CENERGY HOLDINGS

The world runs on Cenergy
Annual Report 2020

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CENERGY HOLDINGS

CORINTH PIPEWORKS / HELLENIC CABLES

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Cenergy Holdings S.A.

Cenergy Holdings S.A. (“Cenergy Holdings”, “the Company”, or “the Holding”) invests in industrial companies positioned at the forefront of high growth sectors, such as energy distribution and telecommunications.

Based in Belgium, the Company was founded in 2016 and is listed on Euronext Brussels and the Athens Stock Exchange (Athex).

Cenergy Holdings is a subsidiary of Viohalco S.A., a holding company of several leading metal processing companies across Europe. Viohalco’s subsidiaries specialise in the manufacture of aluminium, copper and steel products, steel pipes and cables, as well as other technologically advanced industrial applications. They have production facilities in Greece, Bulgaria, Romania, the United Kingdom, North Macedonia, Russia and Turkey.

The companies in Cenergy Holdings’ portfolio:

have a long history of implementing large-scale projects in more than 70 countries

have served major customers **worldwide** for nearly 70 years

provide value added **products** for niche markets

employ more than 2,000 highly skilled people

The Management Report attached to the Consolidated Financial Statements (*Rapport de Gestion sur les Comptes Consolidés*), prescribed by article 3:32 of the Belgian Code of Companies and Associations (the “BCCA”), includes the regulatory disclosure obligations of the Company and consists of the following sections:

A. Business Review (pages 6-46);

B. Non-financial information (pages 48-63);

C. Corporate Governance Statement (pages 64-77).

The Management Report should be read in conjunction with Cenergy Holdings’ audited consolidated financial statements.

Message from the Chairman

Dear Shareholders,

First of all, I would like to pay tribute to Mr. Jacques Moulaert, Chairman of the Board of Directors of Cenergy Holdings, who passed away on November 10, 2020. An experienced businessman who had earned the trust of shareholders for many years, he had been Chairman of the Board of Directors of the company since its creation in 2016. He skilfully guided the debates within the Board of Directors, provided sound advice to directors and officers, and listened carefully to the various opinions until a consensus was reached. He distinguished himself by his loyalty, integrity and trust in his collaborators.

Those who have had the privilege of working with him express their respect for a man who taught them a great deal on both the professional and human levels.

Turning to the year we left behind, we must all admit that 2020 was an extremely difficult year for humanity with the Covid-19 pandemic claiming globally more than 2.5 million lives until now and changing fundamentally most of our everyday life. Despite this unprecedented turmoil, it has proven to be a positive year for Cenergy Holdings. All segments succeeded in providing effective solutions in the energy and data transfer sector, while our vision to a "greener" future gained momentum through a number of initiatives.

During the year, all key financial objectives set for the year were realised, despite the unprecedented global health and economic crisis. Cenergy Holdings demonstrated its ability to create value for its stakeholders and outperformed its previous results, both in operational profitability and free cash flow, leading to a record-low net debt.

As the world was experiencing the outbreak of the SARS-Cov-2 virus, all companies in Cenergy Holdings managed, immediately and effectively, to shield their most valuable asset, the health of their personnel. They also took prompt action to prevent the spread of the virus, provide a flexible working framework, where possible, and ensure the best possible working conditions in an uncertain economic environment. While adapting their activities to the new Health and Safety standards, both segments mitigated the financial impact of the pandemic by focusing on liquidity, guaranteeing raw material availability and closely monitoring local and global developments.

The growth in all profitability measures recorded by the Group during 2020 demonstrates both the resilience created in recent history and the outcomes of the above measures which allowed all plants to work at satisfactory levels throughout the year. As a result, operational profitability (adjusted EBITDA) increased by 13% compared to 2019, despite the 5% fall in sales, as both segments successfully delivered high technology and high margin projects in the energy transition markets. The tendering activity continued without disruptions and total backlog as of December 31st, 2020 reached EUR 500 million.

In the cables segment, the good momentum of 2019 persisted throughout 2020. The high utilization of submarine cables production lines and the smooth execution of high-profile projects cemented its solid performance. Demand in cable products was affected by the outbreak of the COVID-19 pandemic during the 2nd quarter; it, however, rebounded later in the year and led to a marginally lower turnover in the cables products business unit. The overall focus in value added projects and products allowed higher profit margins and a lift in profitability, leading the entire segment to a remarkable performance with a-EBITDA exceeding EUR 80 million. The above was further stimulated by initiatives to enter new geographical markets and the ongoing investment program to further enhance the production capacity of the offshore business unit.

On the other hand, the steel pipes segment was affected by the historical decrease in oil & gas prices observed during 2020, further amplified by the effects of the pandemic. Market conditions being highly volatile, a large number of exploration projects, especially in the USA, were postponed, if not cancelled, narrowing the available tender opportunities for Corinth Pipeworks, the Group's main company in the segment. Turnover fell compared to 2019 and operational profitability also suffered. To compensate for the general slowdown in demand and protect profitability, Corinth Pipeworks focused in new geographical markets and implemented a cost optimization programme, undertaking cost reduction initiatives and maintaining the industrial excellence programme in their Thisvi plant. At the same time, working capital management in the steel pipes segment tightened and contributed significantly in the free cash flow generation of the Group. In brief, Corinth demonstrated considerable stamina throughout these hard times, strengthening its presence in existing and emerging markets (Europe, North Africa, Asia, Central America), winning important new onshore and offshore projects and securing an uninterrupted production process all through the year.

The pandemic, however, has pushed the world to accelerate energy transition scenarios to renewable energy sources such as wind, solar and hydrogen. Corinth Pipeworks is a pioneer in international developments in this field, with an emphasis on research and development of innovative hydrogen transport products and became the first pipe production company in the world to be certified as "carbon neutral" by TÜV NORD.

As the new year begins, we aim at our continuous improvement through the program of Industrial Excellence (BEST): in 2020, we started a series of transformation projects in all production units, an important milestone being the successful implementation of a holistic work system (IWS - Integrated Work System) in a pilot factory in Corinth Pipeworks.

All those who make up Cenergy Holdings have put into practice the strong foundations we have been building on over the years. With morale, mental endurance and hard work we managed to maintain our companies at the top, for another year, one of the most difficult and uncertain of the last half century.

I am sure that as our lives slowly return to the coveted "normality", social and economic conditions will greatly improve for all of us and the post-COVID era will bring us back on the path to sustainable development with the best prospects for acceleration. The new trend of "green deals" greatly favours our industry and gives us the opportunity to look to the future with optimism. Despite current world market volatility, Cenergy Holdings expects to maintain the positive momentum gained during the last two years. Our values, our companies' diverse and flexible business model and a solid organizational structure continue to provide resilience in this challenging environment. The professionalism and passion that distinguishes each and every one of our people provide confidence for long-term sustainable growth.

Xavier Bedoret

Chairman of the Board of Directors

Segments & Companies

Cenergy Holdings’ companies provide turnkey solutions and services to a large number of clients in the energy, telecommunications and construction sectors. With significant experience implementing large-scale projects globally and a strong focus on customer satisfaction, the companies are considered to have a leading role in their respective sectors.

Cenergy Holdings’ portfolio operates under the following organisational structure which comprises two business segments:

Cables segment:

- Hellenic Cables S.A. (“Hellenic Cables”), one of the largest cable producers in Europe, manufacturing power and telecom cables for various sectors including oil and gas, renewables, energy transmission and distribution, construction and telecommunications.
- Fulgor S.A. (“Fulgor”), a subsidiary of Hellenic Cables, which manufactures submarine cables (ranging from medium to extra high voltage), submarine fibre optic cables, composite cables, special purpose cables, and copper and aluminium wires and rods.
- Icme Ecab S.A. (“Icme Ecab”), which manufactures cables for indoor installations, energy, control, industrial and external applications, low and medium voltage, fire-retardant, fire-resistant and halogen-free cables, mine cables, marine and special-requirement cables, telecommunication cables, signalling, remote control and data transmission cables, copper and aluminium conductors, and plastic and rubber compounds
- Lesco O.o.d. (Bulgaria), a subsidiary of Hellenic Cables, located in Bulgaria producing wooden packaging products.
- Lesco Romania S.A., based in Bucharest, Romania, assembles, repairs, and recycles wooden packaging products.
- De Laire Ltd, incorporated in Cyprus, an acquisition vehicle (holding company).
- Hellenic Cables America, a wholly owned subsidiary of Hellenic Cables, providing US customers with direct support and expertise throughout the entire lifetime of energy projects in the US market.

Steel pipes segment:

- Corinth Pipeworks Pipe Industry S.A. (“Corinth Pipeworks”, CPW) is a leading manufacturer of steel pipes for the oil and gas sector and a major producer of hollow sections for the construction sector, with production facilities located in Thisvi, Greece.
- CPW America is based in Houston, USA and aims to promote Corinth Pipeworks’ products and provide customer service to the Group’s customers, as well as to customers of other Viohalco companies located in North and South America.
- Warsaw Tubulars Trading, incorporated in Poland, an acquisition vehicle.
- AO TMK-CPW is an associate company of Cenergy Holdings (49% ownership) formed between Corinth Pipeworks and TMK, the largest manufacturer of steel pipes in Russia and one of the top three globally. AO TMK-CPW has its production facilities in Polevskoy, Russia, where it manufactures pipes and hollow structural sections.
- Humbel Ltd. is a Cenergy Holdings 100% subsidiary, incorporated in Cyprus and holding 49% of shares in AO TMK-CPW.


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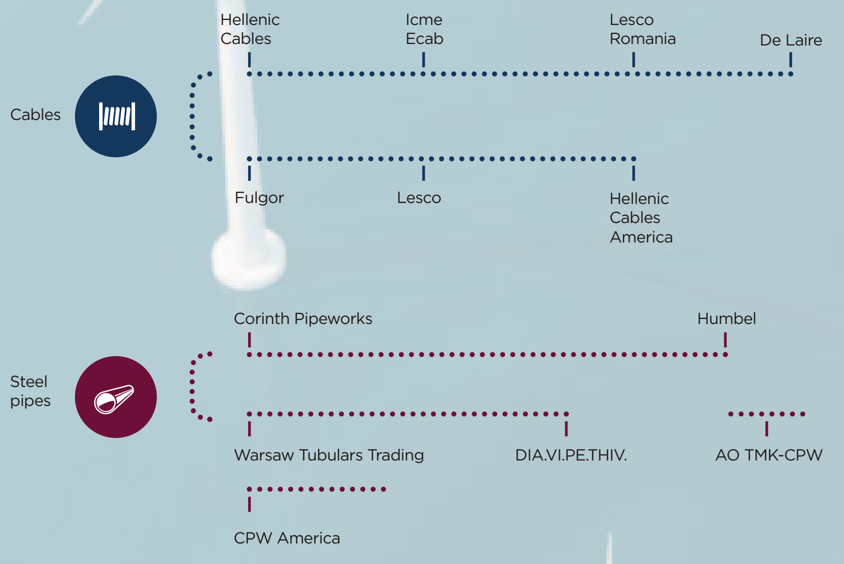
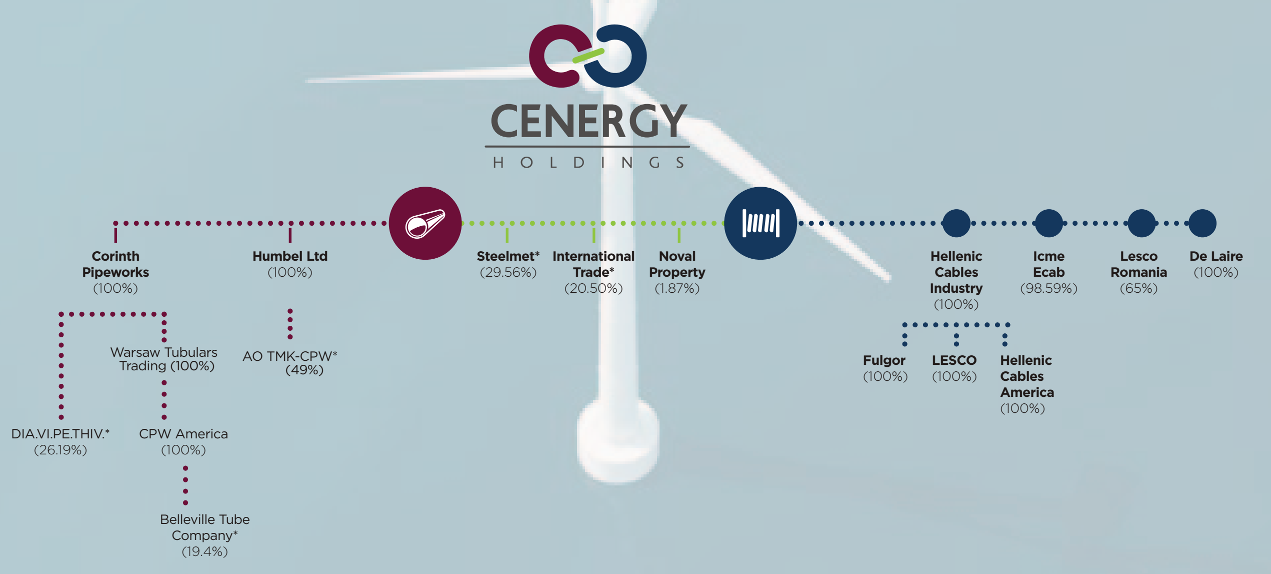
Cenergy Holdings Business segments



In detail:



Notes:
** Consolidated as equity accounted investees.*
*** Non-consolidated entities (other significant investments).*

Key Figures 2020

The companies in Cenergy Holdings' portfolio:

- have a long history of implementing large-scale projects in more than 70 countries;
- have served major customers worldwide for nearly 70 years;
- invest more than €400 million in the last 10 years
- provide value-added products for niche markets; and
- employ more than 2,000 highly skilled people.

➢ Revenue: €908 million

➢ Adjusted EBITDA: €102 million

➢ Adjusted EBIT: €78 million

➢ Profit before tax: €35 million

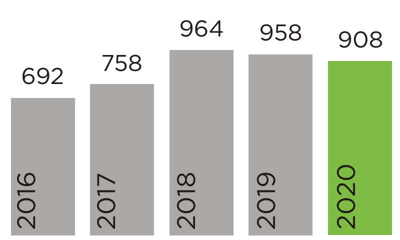
➢ Profit after tax of the year from continuing operations: €25 million

➢ Equity: €252 million

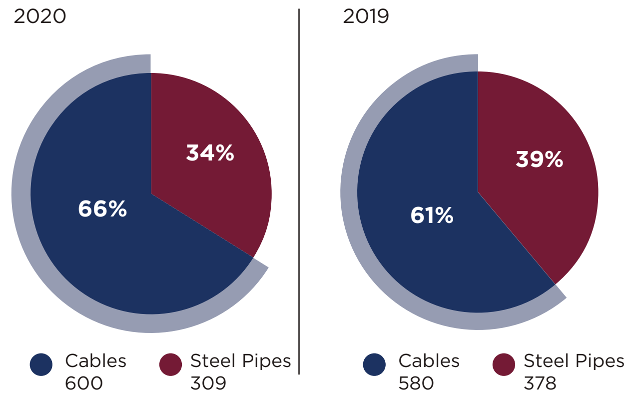
➢ Total assets: €1,012 million

➢ Net debt: €331 million

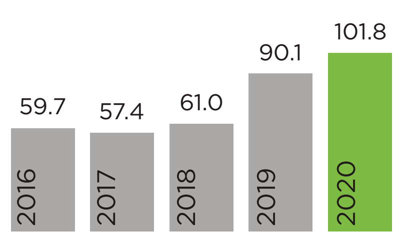
Revenue (in EUR million)



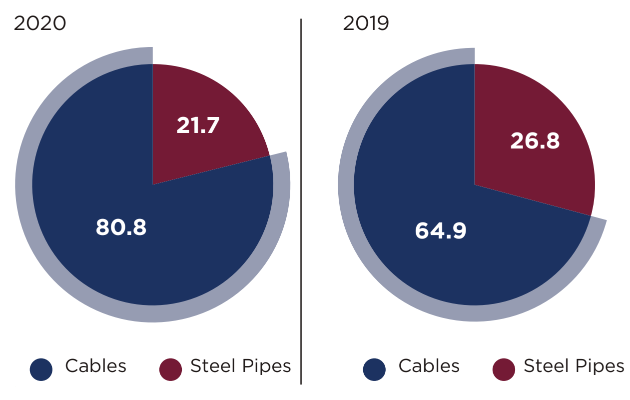
Per segment (in EUR million):



Revenue (in EUR million)



Per segment (in EUR million):



Financial highlights of the year

Group financial review

Table 1: Profitability Analysis

Amounts in EUR thousand	FY 2020	FY 2019
Revenue	**908,417**	**958,016**
Gross profit	103,493	98,514
Gross profit margin (%)	11.4%	10.3%
a-EBITDA	**101,800**	**90,098**
a-EBITDA margin (%)	11.2%	9.4%
EBITDA	**91,121**	**90,273**
EBITDA margin (%)	10.0%	9.4%
a-EBIT	**77,729**	**62,942**
a-EBIT margin (%)	8.6%	6.9%
EBIT	**67,049**	**63,117**
EBIT margin (%)	7.4%	6.6%
Net finance costs	(31,640)	(34,626)
Profit before income tax	**35,410**	**28,492**
Profit after tax for the year	24,771	20,177
Net profit margin (%)	2.7%	2.1%
Profit attributable to owners	**24,772**	**20,189**

(Source: Consolidated Statement of Profit or Loss and Alternative Performance Measures)

Amounts in EUR	FY 2020	FY 2019
Earnings per share	0.13027	0.10617

Consolidated **revenue** for 2020 stands at EUR 908 million, a 5.2% y-o-y decrease reflecting the pandemic effects on products demand and the impact of lower oil & gas prices on the steel pipes segment.

