



FINANCIAL
RESULTS
FOR THE FISCAL
YEAR



HELLENIC CABLES

REGULATED INFORMATION
INSIDE INFORMATION

FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Brussels, 18 March 2020

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.

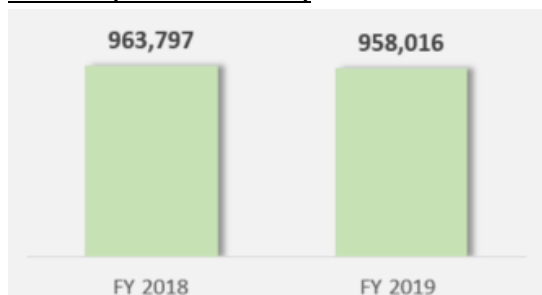
Cenergy Holdings S.A. (Euronext Brussels, Athens Stock Exchange: CENER), hereafter “Cenergy Holdings” or “the Group”, today announces its financial results for the year ended 31 December 2019.

Record year for profitability, stable backlog going forward

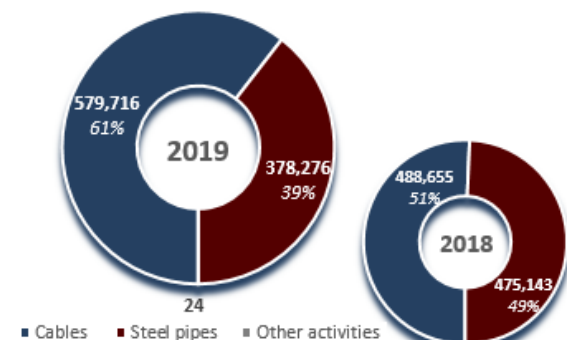
Highlights

- Very high operational profitability: **adjusted EBITDA** for 2019 reached **EUR 90 million** (48% growth year-on-year)
- Cash flow from operating activities for 2019 reached **EUR 110 million**
- **Net debt down** by **EUR 60 million**
- **Substantial order backlog** of **EUR 530 million** as of 31 December 2019
- Consolidated **profit before tax** of **EUR 28.5 million** vs. a EUR 0.7 in 2018
- Consolidated **net profit after tax** reached **EUR 20.2 million**

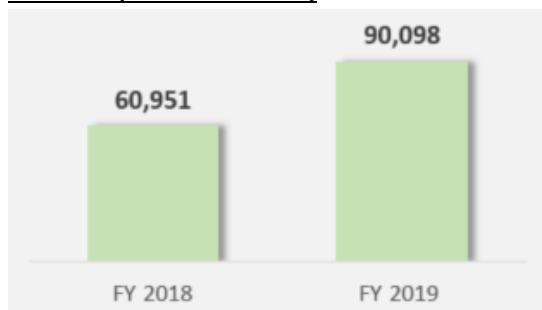
Revenue (in EUR thousand)



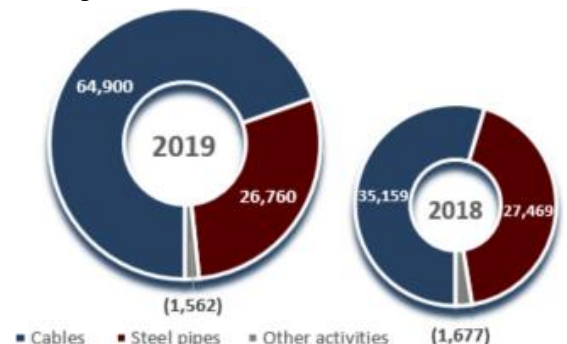
Per segment:



a-EBITDA (in EUR thousand)



Per segment:



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

Overview

2019 was a milestone year for Cenergy Holdings as all key objectives set for that year were realised.

Operational profitability in terms of a-EBITDA reached **EUR 90 million** versus **EUR 61 million** in 2018 driven mainly by the successful execution of projects in both segments. This notable increase in profitability allowed the Group to produce **significant cash flow from operations** (EUR 110 million) and decrease overall net debt by EUR 60 million at the end of 2019, despite continuing, though at a slower pace, the capital expenditure necessary to expand and enhance its production capability and provide its customers with high-end solutions. In fact, the Group invested **EUR 53 million** in all its production sites during 2019 to further support the key objective of its companies to create value and establish their position as key players in the global energy distribution markets.

Net profit after tax for the Group reached in 2019 **EUR 20 million**. Although, part of the success could be anticipated given the high order backlog of December 2018 both for the cables and the steel pipes segments, it required important commercial effort in a rather tricky global environment. Thus, segments ensured an equally strong **backlog of EUR 530 million** for the following years and confirmed the effective execution of the segments' strategy, namely focusing and delivering high margin, high technology, challenging projects in the energy markets.

