CENERGY HOLDINGS

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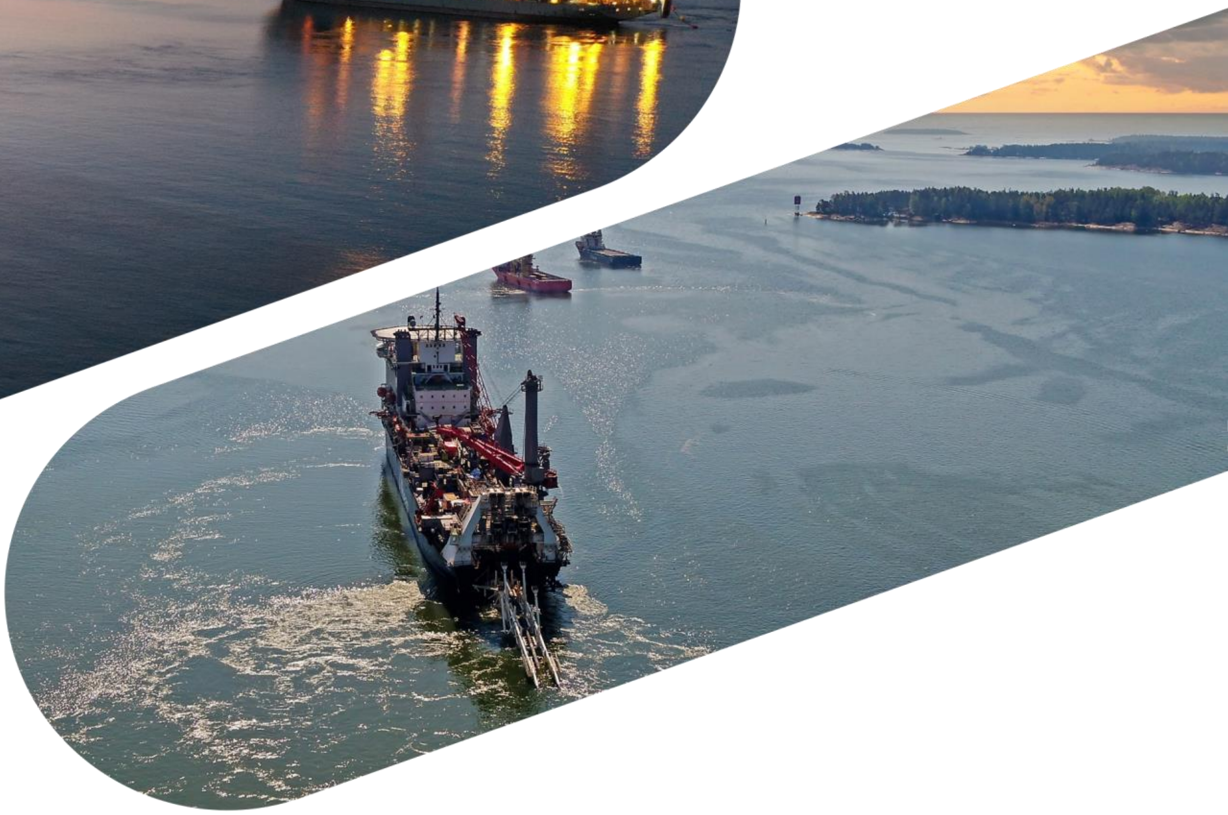
PRESS RELEASE

2021 FIRST HALF YEAR FINANCIAL RESULTS



CORINTH PIPEWORKS | HELLENIC CABLES

REGULATED INFORMATION
INSIDE INFORMATION

2021 FIRST HALF YEAR FINANCIAL RESULTS

Brussels, 22 September 2021

The enclosed information constitutes inside information and is to be considered regulated information as defined in the Belgian Royal Decree of 14 November 2007 regarding the duties of issuers of financial instruments which have been admitted for trading on a regulated market.

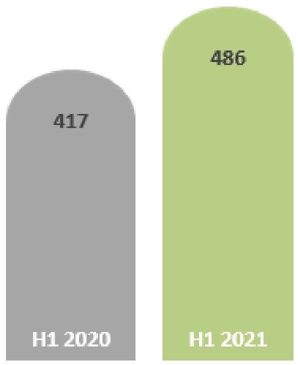
Cenergy Holdings S.A. (Euronext Brussels, Athens Stock Exchange: CENER), hereafter “Cenergy Holdings” or “the Group”, announces today its financial results for the first half year of 2021 together with the issuance of its Interim Report for the same period.