On the contrary, **adjusted EBITDA** increased by 13% y-o-y to EUR 102 million. The cables segment achieved a rise in operational profits for the second consecutive year, from EUR 35 million in 2018 to EUR 65 million in 2019 reaching EUR 81 million in 2020 which covered the decline in steel pipes segment (EUR 22 million vs. EUR 27 million in 2019). Overall, the a-EBITDA margin increased further to 11.2% compared to 9.4% during 2019 attesting to the emphasis given in value-added solutions; most of this increase stemmed from the effective delivery of challenging cables projects.

Net finance costs fell by EUR 3 million (9%) to EUR 31.6 million, as net interest and related costs were EUR 2.4 million lower (7% y-o-y) due to both lower interest rates and tighter working capital management, mainly in the steel pipes segment.

The stronger EBITDA and lower finance costs yield a **profit before income tax** of EUR 35.4 million, a 24% jump compared to the EUR 28.5 million in 2019.

Profit after tax for the period stood at EUR 24.8 million, compared to EUR 20.2 million in 2019, representing 2.7% of revenue (against 2.1% in 2019).

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Table 2: Consolidated Statement of Financial Position (Simplified)

Amounts in EUR thousand	31 Dec 2020	31 Dec 2019
ASSETS		
Property, plant and equipment	457,937	422,066
Investment property	764	764
Other non-current assets	80,219	73,982
Non-current assets	**538,921**	**496,812**
Inventories	213,192	228,495
Trade and other receivables	112,872	112,577
Contract assets	64,875	118,573
Cash and cash equivalents	81,035	90,408
Other current assets	1,129	760
Current assets	**473,103**	**550,814**
TOTAL ASSETS	**1,012,024**	**1,047,626**
EQUITY	**251,762**	**231,862**
LIABILITIES		
Loans and borrowings	174,625	177,730
Lease liabilities	3,681	3,990
Deferred tax liabilities	31,668	22,985
Other non-current liabilities	32,999	29,395
Non-current liabilities	**242,973**	**234,100**
Loans and borrowings	231,592	320,827
Lease liabilities	1,752	1,768
Trade and other payables	249,092	213,794
Contract liabilities	30,196	43,528
Other current liabilities	4,657	1,746
Current liabilities	**517,289**	**581,663**
TOTAL LIABILITIES	**760,262**	**815,763**
TOTAL EQUITY & LIABILITIES	**1,012,024**	**1,047,626**

Due to the significant amount of orders received in cables business, total capital expenditure for the Group reached EUR 65 million, split between EUR 49.4 million for the cables segment and EUR 15.5 million for the steel pipes segment. Investments in the former concerned mainly the expansion of Fulgor's inter-array cables production capacity in order to supply a wide range of offshore wind developers worldwide. In the steel pipes segment, the "double jointing" project that will better position CPW in the US pipe market was completed in 2020, while a number of smaller scale investments targeted productivity and cost improvements in the Thisvi plant.

Working capital (incl. contract assets & liabilities) decreased significantly to EUR 100 million on December 31st, 2020, down by 49% y-o-y (EUR 195 million on 31.12.2019). This was the noteworthy outcome of the strict working capital management in the steel pipes segment and the successful completion of milestones for cables projects. Its future evolution will depend on the timing of both prepayments and milestone payments of energy projects undertaken by subsidiaries.

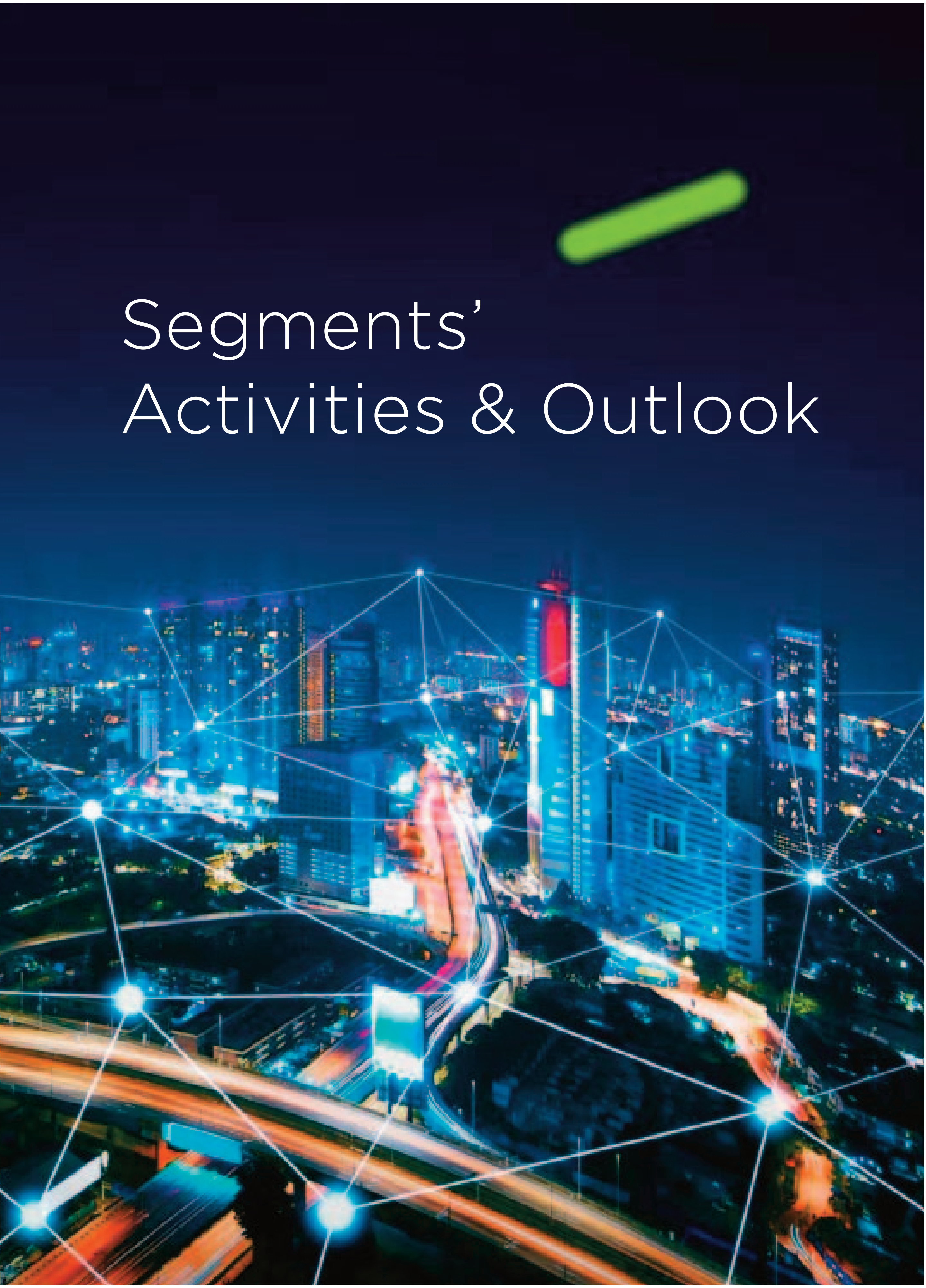
Consequently, **net debt** fell to record-low levels (EUR 331 million on December 31st, 2020), down EUR 83 million from the 31.12.2019 level (EUR 414 million), further proving the Group's effort and commitment to deleveraging.

Outlook

As the world lives through a third wave of the Covid-19 pandemic, the prediction of the full extent and duration of its business and economic impact remains challenging. Consequently, the extent of the pandemic's impact on the operational and financial performance of Cenergy Holdings is uncertain and will depend on several factors outside our control. These factors depend largely on the duration of the pandemic, the application of pandemic controls and restrictions, and the availability and effectiveness of treatments and vaccines worldwide. The range of potential outcomes for the global economy are difficult to predict and the outlook for 2021, is itself subject to the manner the pandemic will continue to impact different geographical areas.

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

Segments' Activities & Outlook



Cables

Activities

The cables segment of Cenergy Holdings is made up of three companies, hereafter collectively referred as Hellenic Cables:

- Hellenic Cables Industry S.A. (hereafter "Hellenic Cables Industry") and its subsidiary Fulgor S.A. (hereafter "Fulgor"), operating in Greece, and
- Icme Ecab S.A. (hereafter "Icme Ecab"), operating in Romania.

Hellenic Cables is an approved supplier of the largest electricity Transmission System Operators ("TSOs") globally and operates one of the largest and most advanced submarine cable plants in the world, located in Corinth, Greece. Ever since its beginning, Hellenic Cables has adopted modern technologies to develop a wide range of innovative cable solutions, aiming to provide competitive, cutting-edge products and services targeting international markets. The product range includes a variety of cables and wires that cater to a number of different market demands. It consists of submarine and land cables, low, medium, high and extra high voltage power cables, umbilicals, fibre optic, data, signalling and telecommunication cables as well as flexible subsea pipes.

Hellenic Cables Industry has more than 60 years of experience in the manufacture of power and telecom cables and owns two plants in Greece, located in Thiva and Oinofyta. It manufactures submarine and land power cables, ranging from low to extra high voltage, telecom cables, all individually tailored to customers' specifications.

Fulgor was established in 1957 and was acquired by Hellenic Cables in 2011. Over the past sixty years, Fulgor has installed a large proportion of all power and telecommunications networks and most submarine cable links in Greece. Its plant manufactures submarine cables (ranging from medium to extra high voltage), submarine fibre optic cables, composite cables, special purpose cables, and copper and aluminium wires and rods.

An intensive capital investment program in the last few years has enabled Fulgor to successfully implement cost-effective, reliable and innovative solutions in complex turnkey projects and won it a leading position in the submarine cable manufacturing market and in the global offshore energy industry.

Icme Ecab, with over 50 years' experience in the Romanian and international cable markets, joined Hellenic Cables companies in 1999. It has a diverse product portfolio, focusing on cables for indoor installations and selling both to the local and international markets, either through the Hellenic Cables network or directly to end customers.

Cables segment's clients include E.ON, Vattenfall, Tennet, Energinet, Ørsted, Enel, DEME, Tideway, ENBW, SSE, Iberdrola, Electricity Northwest, Terna, DEWA, HEDNO, ADMIE (IPTO), EAC Cyprus, Litgrid, Sonelgaz, Takreer, Motor Oil, Hellenic Petroleum, Carillion, Semco Maritime, Aktor, Metka, ABB, Schneider Electric, Landis+Gyr, Siemens, Hyundai, Sagem, Thales, Vivacom, Vodafone, Cyta, DNO, Cosmote, GO (Malta), Armentel, Santerne, ALSTOM Transport, Bombardier, Siemens, Network Rail (U.K.), OSE (Greece), MAV (Hungary), Bulgarian Railways, BKV (Hungary), Attiko Metro (Greece), and TE connectivity (Belgium).

Corporate strategy

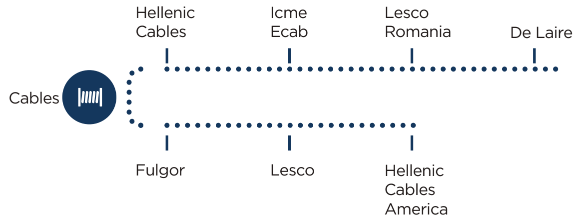
The strategic objectives that guide the operational activities of the companies comprising the Cables segment are as follows:

- Continuously develop high added value products and services such as high and extra high voltage submarine and underground cables as well as installation services and turnkey solutions;
- Diversify geographical footprint in dynamic regions such as Europe and the USA. These are markets which invest heavily in the development of power and telecommunication networks and in renewable energy projects;
- Maintain high levels of productivity by further rationalising the cost base, enforcing stricter inventory management and further improving the operational performance of the production units;

- Further improve liquidity through prudent working capital management; and
- Preserve focus on human capital and on the sustainable development of its companies.

Product portfolio

Hellenic Cables offers a wide range of submarine and land power cables (from low to extra high voltage), installation services and turnkey solutions for power grids, interconnections, offshore and onshore wind, solar energy, oil and gas and heavy industries. They also produce telecommunication and data transmission cables, gauging and control cables, optical fibre cables (submarine, single-mode and multi-mode), signalling and railway signalling cables, etc.

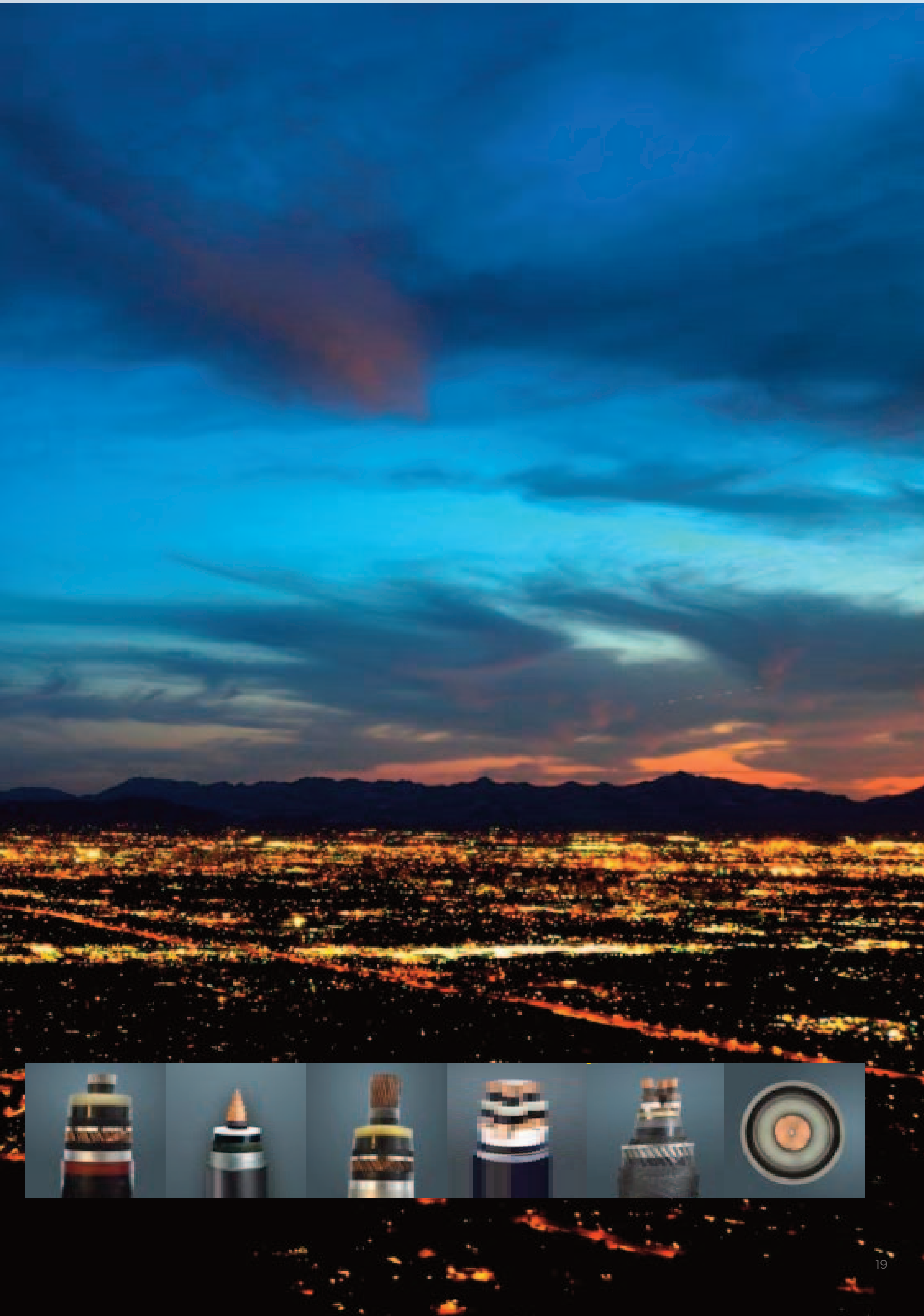


Turnkey solutions

Over the last years, Hellenic Cables has moved beyond being a pure supplier of cable products for diverse applications and has evolved into Service Provider with the capability to manage and deliver full turnkey projects, both onshore and offshore. To do so, Hellenic Cables has established a dedicated, in-house Project Management Office which employs highly skilled personnel and experienced subcontractors to accommodate the supply and installation of medium to extra high voltage submarine cable systems, repeaterless optical fibre submarine cable systems, underground power and composite power with rated voltage up to 400kV and optical fibre underground systems.

Their capabilities include:

- Project Management according to international standards;
- System engineering according to specifications in consultation with the customer;
- Cable route surveys at shore ends, in the open sea and in underground segments;
- Design and manufacture of suitable cable types;
- Transportation and installation on-site using specialised Cable Laying Vessels;
- Supply of joints, passive branching units (repeaterless optical fibre links), transition joints, terminations and repair joints, as required;
- Protection of cables as necessary, through related civil works;
- Commissioning of installed systems; and
- Training customer personnel in operation and maintenance of the system.