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

For Corinth Pipeworks, 2019 was a very challenging year: strong protectionism, particularly in the USA, limited considerably the company's operating field. The company responded to this new environment by focusing on quality and customer satisfaction and managed to maintain market share, while entering new markets and product segments, such as the technically demanding deep offshore market. The subsidiary kept a high utilisation rate for its Thisvi plant and was present in all regional markets, mainly North and South Europe and Eastern Mediterranean.

Group financial review

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

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

<i>Amounts in EUR</i>	FY 2019	FY 2018
Earnings per share	0.10617	0.03608

Consolidated revenue for 2019 stands at EUR 958 million, stable compared to 2018. On the contrary, **adjusted EBITDA** increased by 48% y-o-y to EUR 90 million, with the cables segment realizing a considerable increase of EUR 30 million (EUR 65 million in 2019 vs. EUR 35 million in 2018). The steel pipes segment's operating profitability was stable at EUR 27 million, without the record sales of the previous year. Corinth Pipeworks opted for a more profitable projects mix, as opposed to keeping a high turnover.

Group net finance costs were higher at EUR 34.6 million (EUR 2.4 million more than 2018) due to higher working capital for steel pipes and some foreign exchange losses in 2019. Following, however, the prior year's debt reprofiling of EUR 118.7 million, improved interest rates and lower net debt at the end of 2019, the overall financing position of the Group is getting stronger.

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

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

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

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

To keep core businesses operating at a promising efficiency pace for the future, Cenergy Holdings' companies continued to invest in them: total **capital expenditure** for the cables segment reached EUR 42.5 million, while for the steel pipes segment, it equalled EUR 10.9 million.

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

Net debt fell considerably to EUR 414 million on December 31st, 2019 (31.12.2018: EUR 473 million), demonstrating the Group's commitment to deleveraging. Cenergy Holdings' debt on that date comprised of long term and short-term facilities, at 36% and 64%, respectively, an improvement versus last year's mix. All new credit facilities signed during 2019 included much improved credit terms. The effect of IFRS 16 adoption on net debt on December 31st, 2019 was EUR 3.5 million.

Financial performance by business segment

EUR thousand	Revenue		EBITDA		a-EBITDA		EBIT		EBT	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Segment										
Steel Pipes	378,276	475,143	26,744	26,409	26,760	27,469	16,324	17,099	3,988	7,178
Cables	579,716	488,655	64,905	31,481	64,900	35,159	48,380	17,808	26,107	(4,477)
Other activities	24	-	(1,376)	(1,667)	(1,562)	(1,677)	(1,586)	(1,988)	(1,603)	(1,993)
Total	958,016	963,797	90,273	56,223	90,098	60,951	63,117	32,919	28,492	708

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

Cables

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

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

- The extension of the 400kV power grid system in the Peloponnese is on time: production of the extra-high voltage submarine cables was completed in the early summer and, during August 2019, the installation of the first 400kV submarine cable in Greece was completed (seabed clearance, trenching, cable laying and protection) in the Rio-Antirio area.
- The production stages for the Hollandze Kust Alpha project in the Netherlands and for the interconnection of Crete – Peloponnese in Greece started, while those for the second phase of Cyclades islands' interconnection project in Greece and for the Seamade-Mermaid project in Belgium were concluded. The installation of both projects is expected to take place during 2020.
- The submarine cables for the Modular Offshore Grid project in the North Sea, Belgium and the interconnection of the Kafireas wind park in Evia, Greece, with the national power grid via submarine cables, were successfully finished.

During the second half of 2019, Hellenic Cables participated in several tenders across geographical areas and markets and succeeded to secure, among other awards, their first USA project (Mayflower Wind project) with Shell / EDPR and their first contract for inter-array cables with Ørsted, the global leader in offshore wind.

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

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

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

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

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

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

The above capital expenditure was financed through the segment's inflows from operating activities. Free cash flow generated throughout the year was also used to push **down** the segment's net debt by more than 12% y-o-y from EUR 291 million on 31.12.2018 to EUR 256 million on 31.12.2019. The determination to restructure long-term debt, securing lower financing costs for the future, continued with measures including, among others, the issuance of EUR 21.4 million bond loans for the submarine cables plant.

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

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

Steel pipes

During 2019, Corinth Pipeworks produced pipes for Karish, its first deep sea offshore project and an important breakthrough for the steel pipes segment. This was a strategic project in the SE Mediterranean, at a maximum depth of 1,750m, a highly complex work only a few companies worldwide could have accomplished.

In 2019, Corinth Pipeworks was also awarded other major projects, such as:

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

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

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

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

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

As turnover was reduced, so was working capital, contributing to a **decline in net debt** from EUR 183 million as of 31.12.18, to EUR 160 million. Finally, long-term debt was partially refinanced with more favourable terms, through the issuance of a EUR 12.6 million bond loan with a major Greek bank.