Healthy profitability, strong backlog, steady growth

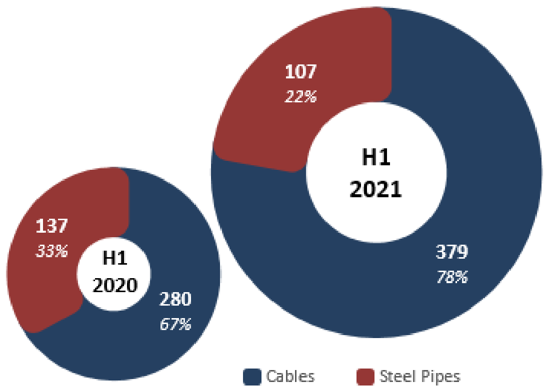
Highlights

- **Growth in revenue** (+16.5% y-o-y) driven by increased level of activity in cables segment
- **Higher operational profitability** with adjusted EBITDA[1] exceeding **EUR 47 million** for the first half of 2021 (+11.3% y-o-y); the main driver for this increase remains the Cables projects business.
- Substantial **order backlog at EUR 600 million** as of June 30, 2021 signals robust growth for the future (31/12/20: EUR 500 million), while more orders are secured in Q3 2021
- Consolidated **profit before tax of EUR 12.2 million** vs. EUR 11.9 in H1 2020 (+2.5%)
- Consolidated **net profit after tax reached EUR 11.6 million** vs. EUR 8.1 in H1 2020 (43% growth y-o-y)

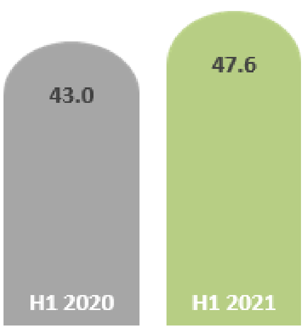
Revenue (in EUR million)



Per segment:



a-EBITDA (in EUR million)



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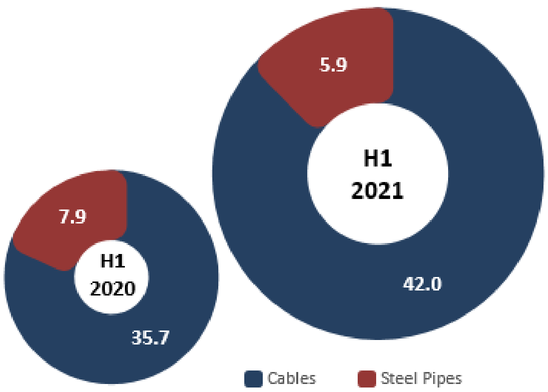

[1] *For the definitions of the Alternative Performance Measures (APMs) used, refer to Appendix C.*

Overview

During the first semester of 2021, Cenergy Holdings demonstrated its ability to keep the momentum created over the last two years alive and take it further ahead. The smooth execution of energy projects in both the cables and the steel pipes segments continued, with each segment marking significant highpoints during the first half of the year, such as the successful completion of the record-breaking high-voltage Crete Interconnection and the delivery of the first hydrogen-certified pipeline for a high pressure gas network in Italy.

At the same time, all Cenergy Holdings' companies took advantage of the **strong commercial momentum** and supported a healthy backlog for future growth, as all commercial teams brought in significant orders for energy projects around the globe, driving the **backlog to EUR 600 million** as of June 30, 2021. The recent awards of the subsea cable connection of Greece's largest wind farm, an offshore high-pressure gas pipeline in Israel, the first award in the Adriatic Sea for a submarine cable interconnection project and frame contracts signed with significant Transmission system operators (TSOs) in Europe are some examples of the successful tendering activity during the first half of the year.

Throughout the year and as the world continues to experience several waves of outbreaks of the SARS-Cov-2 virus, all companies in Cenergy Holdings keep taking actions to shield their most valuable asset, the health of their personnel. The action plan initiated in early 2020 to prevent the virus spread remains in place, while management actively supports vaccination programs in all countries where subsidiaries are operating.