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Production and port facilities

Having invested significantly in the expansion and improvement of its manufacturing facilities, Hellenic Cables and its subsidiaries operate an effective production base comprising three plants in Greece, one in Romania and one in Bulgaria:

a. Thiva, Greece | Power and Optical Fibre Cables plant

Annual production capacity: 60,000 tonnes

The Thiva plant, owned by Hellenic Cables, covers a total surface area of 175,082 m2, including 53,237 m2 of building facilities. It specialises in the production of land power and telecommunications cables.

b. Corinth, Greece |Submarine Cables plant and port

Annual production capacity: 60,000 tonnes of cables & 90,000 tonnes of 8mm diameter copper wire rod

The plant, owned by Fulgor, is located in Soussaki, Corinth, on a 210,630 m2 land plot, with a covered area of 87,292 m2 facilities (incl. copper and aluminium foundries). Following the implementation of an extensive investment plan during the last decade, the plant is now one of the most advanced factories in the world for high and extra high voltage submarine cables. Among its many unique advantages is vertical integration through in-house production of copper and aluminium wire rod, the production of submarine cables up to 500 kV in very long continuous lengths, direct loading on board cable-laying vessels at plant's own port, accessible all year around and one of the highest storage capacities (4 turntables with 8,000 – 12,000 tonnes of storage) in the world.

c. Bucharest, Romania |Power and Telecom Cables plant

Annual production capacity: 50,000 tonnes

The plant, owned by Icme Ecab, is located in Bucharest, Romania on a plot with a total surface area of 268,000 m2. including buildings of 102,138 m2. It produces a wide range of land power and telecom cables as well as other special-requirement cables.

d. Oinofyta, Greece |Plastic and rubber compounds plant

Annual production capacity: 24,000 tonnes

The Compounding Plant in Oinofyta, Greece supports Hellenic Cables for the production of PVC and rubber compounds and covers a total surface area of 21,263 m2, including 9,072 m2 of building facilities. A state-of-the-art, advanced polymer laboratory is part of the plant and allows polymer analysis and specialised chemical testing focused on quality control.

e. Blagoevgrad, Bulgaria |Wooden packaging products plant

Annual production capacity: 16,500 tonnes of wooden packaging products

The plant, owned by Lesco O.o.d., is a modern timber company founded in 1998, located in Blagoevgrad, Bulgaria and exclusively involved in the manufacturing of wooden packaging products (pads, reels, pallets, packing cases) for the reeling of various cables.

Innovation, Technology and Investments

Following a comprehensive investment program during the last decade, in 2020 the Cables segment further invested EUR 49.4 million. This allowed the Corinth plant to manufacture submarine cables of up to 500kV in long continuous lengths and expand its annual capacity to exceed 400km of high voltage cables. In the same context, the Corinth plant expanded its inter-array cables production capacity to optimize its capabilities to serve a wide range of offshore wind projects worldwide.

More important than investment in capital is, however, Hellenic Cables' continued dedication to Research and Development (R&D). A dedicated R&D Department, with top-tier researchers and engineers, supported by advanced software tools and modern testing facilities, pursues core research, product development, innovation and product optimization while also providing technical support in engineering and manufacturing. This effort supports further the strategy to more

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Corinth, Greece | Submarine Cables plant and port

green products, with less environmental impact.

Hellenic Cables collaborates with a number of universities and research institutions to build research networks and foster new technologies. Among those, we note numerous institutions in Greece (National Technical University of Athens, University of Patras, Aristotle University of Thessaloniki, Democritus University of Thrace), Exeter University (UK), Southampton University (UK), University of Montpelier (FR), University of Torino (IT), as well as certification bodies such as SINTEF (NO), KEMA-DNV GL (NL), EdF (FR).

2020 Research & Development activities

Hellenic Cables has a strong in-house, lean-type, R&D department, which supports the 5-year growth plan of the segment focusing on the following topics:

New product development

During 2020, the R&D team delivered several new products related to awarded commercial projects of ca. EUR 280 million gross revenues, including framework contracts. The successful completion of the qualification plan for the longest ca.136 km subsea 150kV High Voltage Alternative Current (HVAC) cable, designed for the Crete – Peloponnese subsea interconnection in Greece and depths of around 1,100m was a great achievement. At the same time designs proposed for several projects (such as those listed in the next section) were accepted and the respective projects awarded to Hellenic Cables.

The Company is advancing fast in the development of High Voltage Direct Current (HVDC) technology as it remains one of the core strategic choices of further growth. The qualification plan is on track, while the new facility for in-house manufacturing and testing of AC and DC accessories completed in 2019 is now fully operational.

Product redesign

The R&D compounding department accelerated its efforts towards a “greener” economy by increasing the usage ratio of recycled materials. The process of collecting and processing business units’ waste into raw materials was challenging but allowed the company to demonstrate its commitment to the “circular economy” and CO_2 emissions control. As several compounds were invented in house, the technological knowhow of the company increased, making our products competitive in cost and quality.

Innovation

In 2020, the R&D team published seven original articles on technology topics in worldwide scientific journals and conferences, together with related advanced calculation methods. This scientific research is a central feature in attracting invitations by several international consortia of the cables industry to cooperate on new projects, with notable financial and development benefits for the segment.

The total R&D expenses for 2020 amounted to EUR 8.2 million (2019: EUR 7.5 million), out of which EUR 2.7 million (2019: EUR 3 million) concerned fundamental research and customer specific research activities.

Recent projects

Despite a full production schedule, Hellenic Cables continued its tendering efforts across a number of geographical areas and succeeded to secure several awards for new projects and frame contracts, both in the offshore and onshore sector:

- In the Offshore segment, Hellenic Cables was awarded the biggest-ever inter-array cables contract to supply of 650 km 66 kV inter-array cables for phases A & B of the Dogger Bank offshore wind farm in the UK. Other major offshore projects were the Skiathos island 150 kV interconnection in Greece and the Seagreen offshore wind project in the UK, for the supply of 66 kV inter-array cables.
- In the Onshore segment, important frame agreements and turnkey contracts across Europe were awarded to Hellenic Cables. SP Transmission plc., one of UK’s largest grid operators, awarded a turnkey contract for the supply and installation of 132 kV cables for the Douglas North project. In Denmark, TSO Energinet selected Hellenic Cables as one of three cable manufacturers in its 8-year frame agreement for High Voltage underground cable systems (145-170 kV). Furthermore, a 5-year frame contract was awarded by DSO purchasing consortium Fluvius in Belgium, for Low Voltage cables.

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A list of major projects awarded in 2020 follows.

Project / Frame contract	Customer	Description & Scope	Execution period
Dogger Bank A&B, UK	DEME Offshore	Design, manufacture, test and supply approx. 650 km of 66 kV inter-array cables and associated accessories. Dogger Bank Wind Farm is developed in three 1.2 GW phases by JV partners SSE Renewables and Equinor.	2020-24
Seagreen Offshore Wind, UK	Subsea 7	Design, manufacture, test and supply approx. 320 km of 66 kV inter-array cables and associated accessories. Seagreen offshore wind is a 1,075 MW project jointly developed by SSE Renewables and Total SA.	2020-22
Douglas North, UK	SP Transmission	Supply approx. 10 km of 132 kV cables and associated accessories, including installation and testing services through selected partners in the UK.	2020-21
HV Frame contract, Denmark	Energinet	8-year frame contract for High Voltage underground cable systems (145-170 kV)	2020-28
LV Frame contract, Denmark	Purchasing consortium Fluvius	5-year frame contract for Low Voltage cables	2021-25

A list of major projects ongoing or delivered in 2020 follows.

Project	Customer	Description & Scope	Execution period
Crete-Peloponnese, Greece	ADMIE[1]	Onshore segment (290 km underground cables, 150kV) delivered successfully.	2018-22
Hollandse Kust Zuid A&B, The Netherlands	TenneT	Phase A was completed in the Netherlands, with the delivery of the first of two 220 kV subsea cables.	2018-22
Skiathos island interconnection, Greece	ADMIE	The subsea cable was tested successfully several months ahead of schedule.	2020-21
Otary Seamade, Belgium	Seamade NV	Design, engineering, manufacturing, testing and supply of two submarine cables of approx. 30 km length to interconnect MOG OSY platform with Mermaid OSS and Seastar OSS platforms.	2019-20
Rio-Antirio 400 kV Link, Greece	ADMIE	Onshore segment (42 km underground cables, 400 kV) delivered successfully.	2019-20

1. The Transmission System Operator (TSO) for electrical power in Greece

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It is important to note here that, despite the implementation of several restrictions in the free flow of people and goods globally due to Covid-19, Hellenic Cable accomplished on-time delivery of such complicated projects. Such success is fully attributable to the company's strict adherence not only to external mandates, but also to internal safety protocols and procedures and continuous coordination with clients and supply chain partners.

2020 financial performance

Cables segment's 2020 results are characterized by the solid growth of projects' business and the financial resilience demonstrated throughout the Covid-19 crisis. The products business and especially telecom cables, was, as expected, hit during the 2nd quarter by the pandemic crisis, despite a promising start during the first months of the year. However, the second half of the year witnessed a sound recovery for this business in our main markets in Central Europe and the Mediterranean, as lockdown measures ceased or softened. Despite the challenges faced, all companies achieved a high capacity utilisation level in all production units that drove operational profitability (adjusted EBITDA) higher by 24.5% compared to 2019.

As described in the previous section, the projects' business did very well throughout the year, winning important new awards and securing a robust order backlog. On the other hand, the products business units recorded a steady sales volume in line with 2019 and succeeded in improving the sales mix towards higher value-added products. In other words, the negative impact of the Covid-19 crisis on telecom products was counterbalanced by solid demand for medium voltage power cables coming from Central Europe, together with a recovery in the low voltage market from the 3rd quarter onwards.

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

Driven by the above, cables segment exhibited a EUR 15.9 million increase in adjusted EBITDA, reaching EUR 80.8 million in 2020, up from EUR 64.9 million in 2019.

Corresponding profit before income tax reached EUR 35.0 million, compared to EUR 26.1 million in 2019, while net profit after tax followed the same trend and reached EUR 26.2 million (EUR 18.5 million in 2019).

The segment's net debt decreased by more than 5% y-o-y (from EUR 256 million on 31.12.2019 to EUR 242 million on 31.12.2020). The determination to re-profile debt, secure lower financing costs and achieve an effective capital structure continued with actions including, among others, the issuance of a EUR 20 million-bond loan to finance offshore projects.

The summary consolidated profit and loss statement of the cables segment is as follows:

Table 3: Profitability Analysis – Cables segment

Amounts in EUR thousand	FY 2020	FY 2019
Revenue	**599,858**	**579,716**
Gross profit	79,609	66,674
Gross profit margin (%)	13.3%	11.5%
a-EBITDA	**80,791**	**64,900**
a-EBITDA margin (%)	13.5%	11.2%
EBITDA	**71,341**	**64,905**
EBITDA margin (%)	11.9%	11.2%
a-EBIT	**65,566**	**48,374**
a-EBIT margin (%)	10.9%	8.3%
EBIT	**56,116**	**48,380**
EBIT margin (%)	9.4%	8.3%
Net finance costs	(21,034)	(22,273)
Profit before income tax	35,082	26,107
Net margin before income tax (%)	5.8%	4.5%
Profit after tax for the year	**26,236**	**18,504**
Profit attributable to owners	**26,237**	**18,516**

Source: Consolidated Statement of Profit or Loss and Alternative Performance Measures

2021 Outlook

Regarding the cables projects business, given the existing backlog and the nature of projects assigned and based on currently available data and information, the impact from Covid-19 on long term business and on short-term financial results is expected to be limited. Considering the strong forecast of new projects and the potential of expanding to new markets, the secured orders and the growth potential of the offshore cables sector, the overall outlook for cables segment remains positive for 2021. The European "Green Deal", EU's roadmap for economic sustainability and climate neutrality by 2050, the promising emerging offshore wind market in the USA and the projects announced in the Mediterranean area create a favourable environment for projects business, as demand for both offshore and onshore power cable systems is expected to increase. Fulgor's plant (i.e., the submarine cables business unit) is expected to retain its high capacity utilisation throughout 2021, continuing to drive the entire segment's profitability.

Furthermore, in the cable products business unit, some signs of demand stability in its main markets of Western Europe, Middle East and the Balkans, start to appear as demand from construction and industrial use showed signs of recovery during H2 2020, after being strongly hit during the first wave of the pandemic. Such markets, however, continue to experience competitive challenges and the segment subsidiaries will actively seek to geographically diversify their revenue streams.

Finally, the focus for the cables segment always remains the successful execution of existing projects and the award of new ones, while optimising internal processes to take advantage of any arising new market opportunity.

Further information is available on the Hellenic Cables website: www.hellenic-cables.com

Steel pipes

Activities

With a manufacturing plant in Greece and extensive expertise in delivering complex projects on a global scale, Corinth Pipeworks (hereafter "CPW") is the supplier of choice for oil, gas and international construction companies with its production of steel pipes used in the extraction and transportation of oil and gas, and hollow structural sections for construction applications.

Corinth Pipework's clients include ABB, Allseas, AnlgoAmerican, BP, Cheniere Energy, Chevron, DCP Midstream, Denbury, DEPA, DESFA, DNOW, E.ON, EDF, Enbridge, Energy Transfer, ENGIE, ENI, EPCO, EXXON MOBIL, GASCO, Gaz System, Genesis, KPO, MRC Global, National Grid, Noble Energy, OGC, OMV, PDO, PEMEX, Plains All American, Qatar Petroleum, Repsol, Saipem, Sapura energy, Saudi Aramco, Shell, Snam, Socar, Sonatrach, Spartan, Spectra Energy, STEG, Subsea 7, TechnipFMC, Terega, Total, Whitewater Midstream, Wintershall etc.

The segment's ability to manufacture cutting edge products and remain at the forefront of its industry through investment in R&D, drives operational efficiency and commercial achievements across the world. CPW often collaborates with international research organisations, including the European Pipeline Research Group (EPRG) and the Welding Institute, as well as regularly participates in research projects linked to its core business activities.

Corporate Strategy

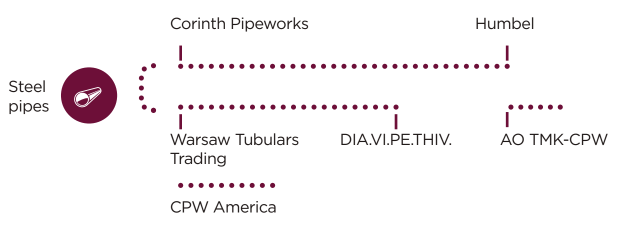
CPW is a global manufacturer and supplier of high-quality steel pipes and hollow sections for the energy and construction sector.

Steel pipes segment's strategic priorities consist of:

- A commitment to contribute in a positive way to the energy transition and confront climate change by developing innovative solutions and decrease segment's carbon footprint.
- Establishing CPW as our customers' first choice: meeting their expectations, gaining their trust, offering high quality products and excellent service in a particularly competitive market.
- Striving to always be one step ahead, by developing products and services based on new technologies and well-established technical practices.
- Constantly investing in state-of-the-art technologies as well as in the development of our experienced human resources. We are committed in achieving long-term growth, which benefits our customers, suppliers, people and shareholders, as well as the local community.

Product portfolio

CPW produces high-quality steel pipes to safely transport oil, gas and water, to carry CO2 and slurry, as well as casing pipes for drilling operations. Its key products include longitudinal and helical seam welded steel pipes (with medium and large diameters), as well as hollow structural sections for construction applications. Its long history of innovation and integrated services have cemented its position as a major steel pipe supplier.



CPW's three main product categories are:

1. **Line pipes** – manufactured either in the plant's high frequency induction welding unit (HFW), or the helically submerged arc welding unit (HSAW) and the longitudinal submerged arc welding unit (LSAW/JCOE).
2. **Casing pipes** – these high-frequency induction welded pipes (HFW) are used in oil and gas

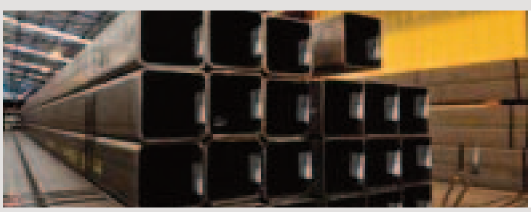

© Noble Energy

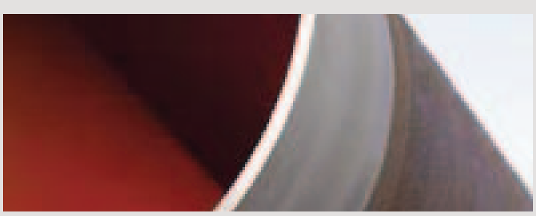
extraction drills; their product range was expanded by the installation of the new LSAW mill in 2016.

3. **Hollow structural sections** – used in the construction sector.

Services

- Internal and external coating of pipes produced by other pipe manufacturers;
- Accredited laboratory for raw material and pipe testing, in accordance with ISO 17025:2006;
- In-house corrosion testing laboratory for sour service applications;
- Weld-on connector facilities for casing pipes;
- Pipe storage;
- Supply of pipes or assignment of pipe coating to third party authorised subcontractors in the context of a major project implementation;
- Pipe transportation.





Production and port facilities

CPW's industrial plants are located in Thisvi, Viotia, Greece and Polevskoy, Russia.

a. Corinth Pipeworks Pipe Industry plant and port | Thisvi (Greece)

Annual production capacity: 925,000 tonnes

CPW's owns a state-of-the-art production plant in Thisvi, in the Viotia province of Greece, covering a total surface area of 103,000 m2 inside a larger area of 497,000 m2. The plant has the exclusive use of port facilities located approximately 1.5 km away, a strategical advantage as it enables CPW to reduce transportation costs on raw materials and offer more competitive pricing and faster delivery of its products. The port includes a fully operational set of cranes, forklifts and other machinery, in line with the provisions of the International Ship and Port Facility Security Code.

Inside that plant, CPW has recently installed a concrete weight coating facility, enabling it to offer, in one location, all pipe manufacturing and pipe coating operations required for the supply of a complete offshore pipeline package.

b. AO TMK-CPW plant | Polevskoy (Russia)

Annual production capacity: 200,000 tonnes

AO TMK-CPW plant in Russia manufactures high frequency welded pipes and hollow structural sections. It uses equipment with very high technical specifications, which allows for the production of pipes measuring 168-530mm in diameter, with 2.9-12.7mm wall thickness and up to 18m in length, and hollow sections in line with international quality standards.