Subsequent events

There are no subsequent events affecting the Consolidated Financial Information presented in this Press Release.

Outlook

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

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

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

In the **steel pipes segment**, the global economic environment in which Corinth Pipeworks operates remains volatile. The imposition of tariffs and antidumping duties by the USA triggered severe competition pressure from local mills to worldwide pipe makers, such as Corinth Pipeworks. Despite these headwinds, the subsidiary remains focused on maintaining its leading position, through new investments and the penetration of new geographical and product markets. It intensifies its efforts to enhance competitiveness and qualify for tenders offered from major Oil & Gas companies. This effort involves, among other projects, the “Manufacturing Excellence” program, an attempt to process digitisation and schemes to introduce Industry 4.0 into its production lines. The transformation of the subsidiary to a more diversified product profile is an essential part of its innovation agenda throughout 2019 and 2020. Corinth Pipeworks maintains its positive outlook for 2020, with

the execution of the G.I.G.B. pipeline (Gas Interconnector Greece-Bulgaria) and other major, offshore and onshore, project awards expected.

Despite the current market volatility, **Cenergy Holdings** expects to maintain the positive momentum gained in 2019. For 2020, there is cautious optimism that the operating environment will improve further as European markets continue to grow and both demand and prices in our operating markets demonstrate positive trends. Conversely, the pandemic of Covid-19 is expected to disturb supply chains around the world, so the subsidiaries closely monitor the developments in regards to the outbreak and are ready to address any short-term demand fluctuations. International political factors will continue to weigh heavily on performance in 2020 while global population growth and urbanisation continue to ensure positive long-term prospects of our industry. Looking ahead, Cenergy Holdings will benefit from the solid order backlog generated and remains well placed to take advantage of improving market conditions in the energy sector and further its companies' ambitions of remaining significant world players in energy transfer and data transmission solutions.

Statement of the Auditor

The statutory auditor, PwC Réviseurs d'Entreprises SRL / Bedrijfsrevisoren BV, represented by Marc Daelman, has confirmed that the audit, which is substantially completed, has not to date revealed any material misstatement in the draft consolidated accounts and that the accounting data reported in this press release is consistent in all material respects with the draft consolidated accounts from which it has been derived.

Financial Calendar

Date	Publication / Event
Presentation of 2019 financial results to the analysts (Athens Stock Exchange)	19 May 2020
Ordinary General Meeting 2020	26 May 2020
Half Yearly 2020 results	23 September 2020

The Annual Financial Report for the period 1 January 2019 – 31 December 2019 shall be published on 8 April 2020 and will be posted on the Company's website, www.cenergyholdings.com, on the website of the Euronext Brussels europeanequities.nyx.com, as well as on the Athens Stock Exchange website www.helex.gr.

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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Appendix A – Consolidated statement of profit or loss

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

* Cenergy Holdings has initially applied IFRS 16 at 1 January 2019. Under the transition method chosen, comparative information has not been restated.

The impact of the adoption of IFRS 16 on consolidated key figures for the period ended on 31 December 2019 is as follows:

- EBITDA & a-EBITDA: EUR +1,262 thousand
- EBIT & a-EBIT: EUR +73 thousand
- Profit before tax: EUR -64 thousand
- Net debt: EUR +3,454 thousand

Segmental information

<i>EUR thousand</i>	<u>Cables</u>		<u>Steel Pipes</u>		<u>Other activities</u>		<u>Total</u>	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	579,716	488,655	378,276	475,143	24	-	958,016	963,797
Gross profit	66,674	38,467	31,816	30,777	24	-	98,514	69,244
Operating profit / (loss)	48,380	17,808	14,898	16,417	(1,760)	(1,960)	61,517	32,265
Finance income	13	583	28	307	-	-	42	890
Finance costs	(22,286)	(22,868)	(12,364)	(10,228)	(17)	(5)	(34,667)	(33,101)
Share of profit/(loss) of equity-accounted investees, net of tax	-	-	1,426	682	174	(28)	1,600	654
Profit / (Loss) before tax	26,107	(4,477)	3,988	7,178	(1,603)	(1,993)	28,492	708
Income tax	(7,602)	5,793	(712)	508	-	(121)	(8,315)	6,180
Profit/(Loss) for the period	18,504	1,316	3,276	7,686	(1,603)	(2,114)	20,177	6,888

Appendix B – Consolidated statement of financial position

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

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 have been modified compared to those applied as at 31 December 2018. The modifications are minor and have been made in order to reflect business performance more accurately. The impact of such modifications was rather limited and is presented below.