In the cables segment, the high utilization of all production lines and the smooth execution of high-profile submarine projects led to further growth and solid performance. Demand in cables products rebounded during the first semester of 2021 and sales volume increased by 16%. This increase covered a wide range of cable types and led to satisfactory utilization of all land cables production lines. The continuous focus in value added projects and products, allowed higher profitability, leading the entire segment to a **strong performance with adjusted EBITDA reaching EUR 42 million**. This was further stimulated by initiatives to enter new geographical markets as well as the ongoing investment program to further enhance the production capacity of the offshore business unit. In the field of sustainable development, Hellenic Cables awarded a silver 2021 EcoVadis Sustainability Rating for its sustainability practices, confirming the commitment to implement responsible business practices across its operations.

In the steel pipes segment, on the contrary, insufficient demand still prevails, especially in large-diameter pipes. Market conditions remain highly volatile, whilst a large number of energy projects are either postponed or abandoned, especially in the USA. As a result, turnover fell by 22% compared to H1 2020 and operational profitability (adjusted EBITDA) suffered a decrease by EUR 2 million. As oil prices and demand recover though, pulling energy prices higher, the available tender opportunities for Corinth Pipeworks (hereafter "CPW"), the Group's main company in the segment, increase slowly but steadily. To further compensate for general sluggish demand conditions and to protect its core profitability, CPW completed a cost optimization programme started in 2020, including cost reduction measures but also industrial excellence initiatives in its Thisvi plant. On the financial side, the strict working capital management continued, slowing down any net debt acceleration pressures due to rising raw material prices.

Group financial review

Amounts in EUR thousand	H1 2021	H1 2020	Change (%)	Q2 2021	Q1 2021	Change (%)
Revenue	**486,060**	**417,365**	***16%***	**257,635**	**228,425**	***13%***
Gross profit	**44,287**	**46,954**	***-6%***	**22,856**	21,430	***7%***
Gross profit margin (%)	*9.1%*	*11.3%*	*-220bps*	*8.9%*	*9.4%*	*-50bps*
a-EBITDA	**47,641**	**43,013**	***11%***	**29,601**	**18,040**	***64%***
a-EBITDA margin (%)	*9.8%*	*10.3%*	*-50bps*	*11.5%*	*7.9%*	*+360bps*
EBITDA	**38,801**	**40,161**	***-3%***	**20,235**	**18,566**	***9%***
EBITDA margin (%)	*8.0%*	*9.6%*	*-160bps*	*7.9%*	*8.1%*	*-20bps*
a-EBIT	**35,036**	**31,334**	***12%***	**23,365**	**11,671**	***100%***
a-EBIT margin (%)	*7.2%*	*7.5%*	*-30bps*	*9.1%*	*5.1%*	*+400bps*
EBIT	**26,196**	**28,481**	***-8%***	**13,999**	**12,198**	***15%***
EBIT margin (%)	*5.4%*	*6.8%*	*-140bps*	*5.4%*	*5.3%*	*+10bps*
Net finance costs	**(14,036)**	**(16,617)**	*-16%*	(6,724)	(7,312)	*-8%*
Profit before income tax	**12,161**	**11,864**	***3%***	**7,275**	**4,886**	***49%***
Profit after tax for the year	**11,579**	**8,076**	***43%***	**6,956**	4,623	*50%*
Net profit margin (%)	*2.4%*	*1.9%*	*+50bps*	*2.7%*	*2.0%*	*+70bps*
Profit attributable to owners	**11,557**	**8,076**	***43%***	**6,942**	4,615	*50%*

- *Source: Condensed Consolidated Statement of Profit or Loss (Appendix A) and APMs (Appendix C)*
- *All percentages are versus revenue*

Amounts in EUR	H1 2021	H1 2020	Change (%)	Q2 2021	Q1 2021	Change (%)
Earnings per share	***0.06089***	***0.04247***	***43%***	***0.03658***	***0.02431***	***50%***

Revenue grew by 16% to EUR 486 million, supported by a strong execution of cables projects from the order backlog, as well as strong demand for cables products, along with increasing LME metal prices. On the other hand, demand in steel pipes segment faced challenges, as fossil fuel transportation projects have not yet rebounded from the recent crisis. The revenue in cables segment accelerated during Q2 2021 covering the gap in steel pipes and leading to a 13% increase over the previous quarter.