Innovation, Technology and Investments

CPW focuses on programs that ensure its technological superiority, digital transformation and business excellence. It is systematically investing in the research and development of new technologies related to pipe manufacturing:

- Developing pipes for transporting hydrogen and hydrogen–natural mixes;

All in one location

Pipe mills

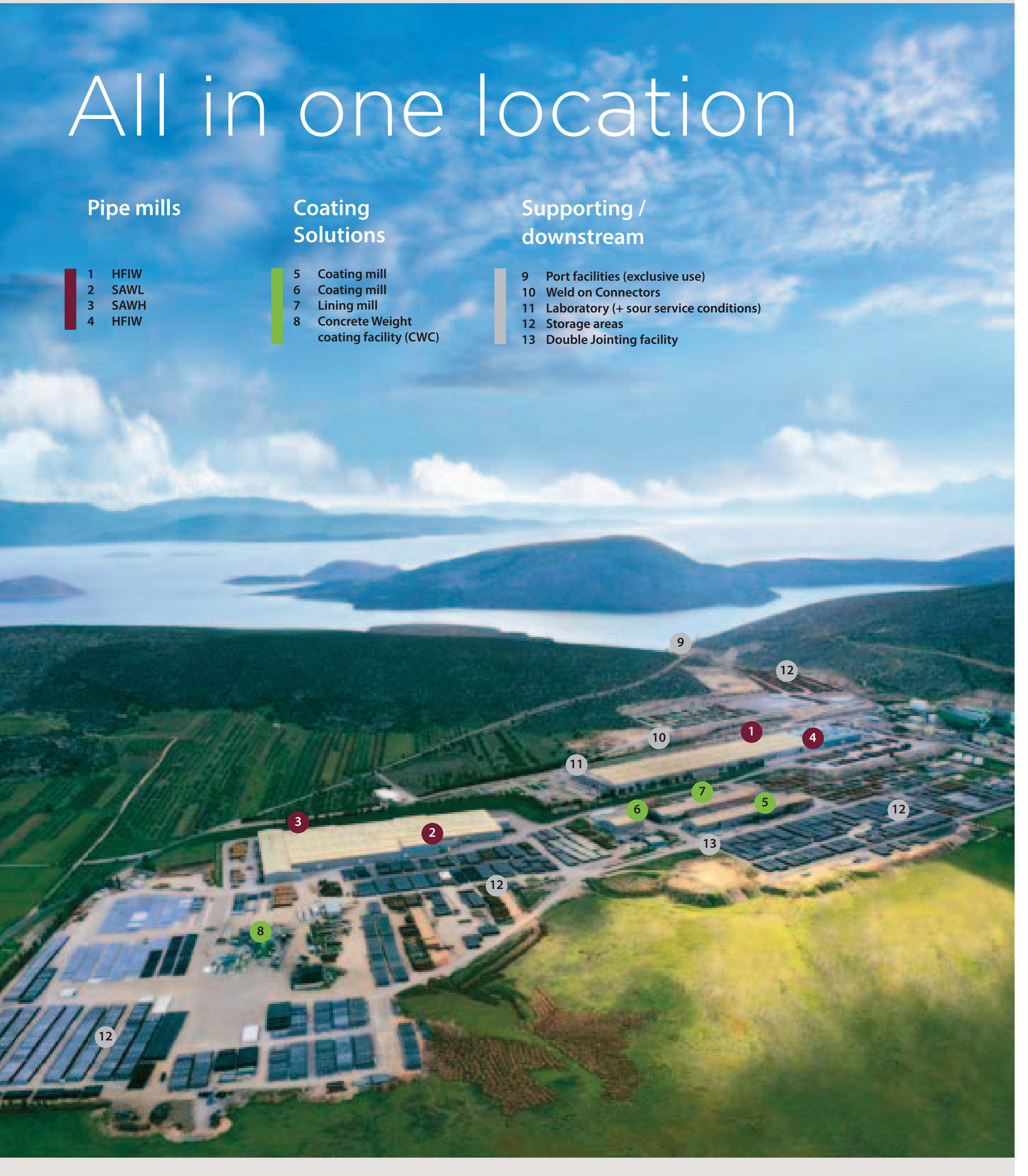
1 HFIW
2 SAWL
3 SAWH
4 HFIW

Coating Solutions

5 Coating mill
6 Coating mill
7 Lining mill
8 Concrete Weight coating facility (CWC)

Supporting / downstream

9 Port facilities (exclusive use)
10 Weld on Connectors
11 Laboratory (+ sour service conditions)
12 Storage areas
13 Double Jointing facility



- Improving HFW autogenous welding technology/Improvement of submerged arc welding (SAW) technology;
- BEST, operational excellence program;
- Digital human resources management;
- Non-destructive technologies testing;
- Hydrogen sulphide resistant steel pipes;
- High pressure bearing offshore pipes/Depth bearing submarine pipes;
- Potential pipe breakage at low (sub-zero) temperatures;
- Wind energy: market study regarding wind energy sector and the potential of offshore parks.

Last but not least, following the investment programs that took place during the last decade, the steel pipes segment further invested EUR 15.5 million in 2020.

2020 Research & Development activities

CPW is constantly following international trends regarding the objectives of the Paris Agreement and accordingly adapts its actions and plans. This is a strategic choice for the company, as it endeavours to strengthen its competitiveness and create value for its stakeholders in a dynamic environment that promotes transition to a low-carbon future. CPW closely follows all initiatives and commitments set out in the European “Green Deal” and takes necessary measures to reduce its environmental impact and carbon footprint in its production processes, enabling its own customers to reduce their emissions in turn.

Our actions in 2020 for tackling climate change and integrating CPW within the future world markets of energy included:

- *Carbon Emissions*: We are proud to announce that we are, globally, the 1st steel pipe manufacturer for the energy sector, whose operations have net zero carbon emissions (ISO 14064 GHG scope 1 & 2).
- *Carbon Capture, Usage and Storage (CCUS)*: CPW already has a marked, lengthy experience in CCUS as it has produced for the last 15 years, CO2 transportation pipelines with a total length of over 1,150 km and is ready to face any new challenges.
- *Digitalization*: CPW implements a digital transformation program, using all advantages offered by the use of new technologies. It has already digitised a large percentage of its human resources system, through the “SAP SuccessFactors” cloud platform. The Intelex digital platform is also used to report all Health and Safety incidents as well as environmental events. Finally, a specialised and customised platform is used to automate Quality Management System processes.
- *Hydrogen*: CPW is currently conducting research regarding the development of hydrogen and hydrogen-natural gas mix transportation pipes.

Recent projects

2020 was indeed a challenging year for steel pipes segment: energy markets were strongly shaken by the historic oil & gas price drop in 2020, rooted in a price war between major suppliers and leading to the postponement or even cancellation of many fossil fuel distribution projects. Capital expenditure from Exploration and Production (E&P) companies around the world suffered major drawbacks: exploration capex for prospective gas plays in 2020 hit the lowest level in at least two decades[2], while E&P companies in North America had, during Q2, to almost halve their 2020 capex budgets, already lower than the 2019 levels. International Oil companies and National Oil companies followed suit, though at a more contained pace[3].

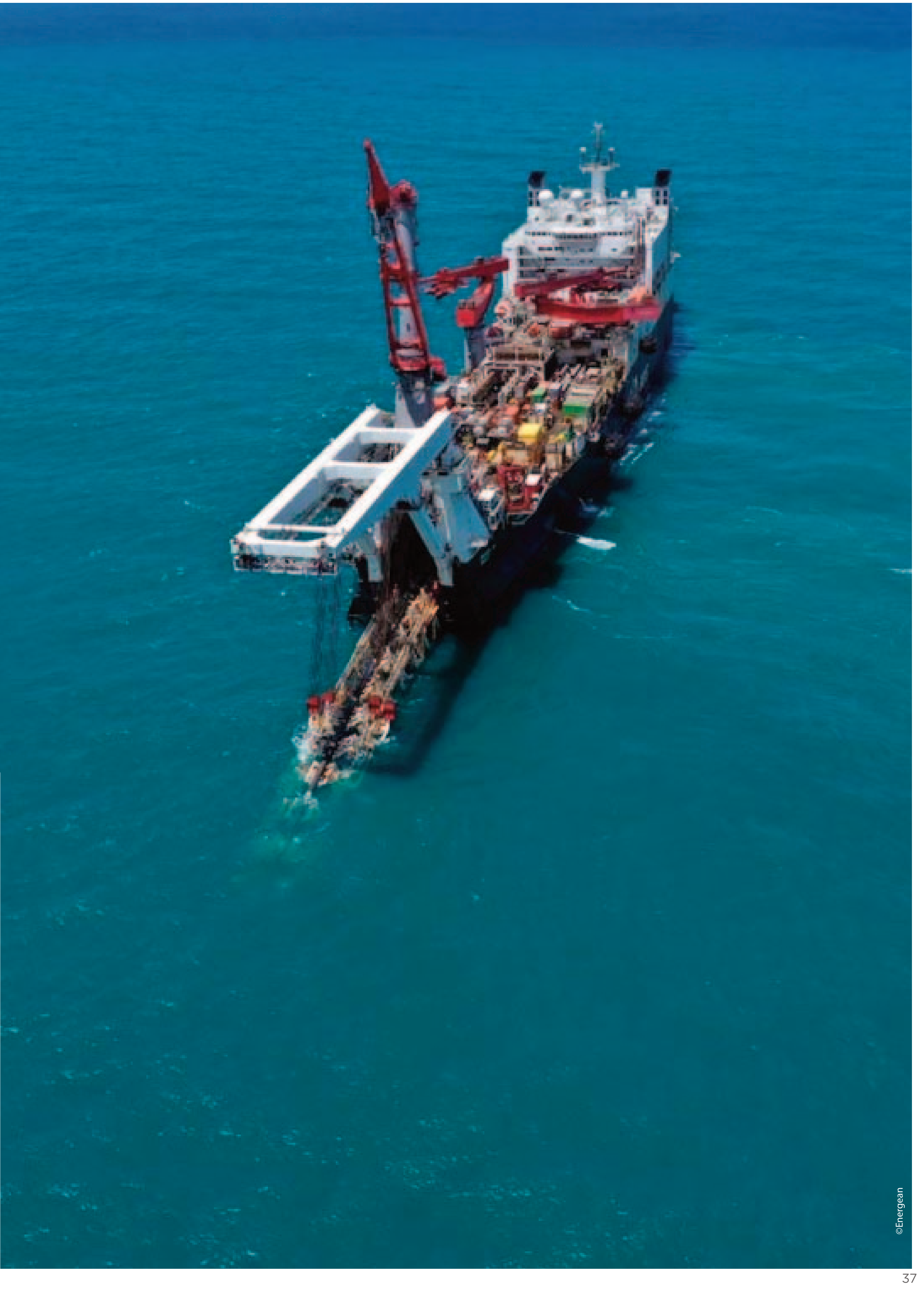
The outbreak of the Covid-19 pandemic further disturbed energy demand due to the extended lockdowns around the globe. Last but not least, the strong protectionist measures, mostly in the USA, on the steel market and particularly on large diameter welded pipes impacted even more the global market access of CPW.

In such an unwelcome environment, the company still achieved a solid presence in international markets though it suffered a decrease in sales volumes compared to prior years. CPW succeeded in maintaining its reputation as a top-quality producer keeping its market share and effectively entering new markets.

During 2020, CPW was awarded major projects, including:

- A 142 km gas pipeline of 32-36” pipes (“Baltic Pipe” project), operated by Energinet in Denmark;
- A project by Anglo American Sur S.A. for the

2. International Energy Agency, “Gas Market Report – Q1-2021”
3. International oil companies revised 28% downwards their capex budgets while NOCs decreased them by 24% (Duff & Phelps, Oil and Gas Advisory, Capex Cut Tracker, June 01, 2020)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manufacture and supply of 35km of 24” steel pipes to transfer slurry for the Los Bronces Pipeline Replacement project, located in the Andean Mountains at an average altitude of 3,500m;

- 93km of 16” offshore pipeline in the Gulf of Mexico, awarded by Shell (“Colibri” project);
- 150 km of 12” gas pipeline awarded by Petroleum Pipelines Company in Egypt;
- An agreement to manufacture and supply HFW steel pipes to Subsea 7 (US) LLC for the development of the King’s Quay deep-water project in the Gulf of Mexico operated by Murphy Exploration & Production Company – USA.

Finally, in the course of the year, CPW successfully continued its intense program of qualifications from major Oil & Gas companies along with innovative programs to enhance competitiveness like “Manufacturing Excellence”, the road to digitalization of processes and the revolution of Industry 4.0.

2020 financial performance

In a difficult year for the steel pipes segment, as dictated by adverse market conditions outlined above, revenue for the segment declined considerably to EUR 309 million in 2020, 18% lower from its 2019 levels of EUR 378 million.

Nonetheless, Corinth Pipeworks showed a lot of resilience, first and foremost by safeguarding its personnel safety and securing uninterrupted production for all current projects. It also swiftly initiated a strict working capital management program that secured liquidity and allowed the operating activities to finance the investments of EUR 15.5 million that took place during 2020.

During the latter part of the year, CPW managed to execute a significant part of its backlog, while implementing a cost optimization programme. This action plan led the segment increasing its profit margins in terms of a-EBITDA (8.1% for H2 2020 versus 7.2% for H2 2019 and 5.7% in H1 2020) and recording profit before tax of EUR 3.4 million, which covered losses recorded during the first semester of the year.

Overall for 2020, gross profit decreased to EUR 23.9 million in 2020 (from EUR 31.8 million in 2019) and adjusted EBITDA followed, down to EUR 21.7 million (EUR 26.8 million in 2019). As a result, the segment recorded a marginal profit before tax of EUR 1.3 million for 2020, compared to EUR 4.0 million in 2019.

In 2020, the segment managed to produce significant free cash flows, in spite of the decrease in operating profits. This was a result of a large decline in net debt from EUR 160 million as of 31 December 2019, to EUR 89 million. Long-term debt was also partially refinanced with more favourable terms, through the issuance of two bond loans amounting to EUR 16 million in total.

The summary P/L consolidated statement of the steel pipes segment is as follows:

Table 4: Profitability Analysis – Steel pipes segment

Amounts in EUR thousand	FY 2020	FY 2019
Revenue	**308,559**	**378,276**
Gross profit	23,884	31,816
Gross profit margin (%)	7.7%	8.4%
a-EBITDA	**21,681**	**26,760**
a-EBITDA margin (%)	7.0%	7.1%
EBITDA	**20,767**	**26,744**
EBITDA margin (%)	6.7%	7.1%
a-EBIT	**12,838**	**16,340**
a-EBIT margin (%)	4.2%	4.3%
EBIT	**11,924**	**16,324**
EBIT margin (%)	3.9%	4.3%
Net finance costs	(10,603)	(12,336)
Profit before income tax	1.321	3,988
Net margin before income tax (%)	0.4%	1.1%
Profit (loss) after tax for the year	**(472)**	**3,276**
Profit (loss) attributable to owners	**(472)**	**3,276**

Source: Consolidated Statement of Profit or Loss and Alternative Performance Measures

2021 Outlook

The global economic environment in which Corinth Pipeworks operates remains volatile. Main points are expected to be the confrontment of the COVID-19 pandemic that will lead to the rebound of energy demand and the accelerated energy transition scenario. Despite these headwinds, Corinth Pipeworks remains focused on maintaining its leading position, through new investments, research & development initiatives concerning hydrogen and wind sector 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 digitization and schemes to introduce Industry 4.0 into CPW's production lines. The transformation of CPW to a more diversified product profile is an essential part of its innovation agenda throughout 2021. Corinth Pipeworks maintains its positive outlook for 2021, with the execution of its backlog and the upcoming finalization of many projects that had been put on hold due to the pandemic.

Further information is available on the Corinth Pipeworks website: www.cpw.gr

CENERGY HOLDINGS

Subsequent events

There are no subsequent events affecting the Consolidated Financial Information presented in this Annual Report.

Risks and Uncertainties

Cenergy Holdings' Board of Directors is the highest body responsible for assessing the risk profile of its companies. Being a holding company, Cenergy does not have itself any production operations, customers, suppliers, or personnel (besides employees for administrative tasks), therefore any risks affecting it originate at its subsidiaries and their operations, suppliers, clients and personnel.

Cenergy Holdings' companies operate in dynamic markets with quite different characteristics, hence risks are to be managed in a structured way in order to reduce potential negative financial impact. The goal for each company is consequently to identify, measure and prioritize risks and to react appropriately with suitable actions that mitigate, reduce or control the impact of negative events. Cenergy views risk management as a tool which adds value by raising awareness of risks and places focus on efficient daily operations in line with each company's strategy.

Still, a set of common guidelines for an Entreprise-wide Risk Management (ERM) framework across Cenergy Holdings' subsidiaries exist: these include principles for effectively managing risks in all subsidiaries. Furthermore, the framework provides guidelines on how best to address these risks and facilitates discussion on risk management issues.

In turn, Cenergy Holdings' executive management in consultation with the Board of Directors is responsible with successfully exploring business opportunities, whilst at the same time assessing possible risks and their control mechanisms across subsidiaries, with the help of an independent Internal Audit department. The objective of this evaluation is to enable the Company to determine whether the subsidiaries have managed risks in a proactive and dynamic way to mitigate them down to an acceptable level.