The change in definition concern the adjustment related to “Unrealised gains/losses on derivatives and on foreign exchange differences”, which has been removed from the calculation of a-EBIT and a-EBITDA, since it was concluded that such amounts are connected with the business performance of Cenergy Holdings companies. Comparatives have been restated accordingly.

The current definitions of APMs are as follows:

EBIT is defined as result of the period (earnings after tax) before:

- income taxes,
- net finance costs

EBITDA is defined as result of the period (earnings after tax) before:

- income taxes,
- net finance costs
- depreciation and amortisation

a-EBIT and **a-EBITDA** are defined as EBIT and EBITDA, respectively, adjusted to exclude:

- metal price lag,
- impairment / reversal of impairment of fixed, intangible assets and investment property
- impairment / reversal of impairment of investments
- gains/losses from sales of fixed assets, intangible assets, investment property and investments,
- exceptional litigation fees and fines and,
- other exceptional or unusual items

Net Debt is defined as the total of:

- Long term loans & borrowings and lease liabilities,
- Short term loans & borrowings and lease liabilities,

Less:

- Cash and cash equivalents

Detailed reconciliation between APMs as previously published for 2018 and comparatives of this press release, is presented below.

Reconciliation tables:

EBIT and EBITDA:

Amounts in EUR thousand	Cables		Steel Pipes		Other activities		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Profit/(Loss) before tax (as reported in Consolidated Statement of Profit or Loss)	26,107	(4,477)	3,988	7,178	(1,603)	(1,993)	28,492	708
Adjustments for:								
Net finance costs	22,273	22,285	12,336	9,921	17	5	34,626	32,211
EBIT	48,380	17,808	16,324	17,099	(1,586)	(1,988)	63,117	32,919
Add back:								
Depreciation & Amortisation	16,526	13,673	10,420	9,310	210	321	27,156	23,304
EBITDA	64,905	31,481	26,744	26,409	(1,376)	(1,667)	90,273	56,223

a-EBIT and a-EBITDA:

Amounts in EUR thousand	Cables		Steel pipes		Other activities		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
EBIT	48,380	17,808	16,324	17,099	(1,586)	(1,988)	63,117	32,919
Adjustments for:								
Metal price lag (1)	3,088	1,679	-	173	-	-	3,088	1,852
Loss from out of court settlement	-	2,000	-	-	-	-	-	2,000
Exceptional legal fees (2)	-	-	-	906	-	-	-	906
Gain from sale of subsidiaries	(3,538)	-	-	-	(92)	-	(3,630)	-
Impairment/ (Reversal of Impairment) on investment property	79	-	-	-	(89)	-	(10)	-
(Gains)/ Loss from sales of fixed assets	366	(1)	16	(19)	(5)	(10)	377	(30)
Adjusted EBIT	48,374	21,485	16,340	18,159	(1,772)	(1,998)	62,942	37,647
Add back:								
Depreciation & Amortisation	16,526	13,673	10,420	9,310	210	321	27,156	23,304
Adjusted EBITDA	64,900	35,159	26,760	27,469	(1,562)	(1,677)	90,098	60,951

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

Metal price lag exists due to:

- 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,
- 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),
- 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) Legal consulting services regarding the US antidumping investigation

Net debt:

Amounts in EUR thousand	<u>Cables</u>		<u>Steel pipes</u>		<u>Other activities</u>		<u>Total</u>	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Loans and borrowings (incl, Lease liabilities) - Long term	132,628	123,954	49,091	50,615	-	223	181,719	174,792
Loans and borrowings (incl, Lease liabilities) - Short term	192,232	196,784	130,363	167,070	-	-	322,595	363,854
Cash and cash equivalents	(69,229)	(29,571)	(19,805)	(34,679)	(1,374)	(954)	(90,408)	(65,203)
Net debt	255,630	291,167	159,649	183,007	(1,374)	(731)	413,905	473,442

Restatement of previously reported APMs:

a-EBIT:

Amounts in EUR thousand	<u>Cables</u>	<u>Steel pipes</u>	<u>Other activities</u>	<u>Total</u>
Published a-EBIT for 2018	21,131	20,295	(1,998)	39,428
Excluding Unrealised (gains)/losses on foreign currency balances and derivatives	355	(2,136)	-	(1,781)
Restated a-EBIT for 2018	21,485	18,159	(1,998)	37,647

a-EBITDA:

Amounts in EUR thousand	<u>Cables</u>	<u>Steel pipes</u>	<u>Other activities</u>	<u>Total</u>
Published a-EBITDA for 2018	34,804	29,605	(1,677)	62,732
Excluding Unrealised (gains)/losses on foreign currency balances and derivatives	355	(2,136)	-	(1,781)
Restated a-EBITDA for 2018	35,159	27,469	(1,677)	60,951