Adjusted EBITDA increased by 11% to approx. EUR 48 million as the successful execution of energy projects kept operational profitability at satisfactory levels, despite low utilization levels of the steel pipes plant. Conversely, EBITDA was influenced by metal price fluctuations and amounted to approx. EUR 39 million (3.4% y-o-y). The subsidiary companies continued to focus on value-added products and services growth and managed to maintain their margins despite price inflation in all major raw materials, throughout the year.

Net finance costs further decreased by EUR 2.6 million (-16% y-o-y) to EUR 14 million for the first half of 2021, due to both lower interest rates and lower average debt levels versus the comparable period.

Profit before income tax amounted to EUR 12.2 million, at nearly the same levels of H1 2020. Stronger sales in cables during Q2 2021 affected all profitability measures leading to an almost 50% increase in profit before tax compared to the first quarter of the year.

In contrast, **profit after tax** for the period increased significantly to EUR 11.6 million (EUR 8.1 million in H1 2020) reaching 2.4% of sales (against 1.9% in H1 2020), as Greek subsidiaries profited from a corporate tax rate reduction from 24% to 22% on their deferred tax liabilities.

Amounts in EUR thousand	**30 June 2021**	**31 December 2020**
ASSETS		
Property, plant and equipment	464,106	457,937
Equity - accounted investees	34,351	34,339
Other non-current assets	46,377	46,645
Non-current assets	**544,833**	**538,921**
Inventories	215,273	213,192
Trade and other receivables	143,879	112,872
Contract assets	72,906	64,875
Cash and cash equivalents	75,098	81,035
Other current assets	1,804	1,129
Current assets	**508,959**	**473,103**
TOTAL ASSETS	**1,053,793**	**1,012,024**
EQUITY	**266,347**	**251,762**
LIABILITIES		
Loans and borrowings	162,960	174,625
Lease liabilities	3,967	3,681
Deferred tax liabilities	25,272	31,668
Other non-current liabilities	32,291	32,999
Non-current liabilities	**224,490**	**242,973**
Loans and borrowings	272,992	231,592
Lease liabilities	1,719	1,752
Trade and other payables	245,379	249,092
Contract liabilities	32,379	30,196
Other current liabilities	10,485	4,657
Current liabilities	**562,955**	**517,289**
TOTAL LIABILITIES	**787,445**	**760,262**
TOTAL EQUITY & LIABILITIES	**1,053,793**	**1,012,024**

- *Source: Condensed Consolidated Statement of Financial Position (Appendix B)*

The Group continued its investments mainly in the submarine cables production plant of Fulgor in Corinth, Greece. Total capital expenditure for the Group reached EUR 20 million in H1 2021, split between EUR 15.6 million for the cables and EUR 4.4 million for the steel pipes segment.

Total working capital increased significantly to EUR 135 million on June 30, 2021 (+34% vs. EUR 100 million on 31.12.2020). Such increase is due to higher raw material prices and the timing of milestone payments for projects in execution. The increase was, however, constrained through stricter working capital management, i.e. negotiation of better payment terms with supply chain partners as well as closer monitoring of raw material purchases where possible. Consequently, **net debt** increased to EUR 367 million on June 30, 2021, up by EUR 36 million from 2020 year-end level.

Financial performance by business segment

EUR thousand	Revenue		EBITDA		a-EBITDA		EBIT		EBT	
Segment	**H1 2021**	**H1 2020**	**H1 2021**	**H1 2020**	**H1 2021**	**H1 2020**	**H1 2021**	**H1 2020**	**H1 2021**	**H1 2020**
Cables	378,596	279,883	34,104	32,946	41,989	35,673	25,941	25,601	16,020	14,518
Steel Pipes	107,464	137,482	4,936	7,796	5,891	7,921	498	3,462	(3,616)	(2,071)
Other activities	-	-	(238)	(581)	(238)	(581)	(242)	(582)	(244)	(583)
Total	**486,060**	**417,365**	**38,801**	**40,161**	**47,641**	**43,013**	**26,196**	**28,481**	**12,161**	**11,864**

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

Cables

The cables segment's results in the first six months depict a solid growth in the projects' business, as orders awarded over recent years are executed smoothly, along with some volume growth in cables products. Consequently, all plants had a full production schedule throughout the semester leading to further growth in profitability.