The ERM process in Cenergy's subsidiaries comprises the following steps:

a) Identify key risks and measure / analyse their potential impact and likelihood. This is done at company level as all financial, operational, compliance and strategic risks are associated with each company's operation.

b) Manage (i.e., respond to) those risks by considering existing controls as well as selecting, prioritising and implementing appropriate actions. This step is also done at company level, following the general principles outlined in the ERM framework.

c) Control and monitor internal and external environment for potential changes to risks, ensuring risk responses continue to be effective. Each company monitors its risks and risk responses, using the common ERM guidelines but separate procedures, systems and mechanisms put in place by each company's management.

d) Finally, companies report both internally and at Cenergy Holdings' level, a consolidated evaluation on their risks, integrated with a review of their financial performance. Hence, Cenergy Holdings' executive management judges their overall risk – return trade off and presents the outcome to the Audit Committee and the Board of Directors. Needless to say that the Audit Committee monitors the effectiveness of the subsidiaries' internal controls and looks into specific aspects of controls and risk responses on an on-going basis.

The fact that each company's main revenue streams originate from separate markets with independent market dynamics provides, to some degree, a "natural" risk diversification effect. Still, the fact that Cenergy companies are in one way or another, related to the global trends of the energy markets, means that they would in principle, face similar risks. We could, however, say that the businesses of the HV cables segment of cables and of the large diameter pipes segment are primarily driven by large infrastructure projects and are, hence, essentially decoupled from short-term macroeconomic developments. On the other hand, a part of cables sales and the hollow section of CPW is linked to construction activities, a highly cyclical sector.

In pages 14-39, the development per business line in 2020 is described. The company's enterprise risk management (ERM) model outlined above ensures that risks are captured and dealt with primarily by the business line managements and, if needed, by the support functions. This tailored reporting structure ensures company-wide awareness of risks, opportunities and mitigating actions.

Key risks

Risks are classified into two major families, Financial and Business Risks. The former includes different types of market risk affecting the activity of each subsidiary (mainly, exchange rate, interest rate and commodities risk) as well as credit risk, counterparty risk and liquidity risk.

The Business Risk family, broadly defined as all risks that are not balance-sheet related, is broken down into further sub-categories, to help better understand and react to the different risk events:

A. *Operational and technology risks* defined as the risk of loss resulting from inadequate or failed processes, people and systems or from external events. Operations risks comprise all risks associated with the day-to-day operations such as Health & Safety, environmental issues, legal risk (as it refers to processes) but not strategic or reputational risks.

B. *Compliance and reputational risks* include possible negative impacts (economic – fines, penalties, etc. and other – exclusion from markets, etc.) from noncompliance with existing regulations and standards. Also included are potential impacts to the subsidiaries' (and the Holdings') brand image and business[4] reputation, as well as accounting risk[5].

C. *Strategic risks* include risks related to the wider business environment (e.g. the macroeconomic environment, the sector / industry conditions, etc.) the market and the competition, and medium to long-term decision making that may impact on business continuity and profitability.

A brief business risk taxonomy for Cenergy Holdings' subsidiaries is presented below, together with the actions taken to identify, measure, react, control and monitor them. Then it is prudent to sketch a "risk matrix" for the 5 most important risks faced by Cenergy companies.

Business Risks

Operations and technology

Channel effectiveness risk

Poorly performing or positioned distribution channels may threaten the companies' capacity to effectively and efficiently access current and potential customers and end users, so in turn, they manage it through experienced commercial executives per project / market; periodic financial reviews serve as the main monitoring tool.

Procurement risk

Since a disruption in the supply of energy, metals and other key raw materials and component parts may threaten the companies' ability to produce quality products at competitive prices on a timely basis, they all take relevant measures to reduce such risks (e.g. a diverse supplier base, alternate material lists, Service Level Agreements with key vendors, lower spot market exposure).

4. The set of perceptions about the company by the different stakeholders with whom it interacts, both internal and external.
5. The risk which concerns the proper and true economic and financial reflection of the companies' reality as well as compliance with all related regulations (IFRS, etc.).

Operation interruption risk

Apart from the unexpected unavailability of raw materials or other crucial resources, a lack of skilled labour, a delay in adapting new technologies and / or the danger for equipment breakdowns may threaten all subsidiaries' capacity to continue operations. Consequently, all companies use specialized maintenance departments to minimize the latter, upgrade plant equipment and production lines to reduce obsolescence risk and constantly monitor safety stock levels. Moreover, some of the plants, facilities and production lines are interchangeable and have been mapped to ensure shifting and continuation of production if such a need arises. Any residual risk is mitigated through business interruption insurance policies.

Product failure risk

Faulty or non-performing products may expose companies to penalties, complaints, claims and returns, which lead to loss of revenues, market share and business reputation. To proactively mitigate such risk, all companies follow rigorous quality management systems at their plants and maintain appropriate insurance coverage against such claims as well as product liability insurance. Quality control includes batch or item sample testing, defect capturing monitoring systems spread out in production phases, end-to-end traceability systems, etc.

Information technology (IT) risk

IT risk is usually defined as the likelihood of occurrence of a particular threat (accidentally triggered or by intentionally exploiting a vulnerability) and the resulting impact of such an occurrence.

Most of Cenergy Holdings' subsidiaries being capital intensive, they rely on IT systems to guide and optimize their production. IT equipment failure, human errors and/or the unauthorized use, disclosure, modification or destruction of information, pose serious risks to the companies' operation and profitability. Hence, the continuous identification and application of appropriate and proportional controls that limit exposure against the aforementioned threats is vital to the integrity of IT systems in all companies as well as against legal requirements.

Furthermore, all subsidiaries are complying with 2016/679 EU General Data Protection Regulation (GDPR), taking this opportunity to evaluate and ameliorate their overall IT risk posture, beyond regulatory requirements.

Compliance and reputation risks

Financial Regulation risk

In regards with the requirements arising from its stock exchange listings, Cenergy Holdings has established necessary structures and procedures in order to ensure continuous compliance, including the adoption of its Corporate Governance Charter, which covers issues such as directors' and managers' accountability, good governance principles, insider dealing, and conflicts of interest.

Compliance Risk

Laws and regulations apply to many aspects of subsidiaries' operations including but not limited to, labour laws, Health & Safety, environmental regulations, building and operational permits, etc.

Cenergy Holdings requires all companies in its holding portfolio to abide by all laws and regulations, whether at the local, European or international level accordingly, regarding Health and Safety in the production plants, labour and human rights, the protection of the environment, anti-corruption, bribery and financial fraud. Being a holding company, Cenergy Holdings requires its subsidiaries to develop their own policies for all such matters and the subsidiaries are exclusively responsible for the compliance with these policies.

Additional details are further given in the Non-Financial Information section (pp. 48-63).

Strategic risks

Country risk

Political risk of countries where Cenergy's companies are active, commercially or in production, may threaten future product and cash flows, both upstream and downstream. The main answer to that risk is geographical diversification, in manufacturing, supply chain and distribution.

For manufacturing, Cenergy companies are currently present in 3 EU countries (Greece, Romania and Bulgaria) that pose a minimum, if not zero, political risk. The availability and prices of basic raw materials, such as copper, aluminium and steel follow international markets, not affected by development in any particular country. Finally, subsidiaries distributed their products in more than 50 countries worldwide in 2020, with more than 65% of any company's 2020 turnover derived from markets outside their production sites.

Cenergy Holdings' subsidiaries follow closely and on a continuous basis the developments in the international and domestic environment and timely adapt their business strategy and risk management policies in order to minimize the impact of the macroeconomic conditions on their operations.

Concerning potential implications from the Brexit, Cenergy Holdings is closely monitoring relevant developments and taking measures to mitigate any disruption. As of January 1st, 2021, customs formalities, like those applied on the movement of goods between the EU and any other third country, apply to all goods being exported from an EU Member State to GB. There is no transition period for imports into the EU. Formalities and relevant controls may lead to longer delays at customs. In general, goods entering the EU from GB after the end of the transition period must also be covered by an entry summary declaration. Cenergy Holdings companies follows the guidelines provided by the competent authorities in order to mitigate any delays related to imports or exports of goods and to avoid any business disruption. Exports to the United Kingdom accounted for approximately 7% of total revenues for 2020, while most of direct competitors in the cables and steel pipes segments operate within the Eurozone. Thus, it is likely they will react to potential significant currency fluctuations accordingly. To summarize, from the analysis performed up to date, Brexit is not expected to have any material adverse effect on the operations of Cenergy Holdings.

Industry risk

Industry risk of Cenergy companies related to the specific sector they operate in, is associated either with the cyclicality of demand or the substitution rate of some of their products. The former is mitigated by expanding into global markets, so that the cycle effects are differentiated away across geographical areas. As for the latter, substitution risk is addressed through the differentiation of their product mix, shifting for example into lower substitution rate products.

Competitor risk

Strategic issues regarding competition are assessed as part of the annual budget process of all Cenergy Holdings' subsidiaries, as well as the strategic markets plan of each company. Daily management of competitor risk, on the other hand, is captured through daily review of market information and mitigated by a strong commitment to quality, a competitive pricing policy in commodity products and a targeting on high-margin products.

Technological innovation risk

In a world of rapidly changing technology, not following the technology wave in an efficient manner or not investing in the necessary IT infrastructure may seriously affect current and future business results. Alternatively, companies that do not leverage such technology advancements to extend their competitive advantage, may be "left out in the dark" and suffer from competition. This strategic risk is primarily managed by Cenergy's subsidiaries through the establishment of technical assistance and knowledge transfer agreements with global leaders in their sectors. All companies invest strongly in research and development (R&D), cooperating with scientific bodies and prominent international research centres, and most of them host dedicated R&D departments.

The segments' primary business risks are shown in the risk matrix below according to likelihood and impact.

Figure 1: Cenergy Holdings Risk Map for 2021

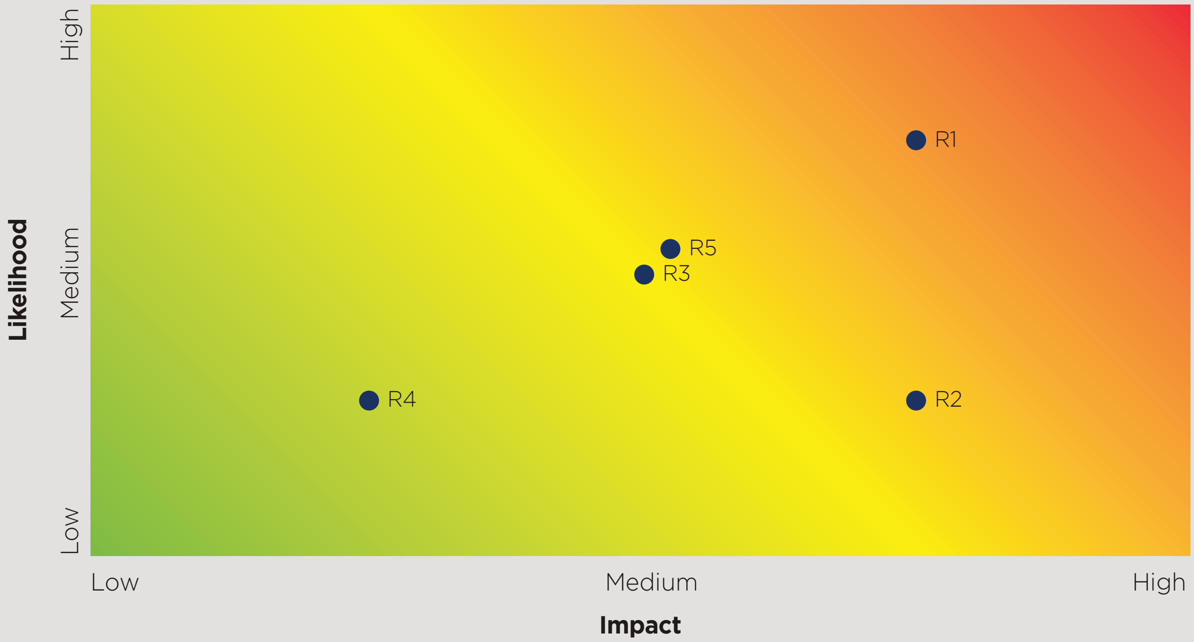

Table 5: Major Risks for Cenergy Holdings companies (2021 estimate)

No.	Segment /	Identification	Monitoring	Mitigation
R1	Steel Pipes / Competitor risk	Sales to the US	US project orders expected to decrease from 2020 levels with tariffs protecting local suppliers	CPW expects to be well positioned to capture relevant market share despite intense competition. CPW also seeks new market and customer opportunities to maintain or increase sales volumes and revenue.
R2	Cables / Technological innovation risk	New product qualifications	Ongoing test processing	Hellenic Cables believes adequate resources are allocated to new product qualifications and that such processes are monitored closely to achieve timely completion.
R3	Steel Pipes / Procurement risk	Steel prices	Price pressure and demands on Working Capital	CPW continually seeks to obtain the most favourable trade terms with its suppliers.
R4	Cables / Product failure risk	Offshore project execution	Hellenic Cables has a history of successful project execution and closely monitors activities, addressing issues in all project phases with dedicated teams	Specific risk management guidelines and actions as well as production testing, insurance and provisions.
R5	Steel Pipes / Industry risk	De-carbonization trend in energy supply	CPW monitors oil and gas infrastructure trends as well as those for alternative energy sources.	CPW continuously examines new business opportunities, including markets away from the oil and gas sector and seeks to diversify its revenue sources.

As for the global macroeconomic risk of a new upsurge of the Covid-19 pandemic, we must note that it has had so far limited operational impact on both segments; all companies do, however, continue to keep in place all supplementary health and safety measures in favour of their personnel initiated in 2020 and are scrutinizing their workplace for any event that may disrupt their production continuity.

Financial risks

As complex, international businesses Cenergy Holdings' companies are also exposed to financial risks not covered in the above risk matrix. These risks arise from financial market fluctuations and primarily consist of currency and commodity risk exposures. Cenergy companies first try, if possible, to "naturally hedge" any such risks, and then utilize varied financial derivatives to hedge large exposures and protect earnings and assets from significant fluctuations.

Interest rate risk

As a rule, Cenergy entities do not enter into speculative positions on interest rates of any kind and always try to follow natural immunization strategies. On the other hand, given the current low interest rate environment, each entity tries, in the measure possible, to secure fixed and low rate credit lines to avoid cash flow shocks and facilitate capital budgeting.

The interest rate profile of Cenergy Holdings, on a consolidated basis, as of 31 December 2020 consists of EUR 39.5 million of fixed-rate financial instruments and EUR 372.1 million of variable-rate instruments. Moreover, a change of 25 basis points in interest rates of variable-rate financial liabilities would have a positive or negative effect of EUR 1.31 million after tax in the Consolidated Profit / Loss statement of 2020.

Currency risk

Cenergy Holdings holds stakes in companies with production plants and commercial relations spanning the globe. As such, they are exposed to financial (transaction), accounting (translation) and economic losses due to volatility in foreign exchange rates. Companies manage this risk in a prudent manner, trying for natural hedges whenever possible (i.e. matching currencies in anticipated sales and purchases, as well as receivables and liabilities) and using standard hedging products, such as forward contracts, if necessary.

Commodity risk

Cenergy Holdings' subsidiaries are using metal raw materials as inputs, so price fluctuations (esp. aluminium, copper, nickel and zinc) may expose them to lower product margins or trading losses.

Future contracts traded in the London Metal Exchange (LME) offer the obvious hedging choice for them: first, all Cenergy Holdings' subsidiaries record metal positions resulting from LME price fixing for purchases and sales. They monitor the metal price risk and try to match purchases with sales. The resulting net exposure is centrally hedged using LME contracts, resulting in almost immune margins.

Liquidity risk

Cenergy's subsidiaries constantly monitor cash flow needs on a monthly basis, reporting liquidity and leverage ratios and continuously assessing available funding, both in the local and international markets. They mitigate liquidity risk by maintaining unused, committed financing facilities from a diversified number of financial institutions

Cenergy Holdings' total debt (incl. lease liabilities) amounts to EUR 411.7 million (31/12/2019: EUR 504.3 million). Considering EUR 81.0 million of cash & cash equivalents, Net Debt amounts to EUR 330.6 million with 43.3% (31.12.2019: 36.0%) of total debt being long-term and the rest, short-term. Loans and borrowings are held with banks and financial institutions, which are rated from A- to B based on ratings of Standard & Poor's. Approximately 74% of these loans and borrowings are held with Greek banks.

Long term facilities have an average maturity of 4.6 years, whereas short term ones are predominately revolving lines, reviewed annually with anniversaries spread out through the year and renewed automatically at maturity, if necessary. There are sufficient credit limits in place to serve working capital requirements and refinance short term loans.

