thousand	30 June 2023	31 December 2022
Between 1 and 2 years	43,514	30,673
Between 2 and 5 years	131,434	89,593
Over 5 years	52,571	9,128
Total	**227,518**	**129,393**

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

	30 June 2023		31 December 2022	
	Carrying amount	Interest rate	Carrying amount	Interest rate
Bank lending (non-current) - EUR	92,816	5.4%	3,530	2.9%
Bank lending (current) - EUR	427,915	6.3%	393,297	4.6%
Bank lending (current) - GBP	6	6.0%	-	-
Bank lending (current) - RON	4,593	9.4%	5,285	9.7%
Bond issues - EUR	207,209	6.3%	199,798	4.7%

During H1 2023, Cenergy Holdings' subsidiaries received new debt in Euro, which amounted to EUR 211.3 million and repaid debt of EUR 83.6 million with maturity date during H1 2023. The new loans assumed concerned:

- a 7-year loan facility received by Fulgor from the European Bank for Reconstruction and Development (EBRD) of EUR 88 million, made up from EUR 25.2 million as a Recovery and Resilience Facility (RRF) loan channelled through the Greek Ministry of Finance, and the remaining EUR 62.8 million from the EBRD. This loan facility finances a wider investment program of EUR 110 million that includes the Corinth plant's expansion along with the associated working capital outlays once the new production capacity is available, as well as research & development (R&D) initiatives to be undertaken in the following years. The remaining EUR 22 million will be covered by own funds.
- a new 7-year bond loan of EUR 19.1 million received by Fulgor from a major Greek bank;
- a new 5-year bond loan of EUR 5 million received by Corinth Pipeworks from a Greek bank;
- project finance facilities; and
- withdrawals from existing revolving credit lines and recourse factoring to finance the increased working capital needs of the Group.

Current bank loans and borrowings had an average interest rate of 6.2% at the reporting date.

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	2023	2022
Balance on 1 January	**605,366**	**411,650**
New issues		
Bond issues	24,087	7,000
Bank loans assumed	178,588	93,768
Recourse Factoring	8,589	12,927
	211,264	**113,696**

	For the six months ended 30 June	
Amounts in EUR thousand	**2023**	**2022**
Repayments		
Bond issues	(17,218)	(9,068)
Bank loans	(62,194)	(9,120)
Recourse Factoring	(4,235)	-
	(83,647)	**(18,188)**
Principal elements of lease payments	*(928)*	*(646)*
New leases	*5,127*	*1,045*
Other movements	*2,734*	*1,046*
Balance on 30 June	**739,915**	**508,603**

Mortgages and pledges in favour of banks have been registered on property, plant and equipment of Cenergy Holdings' subsidiaries. The carrying amount of assets mortgaged or pledged as of 30 June 2023 was EUR 51.6 million.

There was no incident of breach of the terms of the loans of Cenergy Holdings' companies during H1 2023.

13. 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 2023

Amounts in EUR thousand	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
FVOCI – equity instruments (Non-Current assets)	6,524	-	-	6,524	6,524
Derivative financial assets (Non-Current assets)	4,607	-	4,607	-	4,607
Derivative financial assets (Current assets)	13,516	353	13,163	-	13,516
	24,647	**353**	**17,771**	**6,524**	**24,647**
Derivative financial liabilities (Current liabilities)	(6,685)	(629)	(6,056)	-	(6,685)
	17,962	**(276)**	**11,714**	**6,524**	**17,962**

31 December 2022

Amounts in EUR thousand	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
FVOCI – equity instruments (Non-Current assets)	6,308	-	-	6,308	6,308
Derivative financial assets (Non-Current assets)	6,992	-	6,992		6,992
Derivative financial assets (Current assets)	9,620	463	9,157	-	9,620
	22,920	**463**	**16,149**	**6,308**	**22,920**
Derivative financial liabilities (Current liabilities)	(10,790)	(956)	(9,833)	-	(10,790)
	12,130	**(493)**	**6,315**	**6,308**	**12,130**

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	H1 2023		FY 2022	
	Derivatives	**Equity instruments**	**Derivatives**	**Equity instruments**
Balance on 1 January	-	6,308	944	5,812
Change in fair value	-	216	-	496
Disposals	-	-	(1,015)	-
Effect of movement in exchange rates	-	-	71	-
Balance at the end of the period	**-**	**6,524**	**-**	**6,308**

Derivatives

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

Amounts in EUR thousand	**30 June 2023**	**31 December 2022**
Non-Current assets		
Interest rate swaps	3,445	3,368
Forward foreign exchange contracts	1,162	3,624
Total	**4,607**	**6,992**
Current assets		
Forward foreign exchange contracts	12,402	9,157
Interest rate swaps	761	-
Future contracts	353	463
Total	**13,516**	**9,620**
Current liabilities		
Forward foreign exchange contracts	6,056	9,833
Future contracts	629	956
Total	**6,685**	**10,790**

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 of and for the period ended 31 December 2022.

Fair value for interest rate swaps is calculated on the basis of the present value of forecasted future cash flows. Interest rate swaps are categorized as Level 2, based on the inputs used in the valuation technique to determine their fair value.

(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 2023 and 2022.