Hellenic Cables continued its tendering efforts and succeeded to secure several awards for new projects in the offshore wind and interconnections markets, along with frame contracts from major TSOs. At the same time, a number of projects were successfully delivered, in full or partially, during this period:

- the 178 km-long submarine and underground electrical interconnection between Crete and Peloponnese, one of the most demanding projects ever completed worldwide (the longest and deepest – 1000m – HVAC interconnection), was successfully installed and electrified in May;
- the electrical tests of the 150 kV high voltage submarine cable that connects Skiathos to the Greek National Transmission System were successfully completed early in the year;
- the first deliveries of 66kV inter-array cables for the Seagreen offshore wind farm in the UK took place during the semester, while the production of the remaining quantities for the project continues;
- the production for phase B of Hollandse Kust Zuid project in the Netherlands was also completed, with delivery of the two 220kV subsea cables completed in the second quarter of the year; and
- the production for the submarine cables for Kafireas II Wind Farm interconnection with Greece's mainland grid started during 2021, on schedule.

On the products business unit, sales volume increased by 16% in the first half of the year, signaling a demand upturn. This, along with a positive mix, further favored the entire segment's profitability.

Thus, the cables segment exhibited a EUR 6.5 million increase in adjusted EBITDA, reaching EUR 42.0 million in H1 2021, up from EUR 35.7 million in H1 2020, with margins slightly lower, as revenue from products increased more than revenue from projects.

Corresponding profit before income tax reached EUR 16 million, compared to EUR 14.5 million in H1 2020, while net profit after tax followed the same trend and reached EUR 14.4 million (EUR 11.1 million in H1 2020).

As a final point, it is worth noting that the investment in Fulgor's plant for the expansion of inter-array cables capacity is now almost completed. Capital expenditure for the segment reached EUR 15.6 million, out of which EUR 12.9 million concerned the aforementioned investments in Fulgor's plant.

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Steel pipes

During H1 2021, the steel pipes segment witnessed a first market reaction in the unprecedented decline in oil and gas prices during the previous year. As oil prices rebounded during the first six months of 2021 many postponed fossil-fuel distribution projects have slowly restarted. Several investment decisions, however, are still pending in the oil & gas sector, as the substantial increase of steel prices led to the recalculation of budget figures for many projects, creating turbulence in the wider fuel market.

In these adverse market conditions, revenue for the segment declined considerably to EUR 107 million in 2021H1, 22% lower from its H1 2020 level of EUR 137 million. Consequently, gross profit decreased to EUR 6.3 million in H1 2021 (from EUR 10.0 million in H1 2020) and adjusted EBITDA followed, down to EUR 5.9 million (EUR 7.9 million in H1 2020). As a result, the segment yielded a **loss before tax** of EUR 3.6 million, compared to loss of EUR 2.1 million in H1 2020.

Corinth Pipeworks has nonetheless showed significant resilience, mainly illustrated by:

- Efforts to strengthen its presence in new markets in Europe, the Americas, North Africa and Asia, and winning new projects for well-known customers (e.g. Snam in Italy, INGL in Southeast Mediterranean, Williams in USA and more offshore projects like KEG in Norway and Zendolie in Trinidad).
- Strict working capital and stock management, which secured liquidity.
- Initiatives to develop solutions towards the green energy transition. One of the most prominent examples was the certification of pipes to transport up to 100% hydrogen achieved in early June by CPW together with Snam, one of the world’s largest energy infrastructure companies. It concerns a 440km contract for the manufacture of the first high-pressure transmission gas pipeline network in Europe, certified to transport up to 100% hydrogen and manufactured in Corinth Pipeworks' plant in Thisvi.
- Actions to safeguard the safety of its employees, fulfilling its contractual obligations and securing uninterrupted production for all its current projects.

As a final point, it should be noted that, over the course of the first semester, Corinth Pipeworks successfully continued its rigorous programme of major energy qualifications and innovative programs to enhance competitiveness and completed the cost optimization programme started in the last quarter of 2020, which is expected to improve its competitive position.

Subsequent events

Please refer to the Notes of the Condensed Consolidated Financial Statements for the 6-month period ended 30 June 2021.

Outlook

Following the strong performance of the first six months and based on the current macroeconomic environment, the **cables segment** is expected to continue to benefit from the robust set of secured projects, while new significant orders (i.e. Santorini-Naxos electrical interconnection in Greece and Vesterhav project in Denmark) have already been awarded The good market momentum, indicating a strong potential of the offshore wind sector, and the proven ability of the segment's companies to expand into new markets announces solid growth for the near future. The submarine project business (Fulgor) is expected to retain its high capacity utilisation throughout 2021 driving the entire segment's profitability.