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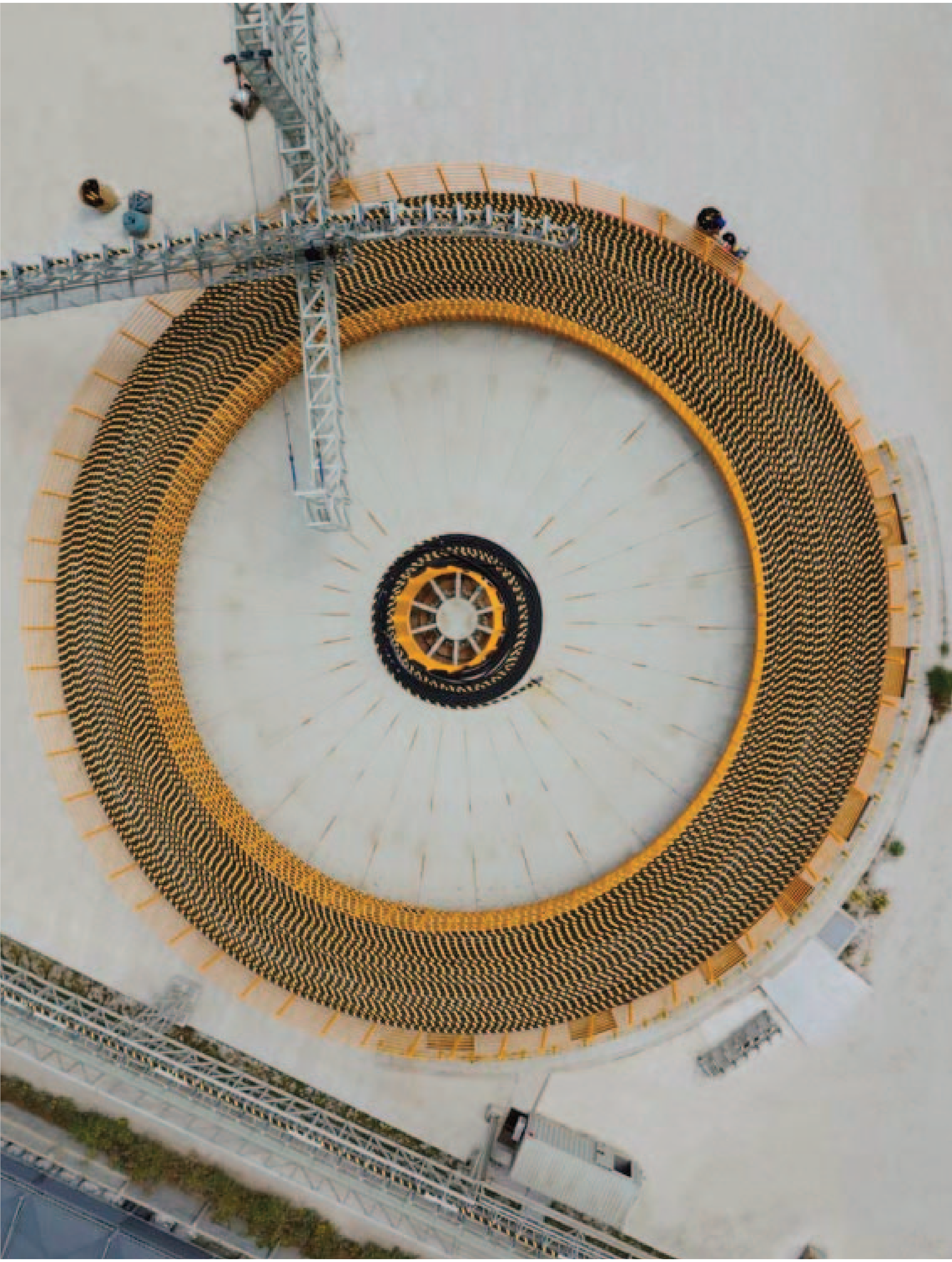
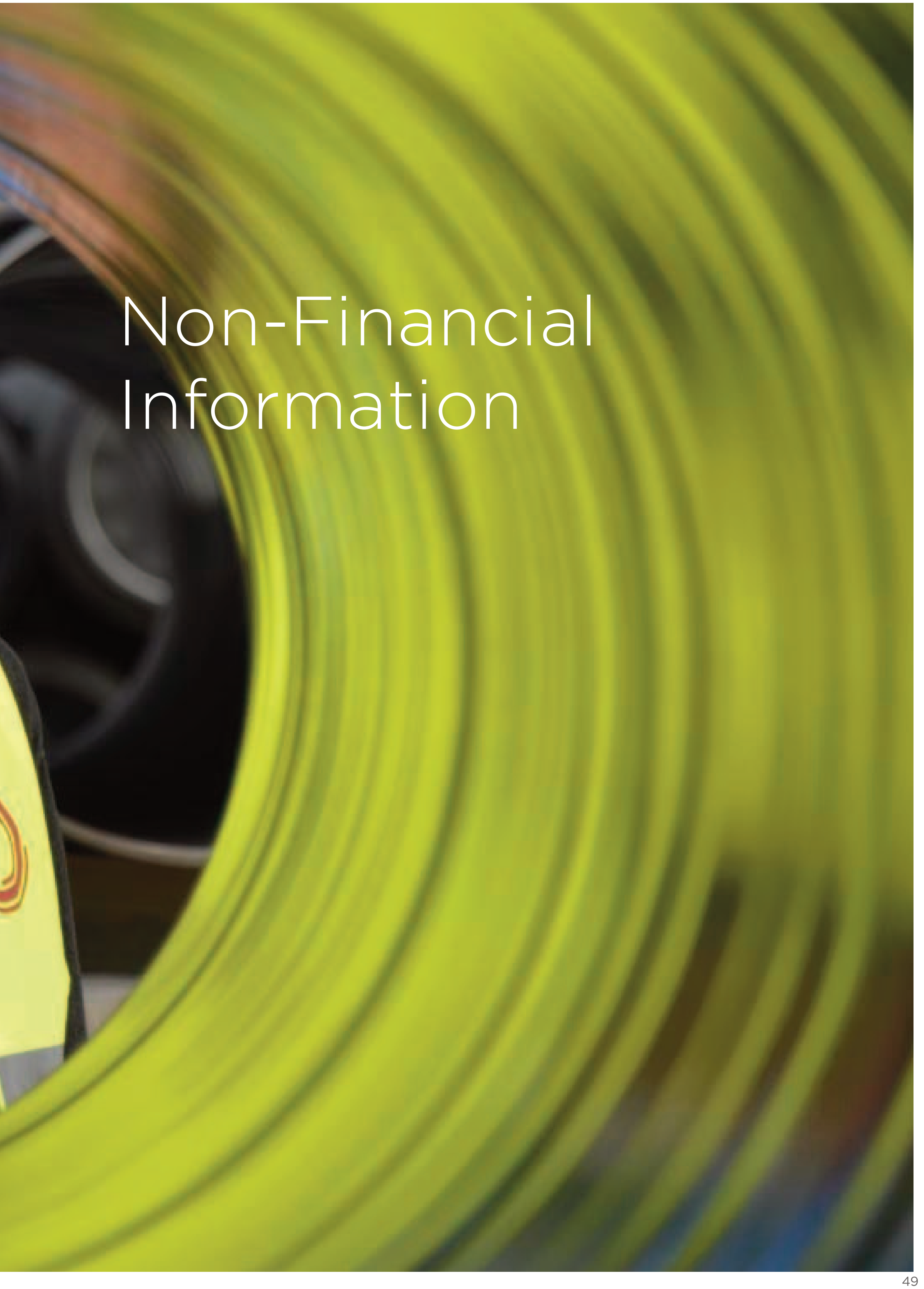
Credit risk

Cenergy Holdings' subsidiaries sell to a large number of customers across countries and sectors, trying to avoid customer concentration, if possible. For large infrastructure projects, though, that make a significant portion of both segments' turnover, this is however unavoidable.

Hence, companies mitigate this risk by executing robust creditworthiness checks of final customers via credit rating agents and carefully setting relevant payment.

For the product business units, the use of real or financial security and of credit insurance contracts is standard.





Non-Financial Information

Non-Financial Information

This Non-Financial Statement addresses the requirements of the Belgian Code of Companies and Associations – BCCA (article 3:32§2), as amended by the Belgian Law of September 3rd, 2017, on the disclosure of non-financial and diversity information by certain large companies and groups [which transposes Directive 2014/95/EU “Disclosure of non-financial and diversity information” into Belgian law] and relates to the financial year ended on December 31, 2020.

Cenergy Holdings (the **Company**, the **Holding**) is a Belgian listed company holding participations positioned in the energy and telecommunications sectors. The Holding’s portfolio comprises companies with a global presence; the management report on pages 14-39 presents a thorough description of each business segment.

The Statement has been drawn up in accordance with the UN’s Sustainable Development Goals (SDGs) reporting framework which embrace a very wide and universal approach to all sustainability issues facing today’s societies. Although Cenergy companies have a direct or indirect impact on all 17 SDGs, emphasis is placed on the SDGs directly impacted by their activities. The SDGs reporting framework serves as the basis for the reporting structure of non-financial matters of the Company as it contains non-financial key performance indicators (KPIs) for the monitoring of all main risks associated with the non-financial matters under scope in the BCCA, namely:

- Environmental
- Social and labour
- Human rights
- Anti-corruption and bribery

This Non-Financial Statement includes non-financial information of the Holding and its material subsidiaries in both operating segments (Cables and Steel Pipes); it focuses on established policies in relation to these matters, due diligence processes implemented, outcome of the policies and performance monitoring of the main risks related to these non-financial matters.

Business Model

The Holding invests with a long-term view, among others in significant (controlling or non-controlling) equity investments. It invests without a defined investment and divestment policy and is not bound by any specific target or criteria regarding geographical and industrial features of its investments, holding period and achievements of targets. The Company generates returns, which may be reversed, reinvested or distributed to shareholders at the absolute discretion of the company (subject only to shareholder vote on dividend distribution). It is an active shareholder, combining its entrepreneurial approach with sound financial discipline. It brings in finance to further develop its companies, to improve their competitive position and profitability, and it maintains an open line of communication with the management of the companies in which it invests, while valuing their operational autonomy.

Figure 2: Cenergy Holdings' Business Model

Key partnerships

- Suppliers of high quality raw materials
- Quality assurance bodies
- Research centers and organisations
- Special partners in the implementation of projects

Key activities

- Oil & Gas transportation and drilling
- Energy transmission and renewables
- Telecom and data transmission
- Construction and industrial

Value proposition

- Long-term value creation by investing in leading industrial companies, focusing on the growing global demand of energy transfer, renewables and data transmission
- Total solutions provision
- Undertaking big projects in more than 70 countries
- Delivering value added products for niche markets
- Employment of more than 2,000 highly-skilled people

Customer relationships

- Commercial departments
- Project management and implementation departments
- Maintenance and support services
- Training services
- Customer satisfaction surveys

Customer segments

- Electricity transmission and distribution companies
- Oil & Gas companies
- Telecommunication companies
- Data transfer companies
- Construction companies
- Industrial sector
- Commercial firms

Key resources

- 5 main production units and 4 supporting facilities (ports and storage facilities) in 4 countries (Greece, Romania, Bulgaria and Russia)
- High quality mechanical equipment
- Highly qualified and experienced staff

Competitive advantage

- Innovation and technological excellence
- Exports to over 70 countries
- Management Systems ISO 50001:2011, ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007, and ISO 22301:2012, IATF 16949:2016
- Research and development
- Customer-oriented philosophy
- Strict production standards

Channels

- Sectoral customer satisfaction surveys
- Exhibitions
- Sector trade shows
- Inclusion in approved suppliers lists
- Tenders

Cost structure

- Investments in new production units
- Maintenance of infrastructure and equipment of production facilities
- Product and plant certifications

Revenue streams

- Product sales
- Turnkey solutions
- Integrated services (one-stop-shop)

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The segment of cables is a significant enabler of the energy transition and the European "Green Deal" since over 50% of its revenue is coming from projects contributing to the expansion of Renewable Energy Sources in the energy mix and the gradual decarbonization of the global economy and the advancement towards a climate neutral future.

The steel pipe segment is also well positioned to contribute significantly in the energy transition with 70% of its revenues coming from natural gas projects while at the same time developing solutions that adapt to new needs of energy transport (Green hydrogen, Carbon Capture & Storage).

Our companies are well positioned not only to operate in a low carbon economy, but to increase market share as their product line is very instrumental in the realization of a climate neutral economy. They increasingly rely on the use of renewable power in their energy mix, developing additional goals towards carbon footprint improvement. They are also trying to further decrease indirect carbon footprint, thus contributing to Europe' ambitious goals of a decarbonized economy.

Due to the nature of their industrial processes as well as their products' markets, the companies' future is strongly correlated to their ability to operate in a sustainable manner. They are currently in the process of taking measures for higher energy efficiency while becoming more engaged with and ensuring responsible sourcing of raw materials and services.

Impact of COVID-19 pandemic on non-financial matters

The specific policies and procedures for managing all issues relating to the pandemic was initiated and monitored throughout the year by Cenergy's affiliate Steelmet S.A. (*Steelmet*). Steelmet also has the operational due diligence responsibility for all other non-financial matters.

As the SARS-Cov-2 virus outbreak reached Europe, the health and safety of our employees, their families as well as close partners was immediately considered a top priority across all companies. The pandemic posed a great challenge for Cenergy and its subsidiaries not only on a business but also on a society level. All companies acted swiftly in a responsible manner to support not only their workforce but the general public through an extensive list of donations, both in medical equipment and protective gear.

Upon the first signs of widespread infection, an emergency response plan was implemented including identification of contagion risk areas within the companies' premises and also during transport of personnel. After the thorough risk assessment in all work places, corresponding mitigating measures were executed to reduce the risk and allow business to continue across all production sites as smoothly as possible. Whenever a noticeable reduction of demand was expected (or experienced) production levels were modified to match lower demand and guarantee operational resilience.

All Cenergy Holdings companies implemented a multitude of preventive measures in all aspects of work life including transportation to and from work, obligatory mask use in all company sites, extensive hygiene measures, medical advice and support to all work force, especially vulnerable groups, and finally remote work arrangements for all personnel whose presence was not required at company premises. Due to the nature of manufacturing business, such "work from home" schemes were limited to about 10% in industrial plants while it reached 50% in white-collar workers. Such schemes were always compliant with the guidelines or requirements set out by competent national authorities.

Throughout 2020, over 9,500 PCR tests were regularly performed on the workforce of all subsidiaries in order to allow for early detection and quarantine of positive cases as well as their close contacts. This approach resulted in a minimal spread of COVID-19 within company premises. Moreover, it helped the workforce protect their families and close social network as they all got early warning from the mandatory proactive testing at work. As a result, all companies were able to continue their operations smoothly and without interruptions throughout 2020, even during the peak of the second wave late in the year.

The augmented health and safety preventive measures still remain in place across Cenergy companies and the same model will be followed throughout 2021.

The COVID-19 pandemic did not have an effect on other aspects of non-financial matters except the personal development and training of a significant portion of its workforce as physical meetings were not allowed for the most part of the year. As a result, training programs were significantly curtailed. An accelerated training program will compensate for such loss of scheduled training, when conditions allow.

As for the supply chain, mitigating measures were put in place to ascertain business continuity (orders for critical materials placed in advance, alternative suppliers identified, increased safety stock for certain materials). As a result, no interruption of regular operation was experienced throughout 2020 as well as in projects under construction/commissioning.

Management Approach in Policy Framework

Cenergy Holdings is a listed holding company, with a very lean structure, making long-term investments focused on companies active in South Eastern Europe in the energy and telecommunications sectors.

Cenergy Holdings strongly believes that its subsidiaries must demonstrate the same responsibility and share the same principles and commitment in sustainability issues in order to foster resilient and sustainable growth and employment, provide transparency to all its stakeholders (including employees and customers) and preserve long term value for its shareholders.

Cenergy and its companies are committed to operating safely in an environmentally and socially responsible manner and to partnering with their customers and community stakeholders to build a sustainable future for all parties involved. They aim to establish a relationship of responsibility and trust with its counterparties and to meet expectations by keeping faith with commitments undertaken. The responsible operation of all companies is considered a primary goal and fundamental for the sustainable operations of the companies.

Cenergy's policy principles are reflected in its "**Sustainability policy**"[6] which constitutes a "reference code" that its subsidiaries should follow, at a minimum, regarding sustainability matters. The companies in turn have developed their own respective, detailed policies adhering to those policy principles.

The policy covers all important sustainability and non-financial issues required by BCCA. The policy requires complete adherence by the subsidiaries to all European and National laws as well as to internal procedures developed in order to have a uniform and robust monitoring system that can be objectively audited and verified. More specifically, the following matters are included:

Environment

Cenergy Holdings subsidiaries are committed to operate with *absolute responsibility and respect for the environment*. Sound environmental management of production and storage installations is one of the most important targets and is absolutely essential to the sustainability of the Companies' activities.

All companies operate in full compliance with applicable national and EU environmental legislation, as well as with the specific environmental operational terms of each plant. They also operate in a state of absolute transparency and participate in an open dialogue on environmental issues with all the stakeholders.

Social and Labour

Cenergy Holdings and its companies are committed to operate responsibly in all their business activities while at the same time expecting the same responsibility from its business partners. Concern for employee health and safety, respect and protection of the environment, comprehensive coverage of customer needs, responsible business practices from its suppliers and harmonious coexistence with the local communities in which they operate are the main issues with a wider social impact.

Cenergy Holdings and its companies have zero tolerance for any discrimination of race, gender, religion, age, nationality, social or ethnic origin, disability, sexual orientation, or political and trade union engagement. These principles apply to the recruitment of new employees, to employees with an employment contract and to the professional promotion of their employees. The only decisive factors of employment are performance, experience, personality, efficiency, skills and qualifications.

The Holding and its subsidiaries reject any form

6. For more information, please refer to http://www.cenergyholdings.com/sustainability/overview/.

of forced labour. All work performed in the companies must be voluntary. The employment of individuals under the applicable statutory minimum age for workers is prohibited.

All Cenergy Holdings companies are committed to continually promote health and safety for their employees as well as for their partners, including customers, suppliers, contractors and visitors. Cenergy companies strictly comply with all applicable legislation and fully implement all suitable standards, instructions and procedures regarding health and safety.

Human rights

The Holding and its companies recognise the right of all employees and stakeholders to work with dignity and believe that everyone in the Companies is responsible for having due regard for human rights.

All entities support and respect the fundamental principles, as articulated in the Universal Declaration of Human Rights. All Companies support the protection of international human rights within the sphere of their influence, and will not be complicit in human rights abuses. The Companies' policies and procedures adhere to all applicable domestic laws concerning freedom of association and collective bargaining, non-discrimination, forced labour and underage workers in the workplace.