14. 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	**2023**	**2022**
Sales of goods		
Equity-accounted investees	83,319	105,604
Other related parties	33,854	43,927
	117,173	**149,530**
Sales of services		
Equity-accounted investees	217	335
Other related parties	731	723
	947	**1,058**
Sales of property, plant & equipment		
Other related parties	-	1
	-	**1**
Purchases of goods		
Equity-accounted investees	50	40
Other related parties	10,974	12,972
	11,024	**13,012**
Purchases of services		
Viohalco	79	77
Equity-accounted investees	6,637	5,290
Other related parties	6,437	6,702
	13,154	**12,069**
Purchase of property, plant and equipment		
Equity-accounted investees	23	4
Other related parties	3,241	1,101
	3,264	**1,105**

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

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

Amounts in EUR thousand	30 June 2023	31 December 2022
Current receivables from related parties		
Equity-accounted investees	20,867	9,463
Other related parties	14,044	14,826
	34,911	**24,290**
Non-current receivables from related parties		
Other related parties	93	395
	93	**395**
Current liabilities to related parties		
Viohalco	42	156
Equity-accounted investees	2,112	2,304
Other related parties	8,154	9,118
	10,308	**11,578**

The outstanding balances from related parties are not secured and the settlement of those current balances is expected to be performed during the next 12 months, since the balances concern only short-term receivables & payables, except for the amounts presented as non-current, which concern guarantees given to related parties for property rentals and energy.

B. Key management personnel compensation

The remuneration for the six months ended 30 June 2023 of the Board members and the executive management for the execution of their mandate amounted to EUR 674 thousand (H1 2022: EUR 604 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.

15. 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 THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements, consisting of the condensed consolidated statement of financial position of Cenergy Holdings S.A. and its subsidiaries (jointly "the Group") as of 30 June 2023, and 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 to 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, 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 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 are not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Diegem, 20 September 2023

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 section, 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 of 31 December 2022.

Reconciliation tables:

EBIT and EBITDA:

Amounts in EUR thousand	Cables		Steel Pipes		Other activities		Total	
	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
Profit/(Loss) before tax (as reported in Statement of Profit or Loss)	**21,301**	**25,274**	**9,846**	**(4,198)**	**(294)**	**106**	**30,852**	**21,181**
Adjustments for:								
Net finance costs	21,538	10,773	12,435	3,701	(79)	(45)	33,894	14,429
EBIT	**42,839**	**36,046**	**22,281**	**(497)**	**(373)**	**61**	**64,746**	**35,611**
Add back:								
Depreciation & Amortization	9,742	9,004	4,753	4,446	6	6	14,502	13,457
EBITDA	**52,581**	**45,051**	**27,034**	**3,949**	**(367)**	**67**	**79,249**	**49,067**

a-EBIT and a-EBITDA:

Amounts in EUR thousand	Cables		Steel pipes		Other activities		Total	
	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
EBIT	**42,839**	**36,046**	**22,281**	**(497)**	**(373)**	**61**	**64,746**	**35,611**
Adjustments for:								
Metal price lag (1)	6,864	2,399	-	-	-	-	6,864	2,399
Gain from sale of investment property	-	(340)	-	-	-	-	-	(340)
Provision for indemnity to customer (2)	-	-	-	500	-	-	-	500
Adjusted EBIT	**49,703**	**38,105**	**22,281**	**3**	**(373)**	**61**	**71,611**	**38,169**
Add back:								
Depreciation & Amortisation	9,742	9,004	4,753	4,446	6	6	14,502	13,457
Adjusted EBITDA	**59,446**	**47,109**	**27,034**	**4,449**	**(367)**	**67**	**86,113**	**51,626**

(1) Metal price lag is the P&L effect resulting from fluctuations in the market prices of the underlying commodity metals (ferrous and non-ferrous) which Cenergy Holdings' subsidiaries use as raw materials in their end-product production processes,

Metal price lag exists due to:

(i) the period of time between the pricing of purchases of metal, holding and processing the metal, and the pricing of the sale of finished inventory to customers,

(ii) the effect of the inventory opening balance (which in turn is affected by metal prices of previous periods) on the amount reported as Cost of Sales, due to the costing method used (e.g., weighted average),

(iii) certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when our sales price fixes and the sale actually occurs,

Subsidiaries in cables segment use back to back matching of purchases and sales, or derivative instruments in order to minimise the effect of the Metal Price Lag on their results, 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) In 2013, Corinth Pipeworks manufactured and supplied pipes for a pipeline in France. During 2015, the French client filed a quality claim against Corinth Pipeworks, its insurers and the subcontractors in charge for the welding of the pipeline. The commercial court of Paris rendered its decision on 7 July 2022 and ruled that Corinth Pipeworks should be held liable for the latent defects affecting the pipes it delivered to its French customer but that the latter was also responsible for its own loss. Consequently, given that 2013 sales were fully insured, Corinth Pipeworks recorded a provision of EUR 500 thousand during the six-month period ended on 30 June 2022 that corresponds to its maximum exposure for that specific claim, based on the insurance contracts in its possession.

Net debt:

Amounts in EUR thousand	Cables 30 Jun 2023	Cables 31 Dec 2022	Steel pipes 30 Jun 2023	Steel pipes 31 Dec 2022	Other activities 30 Jun 2023	Other activities 31 Dec 2022	Total 30 Jun 2023	Total 31 Dec 2022
Loans and borrowings (incl. Lease liabilities) - Long term	196,418	100,317	31,077	29,047	23	30	227,518	129,393
Loans and borrowings (incl. Lease liabilities) - Short term	304,157	350,273	208,227	125,687	13	12	512,397	475,972
Cash and cash equivalents	(143,742)	(115,196)	(67,793)	(50,997)	(1,305)	(967)	(212,840)	(167,160)
Net debt	**356,833**	**335,394**	**171,512**	**103,737**	**(1,270)**	**(925)**	**527,075**	**438,206**