In the cable products business unit, the reinforcement of demand in the main markets of Western Europe, Middle East and the Balkans, is expected to continue, as both the construction and the industrials sectors are getting stronger. The initiatives for further geographical diversification continue in order to spread out and fortify revenue streams. The unabated focus for the cables segment remains the successful execution of existing projects and the award of new ones.

The **steel pipes** segment, on the other hand, is more influenced by the global economic ecosystem and relies on the rebound of the energy market and the accelerated energy transition scenario. The former shows signs of recovery although the Delta variant of the coronavirus is clouding any forecasts and/or expectations for reaching pre-Covid levels in 2022. At the same time, global electricity demand is growing faster than renewable energy capacity and as a result, more power from fossil fuels is expected to be required and hence, demand for steel pipes expected to be maintained at high levels. As the pandemic recedes and energy demand is rebounding, CPW remains focused on penetrating new geographical markets and developing new innovative products, e.g. infrastructure for the offshore wind sector, tubes for hydrogen transportation, carbon capture and storage (CCS) technologies etc. Such initiatives along with intensified efforts towards stronger competitiveness will improve Corinth Pipeworks' market position and will lead to awards of new projects, which were put on hold due to the pandemic and are now awaiting finalization.

Overall, **Cenergy Holdings** looks ahead to a positive year, with steady revenue supporting operational margins. Its companies' solid structure and advanced technology offer confidence for long-term sustainable growth. It goes without saying that, for the rest of 2021, the priorities for further enforcement of the ongoing Industrial Excellence programme and for augmented health and safety preventive measures remain as strong as ever for both segments. These initiatives will lead Cenergy Holdings to the new digital era, secure health and safety of our people, guarantee an undisrupted operation of all plants and enable the whole Group to remain well positioned in the global energy market.

Statement of the Auditor

The condensed consolidated interim financial statements for the six-month period ended 30 June 2021 have been subject to a review by the statutory auditor.

Financial Calendar

Publication / Event	Date
2021Q3 trading update	18 November 2021
Cenergy Holdings 2021 annual results	10 March 2022
Ordinary General Meeting 2022	31 May 2022

DISCLAIMER: *Any forward-looking statements that may be included in this press release are statements regarding or based on current expectations, plans or understandings of our management relating to, inter alia, Cenergy Holdings' future results of operations, financial position, liquidity, prospects, growth, strategies or developments in the markets in which its subsidiaries operate. Such forward-looking statements shall be treated as a reflection of information, data and understandings as of the date of the publication of this press release, so you are encouraged not to place undue reliance on them, given that by their nature, forward-looking statements are subject to risks, uncertainties and assumptions that could materially alter the actual results or future events from those expressed or implied thereby. The outcome and financial effects of the understandings, intentions, and events described herein could be adversely affected by these risks, uncertainties and assumptions. Forward-looking statements contained in this press release related to trends or current activities shall not to be taken as a report of the future status of such trends or activities. We undertake no obligation to update or revise any forward-looking statements, either as a result of new information or developments, future events or otherwise. The information contained in this press release is subject to change without notice. No re-report or warranty, express or implied, regarding the fairness, accuracy, reasonableness or completeness of the information contained herein and no reliance shall be placed on it.*
This press release has been prepared in English and translated into French and Greek. In case of discrepancies between different language versions, the English one shall prevail.

About Cenergy Holdings

Cenergy Holdings is a Belgian holding company listed on both Euronext Brussels and Athens Stock Exchange, investing in leading industrial companies, focusing on the growing global demand of energy transfer, renewables and data transmission. The Cenergy Holdings portfolio consists of Corinth Pipeworks and Hellenic Cables, companies positioned at the forefront of their respective high growth sectors. Corinth Pipeworks is a world leader in steel pipe manufacturing for the oil and gas sector and major producer of steel hollow sections for the construction sector. Hellenic Cables is one of the largest cable producers in Europe, manufacturing power and telecom cables as well as submarine cables for the aforementioned sectors. For more information about our company, please visit our website at www.cenergyholdings.com .