Business Ethics & Anti-Corruption

Cenergy Holdings and its companies are committed to conducting their business with honesty and integrity and in compliance with all relevant laws. All companies ensure transparency in all interactions and acknowledge that they have a moral and legal obligation to act responsibly in all jurisdictions. Companies' business growth and success shall rest on the excellence of their products and services and under no circumstances, may tolerate illegal or unethical business activity. Their performance and competitiveness are strengthened solely through lawful conduct.

Cenergy Holdings and its companies are fully opposed to all kinds of bribery and corruption. They are determined to maintain a culture of honesty and opposition to fraud and corruption. They also vouch they maintain a system of internal accounting controls and keep their books and records in reasonable detail that accurately and fairly reflect transactions and dispositions of assets.

Outcome of the policy

All companies operate in full compliance with applicable European and local environmental and labour laws.

The policies' implementation is ensured by due diligence actions performed by Steelmet. Steelmet is responsible, among other things, for the monitoring of all companies' performance in these matters. It employs proficient auditors in their respective field of expertise and they perform periodic reviews and assessments of the subsidiaries. During their periodic business reviews, the top management of Cenergy companies reports to Steelmet auditors on performance metrics, where applicable, and analyses risks and challenges as well as corrective actions that are deemed necessary. Steelmet reports back to Cenergy Holdings' Audit Committee on a regular basis identifying potential issues.

The progress of corrective actions as well as any non-compliance matters are addressed and the subsidiaries are required to commit to a verifiable course of action within a specific timeframe.

In addition, due diligence in the issues of environment and health and safety is performed by external auditors during periodic management system certification reviews. The entirety (100%) of the Holding's production companies under the scope of this report are certified with the environmental Management System ISO 14001:2015, the Occupational Health and Safety Management System ISO 45001:2018 and 75% of the companies under scope of the Statement are certified with the Energy management System 50001:2015.

Based on the above assessments, the principles of Cenergy Holdings' sustainability policy are all in compliance although there is room for improvement in several areas that are elaborated in the Risk Management section below. In order to ensure that all subsidiaries are following a continuous improvement path, Steelmet professionals have close cooperation with subsidiaries' top management and pertinent personnel in order to draw road maps with specific, prioritized, improvement actions as well as benchmarks that need to be achieved within certain time frameworks.

Materiality Analysis and KPIs

The scope of Non-Financial Information reporting focuses on “material” production companies in terms of revenue and personnel employed. The criteria used for their selection are

- Contributing more than 1% of the total Cenergy Holdings’ consolidated revenue, and
- Having a minimum of 100 employees.

These criteria lead to the selection of the following four (4) entities:

1. Hellenic Cables (Cables segment)
2. Fulgor (Cables segment)
3. Icme Ecab(Cables segment)
4. CPW (Steel pipes segment)

These companies, due to their comparatively large labour force, raw materials’ use and energy intensity, present the highest potential overall impact in terms of the non-financial issues under scope in this report. The non-financial information for the above-mentioned companies are consolidated and presented based on the segment they operate as the companies within the same segment have similar non-financial issues and risks.

As for the selection of “material issues” in this report, this was based on an extensive materiality analysis performed by each of the companies in the list above. The materiality analysis in each subsidiary was performed according to the pertinent GRI Standard. Based on these analyses, the major and more commonly found non-financial risks related to these material issues were selected due to their potential to negatively impact the companies’ business relations, products and long-term sustainable operation.

Then, these different challenges and issues identified in the materiality analysis (MA) phase were correlated to the UN’s Sustainable Development Goals (SDGs) reporting framework which serves as the basis for the reporting structure of the non-financial issues.

SDGs are a list of 17 interconnected global goals designed to be a "*blueprint to achieve a better and more sustainable future for all*" that address current challenges facing societies all over the globe. The 17 goals have 169 underlying specific targets that stimulate action in areas of concern. Cenergy, as previously mentioned, has identified the major and more commonly found areas of material impact that have been selected by the individual companies’ materiality analysis as well as stakeholder assessment, and has concluded that the main non-financial risks of concern are those listed in Table 6. Based on the non-financial risks identified, specific key performance indicators (KPIs) from the SDG reporting framework (where available) have been selected to be used in order to assess the performance and risk exposure.

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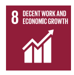
Table 6: Main non-financial risks of concern identified for Cenergy Holdings companies after the MA.

Issue identified in MA	**Category under BCCA**	**Relevant SDG**	**Description**	**Companies' area of material impact**
Energy consumption, sources of energy	Environment		Affordable and clean energy	Availability of low carbon energy at competitive cost
Health and safety, labour rights	Social & Labour, Human rights		Decent work and economic growth	Provision of safe working environment, equal treatment among workers, training for human development of workforce.
Climate change	Environment	 	Climate action	Carbon intensity of production, carbon intensity of raw materials
Waste management, production of circular products	Environment, Human rights Business		Responsible consumption and production	Waste intensity, method of waste management, circularity of production process, supply chain responsibility
Transparency, Anti-Corruption	Ethics, anti-bribery, anti-corruption		Peace, justice and strong institutions	Business transactions, data privacy, regulatory compliance

Based on the SDGs selected and the scope of the materiality issues, the following KPIs were selected to be assessed for Cenergy Holdings' companies. Wherever a relevant SDG indicator already exists from the SDG reporting framework, that indicator is used; otherwise, other indicators (such as UNCTAD's[7] indicators – in italics, or KPIs commonly used by standard industrial practice – marked with an asterisk*) are used.

7. Cf. the "Guidance on Core Indicators for Entity Reporting on Contribution Towards Implementation on the Sustainable Development Goals" by the UN Conference on Trade and Development (UNCTAD, 25 July 2019).

Table 7: KPIs for Non-Financial Risks to be assessed for Cenergy Holdings companies

Relevant SDG	Relevant SDG target(s)	KPIs representing key issues
7 AFFORDABLE AND CLEAN ENERGY	7.2	7.2.1 Renewable energy share of total energy consumption
8 DECENT WORK AND ECONOMIC GROWTH	8.5 8.8	*Average hours of training per employee per year* 8.8.1 Frequency incident rates of occupational injuries (LTIR, SR, fatalities) Annual employee turnover* Percent of women in labour force* Incidents of discrimination*
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.4	9.4.1 Total greenhouse gas emissions per tonne of product - Total Emissions (Scope 1 & 2)
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5	*Reduction of waste generation* *Waste reused, remanufactured and recycled* *No environmental impact incidents*
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5 16.B	*Fines paid due to settlements* Incidents of corruption or bribery* Incidents of data privacy breach*

The reporting structure for each of the companies in the scope will be analysed per selected SDG.

SDG 7 – Energy consumption – Clean energy

Cenergy companies are electrointensive and it is important to have access to competitive, low carbon energy in order to minimize their carbon footprint as well as decrease their exposure to carbon pricing. They generally purchase electricity from the main energy suppliers of the countries they operate as none of the companies own their own energy source. The numbers shown in the following table reflect the grid energy mix and renewable energy share for the respective grid.

Due to lack of competitive pricing in low carbon electricity, three out of the four material companies in Cenergy Holdings' portfolio (Hellenic Cables, Fulgor and CPW) sourced 100% of their electricity needs from renewable energy in 2020 by the purchase of Guarantees of Origin (GOs) supporting, in this manner, the renewable energy market for further investments in the years to come. The table below shows the share of renewable electricity in the total electricity consumption.

Table 8: SDG7 – Clean energy consumption

	Cables			Steel pipes		
Year	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Renewable energy share in electricity	68.9[8]	72.2[8]	23.5	100[8]	100[8]	28.3

SDG 8 – Health & Safety – Labour issues

The nature of Cenergy companies results in different occupational health and safety risk profiles per company. The difference is attributed to many factors such as type of production, (kind of metallurgy (thermal or not), loading/unloading, chemical coating, etc.), technology of infrastructure, equipment condition and safety features, manufacturing processes and materials used. Irrespective of the nature of the activity, the health and safety of the companies' personnel is of utmost importance and the companies intend to invest significant amount of resources in order to improve working conditions and create a safer working environment.

The Holding's companies make a continuous effort to improve their risk capacity realization, develop detailed risk assessments by conducting a systematic hazard identification associated risks evaluation, facilitating subsequently the implementation of reasonable control measures. Emphasis is also given in performing accurate incidents analysis to ensure there is a robust framework in place which provides for a systematic approach to incident reporting, management and investigation, thereby enabling effective corrective and preventive actions to be set.

Regarding health and safety metrics, the main one used for the performance of companies is the **Lost Time Incident Rate** (LTIR – the number of LTI incidents per million working hours) which measures the number of incidents per working hours that led to an employee's absence from work. **Severity rate** (SR – the number of lost work days per million working hours), on the other hand, reflects how serious the incident was:

Table 9: SDG8 – Health & Safety data

	Cables			Steel pipes		
Year	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
LTIR	6.4	5.4	8.7	1.7	1.0	3.4
SR	167	321	122	119	106	118
No. of fatalities	0	0	0	0	0	0

Both segments showed a small deterioration in LTIR in 2020 compared to the previous year and management realizes that a greater effort is needed in order to create a safer working environment. The severity rate on the other hand, improved significantly in the cables segment while a small increase occurred in 2020 in the steel pipes segment. The companies have an extensive list of internal KPIs that follow the leading actions needed to create robust H&S programs. Since, however, we aim for a "zero accident" working environment in all Cenergy Holdings companies, the effort by management everywhere to promote Health and Safety at work and to raise safety awareness in a timely fashion (alert – analysis) is ongoing and continuous.

8. Due to GOs purchased for sourcing of renewable energy.

All companies recognise the decisive contribution of their people to current success and future growth. In line with this, all subsidiaries are committed to implementing responsible working practices. So, they seek to offer their employees an equal opportunities workplace that respects the personality of each one and also invest materially and steadily in their training and development. All companies focus on creating a work environment of fair reward, respecting human rights and diversity, applying objective evaluation systems, and ensuring ongoing employee training and education.

The following table gives some indicative KPIs like employee turnover, the percentage of employees who leave the organization voluntarily or due to dismissal, retirement, or death in service and the average hours of training per employee per year. Total workforce equals the total number of employees at the end of the year (December 31st data).

Table 10: SDG8 – Labour KPIs

	Cables			Steel pipes		
Year	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Employee Turnover	10	25	20	8.2	3.1	2.7
% of women	13	15	14	9.8	9.7	8.6
Hours of Training	12.6	22.6	10.0	3.7	14.8	19.3

The special circumstances caused by the pandemic crisis affected the employee turnover ratio in rather different directions. Although relatively stable in the previous years, the employee turnover improved significantly in the cables segment while it deteriorated in the steel pipe one due to required adjustments in the number of personnel during the crisis.

The companies also decreased the level of training on personnel as physical meetings were forbidden due to national lockdowns and social distancing measures imposed to curb the spread of COVID-19 for most of the duration of 2020. Provided that normal operating conditions return within 2021, the companies will resume their personnel development programs with an accelerated rate to compensate for time lost.

The relatively low proportion of women in the workforce is explained by the nature of the companies' business, all belonging to those sectors considered as "heavy" industry. It has nevertheless improved through the last three years.

There was no incident of discrimination recorded or reported during 2020, as was the case in all previous years. There has also been no incident of forced or voluntary child labour in any Cenergy Holdings company.

SDG 9 – Climate change

The Holding's companies have a low direct carbon footprint (Scope 1) while their indirect carbon footprint (Scope 2) is significantly higher. The cables segment operates a thermal metallurgy production process, yielding direct emissions from the combustion of natural gas: these cannot be eliminated unless there is a low carbon fuel alternative.

The vast majority of the remainder carbon footprint originates from the consumption of electricity: this part, all companies try to eliminate it to a large extent by consuming renewable electricity as stated previously. The table below shows carbon emissions **intensity** as well as **total** emissions for materiality purposes. Starting with this year's statement, carbon related disclosures are reported according to the Greenhouse Gas Protocol Scope 2 Guidance[9] which is the more commonly used standard internationally.

For transparency reasons, we present both these metrics, with and without accounting for the purchase of GOs, as GOs originate from a different supplier. The latter is known as the "location-based" method, the former as the "market-based" method:

9. See https://ghgprotocol.org/scope_2_guidance.

Table 11: SDG9 – Carbon emissions

	Cables			Steel pipes		
Year	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Carbon emissions **Intensity** (t CO_2/t product)	0.437	0.499	0.522	0.101	0.091	0.086
Carbon Emissions **Intensity with GOs** (t CO_2/t product)	0.158	0.167	0.522	0.008	0.007	0.086
Total carbon emissions (t CO_2)	51,188	56,514	57,567	25,298	29,130	37,260
Total carbon emissions **with GOs** (t CO_2)	18,457	18,869	57,567	1,881	2,389	37,260

From the table above, it is apparent that the cables segment is on a continuous path to improve its overall carbon footprint; the sourcing of renewable electricity is the major factor here. The steel pipes segment has a very low initial carbon footprint as its energy requirements are low. Still, there was no improvement in carbon intensity during 2020 comparing to the previous year. Both segments, however, decreased their total carbon footprint significantly through the purchase of GOs.

All companies are committed to continuously purchase energy from environmentally friendly sources in order to produce products with minimal carbon footprint.

SDG12 – Waste management – Circular economy

Cenergy companies are committed to robust waste management. Their principal aim is waste generation reduction but they also seek improvements related with reusing and recycling. It goes without saying that they practice a sound management of hazardous wastes.

Although waste generation intensity varies significantly depending on the production process, the waste intensity per company has remained at similar levels in the past three years with small fluctuations due to the product mix and the shipment frequency of waste accumulated over time that may affect the waste intensity for a single year:

Table 12: SDG12 – Waste management

	Cables			Steel pipes		
Year	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Waste generation (kg of waste / t product)	128	129	121	100	86	83
Waste reused, re manufactured and recycled as % of total waste generated	93.1	92.3	92.1	99.2	99.3	99.5

In 2020, waste intensity for both segments either remained constant (cables segment) or slightly increased (steel pipes). It should be noted, however, that the vast majority of wastes are now sent for recycling avoiding landfill disposal, especially in the pipes segment where almost the entirety of the waste is either recovered or recycled. The effort in all companies is to increase the percentage of recovery/recycling to 100% supporting the transformation to a circular economy.

As for environmental accidents or other incidents (leaks of chemicals, fires that could cause noxious emissions, fuel spills, etc.) that could cause serious concern to the ecosystem, there were no such events in any of the plants in 2020.

SDG 16 – Transparency and Anti-Corruption

Cenergy Holdings acknowledges the significance of business ethics and anti-corruption issues. In order to ensure the implementation of the respective policy, it has asked all subsidiaries to apply, with the utmost care, the proper internal controls and procedures of operation demonstrating accountability, fairness and transparency in the relationship with all stakeholders.

During 2020, no incident of corruption or bribery was recorded or reported while there were no incidents of data privacy breaches. In addition, there were no fines paid due to settlements for unethical business practices or corruption issues.

Key Non-Financial Risks

The Holding's companies face a variety of non-financial risks as previously mentioned and has a risk identification process in order to identify those risks and implement mitigation measures wherever possible. All industrial activity-related risks such as environmental, health and safety, etc. are exclusively associated with subsidiaries that have industrial operations.

Managing non-financial risks is considered to be a very critical task by management as these risks have the potential to create a direct or indirect impact on the companies' continuous operation as well as to create future liabilities.

In order to improve risk management in non-financial issues among subsidiaries, Steelmet professionals have established policies and procedures for managing risks that companies' management have to comply with.

The companies have their own skilled personnel and consultants managing these matters and they implement certified management systems ISO 14001:2015 and ISO 45001:2018 as well as the energy management system 50001:2015, thus providing an additional management tool for all related risks. The management systems are the pillars for taking the proper preventive steps, specific plans and actions, and provide the continuous improvement culture necessary to ensure improving performance and risk management.

Risks are analysed from a financial, environmental and social perspective in order to get a full understanding of the complete array of impacts of non-financial issues. Below is a description of the main non-financial risks identified that may affect business operations, reputation, and ultimately the financial results of Cenergy.

Environmental issues

The major risk related to environmental issues is **climate change**. Climate is a material issue not only in respect to financial materiality (negative impact on the company) but also from an environmental and social perspective (negative impact to climate, hence to the environment and society).

The **financial materiality** stems from the fact that the subsidiaries have transition as well as physical risks. Transition risks relate to risks that arise from the transition to a low carbon economy such as policies that:

- Require demanding energy efficiency measures;
- Impose carbon pricing mechanisms which intend to increase carbon price, thus, increase cost of electricity;
- Impose carbon border adjustments that can disrupt supply chains as well as cause retributions from other countries where customers are currently located.

Physical risks relate to risks associated with long chronic effects such as extreme weather, rising sea levels and reduced fresh water availability. The physical risks for the companies remain low due to the geographical locations most plants are, but Cenergy and its companies continuously monitor changing conditions that may create physical risks in the future.

The risk mitigation measures taken by the companies are, among others, the following:

- early policy trend identification;
- close cooperation with national and European federations for proper representation of the matters faced by the subsidiaries;
- development of action plans and long-term targets for investments in energy efficient equipment and carbon abatement measures;
- procurement of electricity from producers of clean, renewable energy;
- increase of capacity for utilization of secondary raw materials instead of primary (cables segment); and
- proper budget management practices that incorporate projected carbon costs.

From an **environmental and social perspective**, production plants of Cenergy subsidiaries are characterized by very low direct emissions in greenhouse gases in the atmosphere due to their routine production operations, but higher indirect emissions through consumption of electricity (more than 80% of total emissions of Cenergy companies relate to indirect emissions). The sum of the direct and indirect footprint of Cenergy Holdings' subsidiaries is shown in the previous chapter as these are the most closely watched KPIs at each company level.