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All figures and tables contained in these appendices have been extracted from the Condensed Consolidated Interim Financial Statements for the period ended 30 June 2021, which have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union and authorised for issue by the Board of Directors on 22 September 2021. The statutory auditor PwC Bedrijfsrevisoren BV has reviewed these Condensed Consolidated Interim Financial Statements and concluded that based on the review, nothing has come to the attention that causes them to believe that the Condensed Consolidated Interim Financial Statements are not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union. For the Condensed Consolidated Interim Financial Statements for the period ended 30 June 2021 and the review report of the statutory auditor, please refer to www.cenergyholdings.com.

Appendix A – Condensed Consolidated Statement of Profit or Loss

	For the six months ended 30 June	
EUR thousand	**2021**	**2020**
Revenue	486,060	417,365
Cost of sales	(441,774)	(370,411)
Gross profit	**44,287**	**46,954**
Other income	2,050	2,482
Selling and distribution expenses	(5,347)	(5,761)
Administrative expenses	(13,029)	(14,298)
Impairment loss on receivables and contract assets	(100)	(202)
Other expenses	(1,810)	(1,036)
Operating profit	**26,050**	**28,139**
Finance income	167	88
Finance costs	(14,203)	(16,705)
Net finance costs	**(14,036)**	**(16,617)**
Share of profit of equity-accounted investees, net of tax	146	342
Profit before tax	**12,161**	**11,864**
Income tax	(582)	(3,787)
Profit for the period	**11,579**	**8,076**
Profit/(Loss) attributable to:		
Owners of the Company	11,557	8,076
Non-controlling interests	21	-
	11,579	**8,076**

Segmental information

EUR thousand	Cables		Steel Pipes		Other activities		Total	
	H1 2021	**H1 2020**	**H1 2021**	**H1 2020**	**H1 2021**	**H1 2020**	**H1 2021**	**H1 2020**
Revenue	**378,596**	**279,883**	**107,464**	**137,482**	**-**	**-**	**486,060**	**417,365**
Gross profit	37,996	36,961	6,291	9,993	-	-	44,287	46,954
Operating profit / (loss)	25,941	25,601	1,013	3,312	(903)	(773)	26,050	28,139
Finance income	159	3	8	85	-	-	167	88
Finance costs	(10,079)	(11,086)	(4,121)	(5,618)	(2)	(2)	(14,203)	(16,705)
Share of profit/(loss) of equity-accounted investees, net of tax	-	-	(515)	151	662	192	146	342
Profit / (Loss) before tax	**16,020**	**14,518**	**(3,616)**	**(2,071)**	**(244)**	**(583)**	**12,161**	**11,864**
Income tax	(1,659)	(3,466)	1,077	(322)	-	-	(582)	(3,787)
Profit/(Loss) for the period	**14,362**	**11,052**	**(2,539)**	**(2,392)**	**(244)**	**(583)**	**11,579**	**8,076**

Appendix B – Condensed Consolidated Statement of Financial Position

EUR thousand	30 June 2021	31 December 2020
ASSETS		
Non-current assets		
Property, plant and equipment	464,106	457,937
Right of use assets	6,199	5,598
Intangible assets	28,261	29,323
Investment property	764	764
Equity - accounted investees	34,351	34,339
Other Investments	5,496	5,657
Derivatives	900	871
Trade and other receivables	1,317	1,303
Contract costs	222	222
Deferred tax assets	3,218	2,908
	544,833	**538,921**
Current Assets		
Inventories	215,273	213,192
Trade and other receivables	143,879	112,872
Contract assets	72,906	64,875
Contract costs	302	491
Income tax receivables	40	54
Derivatives	1,462	584
Cash and cash equivalents	75,098	81,035
	508,959	**473,103**
Total assets	**1,053,793**	**1,012,024**
EQUITY		
Share capital	117,892	117,892
Share premium	58,600	58,600
Reserves	34,615	30,427
Retained earnings	54,932	44,556
Equity attributable to owners of the Company	**266,038**	**251,475**
Non-Controlling Interest	309	287
Total equity	**266,347**	**251,762**
LIABILITIES		
Non-current liabilities		
Loans and Borrowings	162,960	174,625
Lease liabilities	3,967	3,681
Employee benefits	6,358	6,406
Grants	16,044	16,487
Trade and other payables	-	217
Deferred tax liabilities	25,272	31,668
Contract liabilities	9,889	9,889
	224,490	**242,973**
Current liabilities		
Loans and Borrowings	272,992	231,592
Lease liabilities	1,719	1,752
Trade and other payables	245,379	249,092
Contract liabilities	32,379	30,196
Current tax liabilities	10,181	2,081
Derivatives	304	2,576
	562,955	**517,289**
Total liabilities	**787,445**	**760,262**
Total equity and liabilities	**1,053,793**	**1,012,024**

Appendix C – Alternative performance measures

In addition to the results reported in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, this press release 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 press release 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.

APM definitions remained unmodified compared to those applied as at 31 December 2020. 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

Reconciliation tables:

EBIT and EBITDA:

Amounts in EUR thousand	Cables H1 2021	Cables H1 2020	Steel Pipes H1 2021	Steel Pipes H1 2020	Other activities H1 2021	Other activities H1 2020	Total H1 2021	Total H1 2020
Profit/(Loss) before tax (as reported in Consolidated Statement of Profit or Loss)	**16,020**	**14,518**	**(3,616)**	**(2,071)**	**(244)**	**(583)**	**12,161**	**11,864**
Adjustments for:								
Net finance costs	9,920	11,083	4,113	5,533	2	2	14,036	16,617
EBIT	**25,941**	**25,601**	**498**	**3,462**	**(242)**	**(582)**	**26,196**	**28,481**
Add back:								
Depreciation & Amortisation	8,163	7,346	4,438	4,334	3	1	12,605	11,680
EBITDA	**34,104**	**32,946**	**4,936**	**7,796**	**(238)**	**(581)**	**38,801**	**40,161**

a-EBIT and a-EBITDA:

Amounts in EUR thousand	Cables H1 2021	Cables H1 2020	Steel pipes H1 2021	Steel pipes H1 2020	Other activities H1 2021	Other activities H1 2020	Total H1 2021	Total H1 2020
EBIT	**25,941**	**25,601**	**498**	**3,462**	**(242)**	**(582)**	**26,196**	**28,481**
Adjustments for:								
Metal price lag (1)	7,587	2,257	-	-	-	-	7,587	2,257
Reorganization costs	-	-	816	-	-	-	816	-
Incremental coronavirus costs (2)	297	471	139	125			436	596
Adjusted EBIT	**33,825**	**28,328**	**1,453**	**3,587**	**(242)**	**(582)**	**35,036**	**31,334**
Add back:								
Depreciation & Amortisation	8,163	7,346	4,438	4,334	3	1	12,605	11,680
Adjusted EBITDA	**41,989**	**35,673**	**5,891**	**7,921**	**(238)**	**(581)**	**47,641**	**43,013**

(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) *Incremental coronavirus costs concern all incremental costs incurred due to the coronavirus outbreak. Such costs are directly attributable to the coronavirus outbreak and are incremental to costs incurred prior to the outbreak and not expected to recur once the crisis has subsided and operations return to normal, while they are clearly separable from normal operations.*

Net debt:

Amounts in EUR thousand	Cables		Steel pipes		Other activities		Total	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Loans and borrowings (incl. Lease liabilities) - Long term	122,085	133,295	44,824	44,989	19	21	166,927	178,306
Loans and borrowings (incl. Lease liabilities) - Short term	200,297	168,428	74,408	64,911	6	6	274,711	233,344
Cash and cash equivalents	(52,765)	(59,694)	(21,994)	(20,689)	(339)	(652)	(75,098)	(81,035)
Net debt	**269,617**	**242,029**	**97,238**	**89,211**	**(314)**	**(625)**	**366,541**	**330,615**

Restatement of previously reported APMs:

a-EBIT:

Amounts in EUR thousand	Cables	Steel pipes	Other activities	Total
Published a-EBIT for H1 2020	**27,857**	**3,462**	**(582)**	**30,738**
Excluding incremental coronavirus costs	471	125	-	596
Restated a-EBIT for H1 2020	**28,328**	**3,587**	**(582)**	**31,334**

a-EBITDA:

Amounts in EUR thousand	Cables	Steel pipes	Other activities	Total
Published a-EBITDA for H1 2020	**35,202**	**7,796**	**(581)**	**42,418**
Excluding incremental coronavirus costs	471	125	-	596
Restated a-EBITDA for H1 2020	**35,673**	**7,921**	**(581)**	**43,013**