As for risks related to the supply chain, upstream production of raw materials like aluminium, copper and steel introduce significant carbon emissions to the environment. Careful selection of raw materials suppliers is critical to identify areas of improvement and is considered the highest contributor to the overall emissions of the subsidiaries' products. As more than 80% of the environmental footprint of the final products is carbon footprint attributed to upstream activities, all subsidiaries are in the process of identifying and evaluating different suppliers and their potential exposure to higher carbon costs as the increasing cost of carbon may eventually affect their competitiveness.

Finally, all companies could be affected by their inability to meet EU, current or future, compliance obligations concerning emissions. To mitigate this risk, they are following closely policy trends and actively taking compliance measures related to climate change, together with proper budget management practices (e.g. incorporate projected higher carbon costs in the future).

Social and labour issues

The major risks related to social and labour issues are the occupational health and safety of the labour force as well as employee issues. These risks are significant from a financial and social perspective.

Due to the nature of Cenergy companies' industrial operations (thermal metallurgy with high temperature processes, heavy equipment, chemical treatment, work at heights, etc.) there is an inherent risk for accidents among either full time employees or part-time contractors with a substantial impact on human life, local communities and reputation. Regarding the former, all subsidiaries have in place systems that include a comprehensive approach for improvement including, among others, equipment upgrading, implementation of management principles (safety audits, guidelines, work instructions, etc.), the establishment of a targeted safety training program and the direct involvement of management.

The companies' management clearly understand how important it is to provide a safe working environment to the labour force and how vital it is to continuously strive for improvement as this is fundamental for good labour relations and business performance.

Employee-related risks also include potential violations of equal treatment and statutory working hours, as well as social action by personnel that may lead to operation interruption risks (stoppages, slowdowns). These risks are mitigated by subsidiaries through a comprehensive employee Code of Conduct, periodic personnel evaluation, a fair remuneration policy together with proper training and regular internal audits.

Finally, social risks are especially significant in the supply chain of Cenergy's companies as the raw materials used are located in various geographic locations with varying degrees of labour and environmental standards. Typically, the vast majority of the environmental and social footprint of our companies' products originates from the supply chain.

Human rights issues

The major risks related to human rights are related to the supply chain of the subsidiaries since many suppliers are not located in Europe or North America. Cenergy companies are in the process of developing a proper and comprehensive supplier evaluation management system in order to ascertain that all major suppliers meet certain sustainability standards such as standards in minimum environmental performance and compliance, worker safety, labour conditions, human rights and business ethics.

Anti-bribery and corruption risks

The risks related to anti-bribery and corruption lie in the failure to conduct business operations ethically and to comply with the laws and regulations in the jurisdictions in which Cenergy Holdings and its companies operate. Examples could be the intentional misstatement of financial reporting or the by-passing of internal controls.

To prevent and mitigate such risks, Cenergy Holdings ensures its "Reference Code" is applied by its companies in order to raise employee awareness to the Holding's corporate values and related anti-corruption practices. The internal audit function is responsible for monitoring and reporting timely and properly any related deviation or misconduct. Simultaneously, subsidiaries separately organize training courses and communication actions in order to increase awareness and encourage compliance.

Detailed sustainability reports of the major companies in the Holding's portfolio are found on their websites:

- Hellenic Cables – http://www.cablel.com/778/en/corporate-responsibility-and-sustainability-reports/
- Corinth Pipeworks – http://www.cpw.gr/en/media-center/Publications/

Corporate Governance Statement

Corporate Governance Statement

As a company incorporated under Belgian law and listed on Euronext Brussels, Cenergy Holdings is committed to high standards of corporate governance and relies on the 2020 Belgian Corporate Governance Code (the "Corporate Governance Code") as a reference code. The Corporate Governance Code is available on the website of the Corporate Governance Committee(https://www.corporategovernancecommittee.be/en).

The Corporate Governance Code is structured around principles, provisions, guidelines, and the "comply or explain" principle. Belgian listed companies must abide by the Corporate Governance Code but may deviate from some provisions, if they provide a considerate explanation for any such deviation.

During the 2020 financial year, the Company complied with the principles of the 2020 Belgian Corporate Governance Code, except for the following:

> **Principle 7.8** *"The variable part of the executive remuneration package should be structured to link reward to overall corporate and individual performance, and to align the interests of the executives with the sustainable value-creation objectives of the company".*

Explanation: The remuneration policy of the Company is set out in the remuneration report. Such policy does not include variable remuneration. The Board of Directors considers the proposals submitted by the Nomination and Remuneration Committee in order to determine whether, and to what extent, a modification of this policy is justified in the light of the Company's specific nature and strategy.

The Board of Directors of Cenergy Holdings has adopted a Corporate Governance Charter to reinforce its standards for the Company, in accordance with the recommendations set out in the Corporate Governance Code. It aims to provide a comprehensive and transparent disclosure of the Company's governance and is reviewed and updated as needed. The Corporate Governance Charter is available on the Company's website (https://www.cenergyholdings.com/).

In order to have a complete overview of Cenergy Holdings' corporate governance rules, the Corporate Governance Statement must be read in conjunction with the Company's Articles of Association, the Corporate Governance Charter as well as the corporate governance provisions laid down in the BCCA.

As a company with a secondary listing on the Athens Stock Exchange (Athex), Cenergy Holdings also complies with the provisions of the applicable Greek capital market laws and regulations.

Board of Directors

Role

Cenergy Holdings has chosen a one-tier governance structure. The Board of Directors (the "Board") is vested with the power to perform all acts that are necessary or useful for the Company's purpose, except for those actions that are specifically reserved by law or the Articles of Association to the Shareholders' Meeting or other management bodies.

In particular, the Board is responsible for:

- defining the general orientations of the Company;
- deciding on all major, strategic, financial and operational matters of the Company;
- deciding on the Executive Management structure and determining the powers and duties entrusted to them;
- taking all necessary measures to guarantee quality, integrity and timely disclosure of the Company's financial statements and other material financial or non-financial information about the Company;
- monitoring and reviewing the effectiveness of the Audit Committee and the Nomination and Remuneration Committee;
- approving a framework of internal control and risk management set up by Executive Management and reviewing its implementation;
- monitoring the quality of the services provided by the statutory auditor and the internal audit, taking into account the Audit Committee's review;

- determining the remuneration policy and approving the remuneration report submitted by the Nomination and Remuneration Committee; and
- all other matters reserved to the Board.

The Board is entitled to delegate part of its powers related mainly to the day-to-day management of the Company to the members of Executive Management.

Composition of the Board

In accordance with Article 8 of the Articles of Association, the Board is composed of 9 members:

Table 13: Board of Directors Composition

Name	Position	Term started	Term expires
Jacques Moulaert	Chairman – Non-Executive member of the Board	May 2020	November 2020
Dimitrios Kyriakopoulos	Vice-Chairman – Executive member of the Board	May 2020	May 2021
Xavier Bedoret	Chairman (as of 11/2020) – Non-Executive member of the Board	May 2020	May 2021
Simon Macvicker	Non-Executive member of the Board	May 2020	May 2021
Rudolf Wiedenmann	Non-Executive member of the Board	May 2020	May 2021
Margaret Zakos	Non-Executive member of the Board	November 2020	May 2021
Marina Sarkisian-Ochanesoglou	Independent, Non-Executive member of the Board	May 2020	May 2021
Manuel Iraola	Independent, Non-Executive member of the Board	May 2020	May 2021
Joseph Rutkowski	Independent, Non-executive member of the Board	May 2020	May 2021
William Gallagher	Independent, Non-executive member of the Board	May 2020	May 2021

The mandate of all members of the Board expires at the Annual Ordinary Shareholders' Meeting to be held in 2021.

Information on the members of the Board

Over the past five years, the members of the Board have held the following directorships (apart from their directorship of the Company) and memberships of administrative, management or supervisory bodies and/or partnerships.

Jacques Moulaert (Chairman, Non-Executive member)

Mr Moulaert held a Ph.D. in Law from Ghent University and a Master in Public Administration from Harvard University. He served as Honorary Managing Director at Groupe Bruxelles Lambert S.A. and as Honorary President on the Board of ING Belgium. He was a founder and Honorary Vice-President of the Louvain Foundation. In the past, Mr Moulaert served as visiting professor at the Catholic University of Louvain (UCL).

Dimitrios Kyriakopoulos (Vice-Chairman, Executive Member)

Mr Kyriakopoulos is a graduate in Business Administration from the Athens University of Economics and Business and holds degrees in Business Studies from the City of London College and in Marketing from the Institute of Marketing (CIM – UK). He also serves as Executive Vice-President of ElvalHalcor S.A. Mr Kyriakopoulos joined Viohalco in 2006, and since then he has held various managerial positions, including Chief Financial Officer of Viohalco and Vice-President of non-ferrous metals. Prior to joining Viohalco, he had a long career with Pfizer/Warner Lambert, serving as President Europe/ Middle East/ Africa of Adams (Pfizer's Confectionery Division), as Warner Lambert's Regional President Consumer Products Italy, France and Germany, Regional Director Middle East/ Africa and President and Managing Director of Warner Lambert Greece. He has also been Deputy Managing Director of Hellenic Duty Free Shops.

Xavier Bedoret (Non-Executive member)

Mr Bedoret holds a Master's degree in Law and Psychology from the Catholic University of Louvain (UCL) and is a certified public accountant (IRE). He holds also a Certificate in Corporate Governance (INSEAD). After ten years of financial auditing at KPMG in Brussels (Belgium) and Stamford (USA), he joined the Finance Department and then the Audit & Risks Department of ENGIE (France). Since 2017, he advises boards and audit committees on governance matters.

Simon Macvicker (Non-Executive member)

Mr Macvicker holds an MBA from Warwick Business School and a Bachelor's degree in Modern Languages from the University of Leeds. Since 2004, he has been working at Bridgnorth Aluminium, an affiliate company of Viohalco, as Managing Director. Previously, he held various commercial positions including 10 years at British Steel. Mr Macvicker served as President of the Aluminium Federation in the UK from 2014 to 2015, and was Chair of the UK Metals Council from 2016 to 2019. He is a director of the Shropshire Chamber of Commerce.

Rudolf Wiedenmann (Non-Executive member)

Mr Wiedenmann holds a Master's degree in Chemistry from Ludwig-Maximilians Universität München and a PhD in Natural Sciences. He is a member of the Board of Directors of Icme Ecab S.A. In the past, he worked as director in the research and development centre and as Managing Director of the Energy Cables division of Siemens in Germany. He also served as President in the European Association of Cable Manufacturers.

Margaret Zakos (Non-Executive member)

Ms. Zakos holds a Bachelor's degree from Queens University (Kingston, Ontario, Canada). She is a Registered Insurance Broker in Ontario and previously owned Harbour Insurance Services Limited. She is currently active in Real Estate Holding Companies. In the past, she was a consultant with Medicus Systems Corporation (Chicago), and was Associate Director of Nursing (Mt. Sinai Medical Centre, New York). Her philanthropic work included serving on the Board of Directors of Kingston General Hospital, participating as a member of the Finance Committee and the Audit Committee, and as well serving on the Board of the Community Foundation for Kingston. She is presently a member of the Health Sciences Campaign Cabinet Board (Queens University).

Marina Sarkisian-Ochanesoglou (Independent, Non-Executive member)

Mrs Sarkisian Ochanesoglou holds a Master's degree in Environmental Engineering and a Bachelor's degree in Civil Engineering from Imperial College of Science Technology & Medicine. She has more than 20 years' experience in environmental engineering and management. Over this period, she has acted as an independent consultant working with Ecos Consultancy and Panagopoulos & Associates, and as a senior member of the Environmental Services Department at Athens International Airport S.A.

Manuel J. Iraola (Independent, Non-Executive member)

Mr Iraola is CEO of Aloaris, a company providing strategic and leadership development services to a wide range of industries. Prior to Aloaris, he spent 20 years with Phelps Dodge Corporation, as President and CEO of Phelps Dodge Industries, a diversified manufacturing concern with annual sales in excess of $3.0 billion and employing over 5,000 people in 27 countries. Iraola has served on the boards of several NYSE traded companies including Phelps Dodge Corporation, Central Hudson Energy Group, Schweitzer Mauduit International Inc. and Southern Peru Copper. He holds an MBA from Sacred Heart University in Fairfield, Connecticut, and a BS in Industrial Engineering from the University of Puerto Rico. He is also a graduate of Pennsylvania State University's Executive Management Programme, the Wharton/Spencer Stuart Directors Institute and PD-Thunderbird Global Management Programme.

Joseph Rutkowski (Independent, Non-Executive member)

Retired Executive Vice-President of Nucor Corporation responsible for Domestic and International Business Development from 2001 – 2010. Mr Rutkowski became Executive Vice

President in 1998 responsible for all steelmaking activities. Prior to that, he served as Vice President and General Manager of Nucor Steel in Darlington, South Carolina and Hertford County, North Carolina. He joined Nucor in 1989 as Manager of Nucor Cold Finish and also served as Manager of Melting and Casting at Nucor Steel-Utah. Mr Rutkowski held various positions within the steel and steel-related industries after graduating from Johns Hopkins University in 1976 with a Bachelor of Science in Mechanics and Materials Science. He was also a President of the Association of Iron and Steel Engineers. He is currently Principal of Winyah Advisors, LLC, a management consulting firm.

William Gallagher (Independent, Non-Executive member)

Mr Gallagher is an independent advisor and investor. More recently, Mr Gallagher was an advisor to Credit Suisse in London, working in Capital Markets between 2015 and 2017. From 2000 to 2014, he was at UBS in London, heading up EMEA Emerging Markets Lending. At UBS, he was also the global chair of UBS' Debt Capital Markets Commitments Committee. From 1998 to 2000, he worked in Lehman Brothers' Loan Syndicate Department in New York. He also worked as a corporate and finance lawyer at Gibson, Dunn & Crutcher in New York from 1991 to 1998. Mr Gallagher holds a BA in Economics from Yale University, a JD (Law) from the University of Michigan (Ann Arbor), and a Diploma of Advanced European Legal Studies from the College of Europe, Bruges, Belgium.

Appointment of the Board

The members of the Board are appointed by the Shareholders' Meeting under the quorum and majority conditions applicable to an amendment of the Articles of Association of the Company, upon proposal by the Board. They are appointed for a term of one year and their term of office is renewable.

In the event that a member's seat on the Board of Directors becomes vacant, such a vacancy may be filled temporarily by virtue of a unanimous vote of the remaining members of the Board until the next Shareholder Meeting which will proceed to the definitive appointment of a Board member.

Any proposal for the appointment of a Board member originating from the Shareholders' Meeting must be accompanied by a Board recommendation based on the advice of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee reviews all the candidacies and seeks to ensure that a satisfactory balance of expertise, knowledge, and experience is maintained among Board members.

The Board decides which candidates satisfy the independence criteria set by law. To be considered independent, a member of the Board must fulfil the criteria set forth in Principle 3.5 of the 2020 Corporate Governance Code. Any Independent member of the Board who no longer fulfils the above criteria of independence is required to immediately inform the Board.

The Board of Cenergy Holdings, having reviewed the independence criteria pursuant to the BCCA and the 2020 Corporate Governance Code, has decided that Mrs. Sarkisian-Ochanesoglou, Mr. Manuel Iraola, Mr. Joseph Rutkowski, and Mr. William Gallagher fulfil the criteria and are independent members.

Being a holding orientated towards industrial sector companies, Cenergy Holdings does not have in place a concrete diversity policy for its Board of Directors or its senior executives. The nature of the business and the required expertise limits the possibility of gender diversification. It is common worldwide that, in the industrial environment of metals processing, the vast majority of personnel consists of males. Nevertheless, Cenergy Holdings employs skilled and experienced personnel without any discrimination and make efforts to ensure diversity in terms of nationality, age, religion, and ethnic origin.

The Company has, however, acknowledged the legal requirement of Article 7:86 of the BCCA according to which at least one third of the Company's Board members must be of different gender as of the financial year starting on January 1, 2022. To this effect, the Board has entrusted the Nomination and Remuneration Committee to review the matter and propose the appropriate profiles so that the Board may appoint the new members of the Board and thus ensure that the Company complies with this legal requirement.

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Functioning

The Board had elected among its members, Jacques Moulaert as Chairman of the Board (the "**Chairman**"). As a consequence of the death of Jacques Moulaert in November 2020, the Board elected Mr. Xavier Bedoret as Chairman of the Board.

The Chairman ensures the leadership of the Board and promotes effective interaction between the Board and Executive Management. The Chairman is responsible for ensuring that all members of the Board receive accurate, clear and timely information.

The Board has appointed a Company Secretary, Mr. Xavier Bedoret, to advise the Board on all corporate governance matters (the "**Corporate Governance Secretary**").

The Board meets as frequently as the interests of the Company require so, and in any case, at least four times a year. The majority of the Board meetings in any year take place at the Company's registered offices.

The meetings of the Board can also be held by teleconference, videoconference or by any other means of communication that allow the participants to hear each other continuously and to actively participate in these meetings. Participation in a meeting through the above-mentioned means of communication is considered as physical presence to such meeting. The Board may adopt unanimous written decisions, expressing its consent in writing.

The following table provides an overview of the Board meetings held in 2020:

Table 14: Board meetings held in 2020

Date and Place	Attendance
February 17, 2020 (videoconference call)	Present: 6 Represented: 1 Absent: 1
March 18, 2020 (videoconference call)	Present: 7 Represented: 1 Absent: -
April 15, 2020 (videoconference call)	Present: 8 Represented: Absent: -
May 26, 2020 (videoconference call)	Present: 8 Represented: - Absent: -
September 23, 2020 (videoconference call)	Present: 9 Represented: - Absent: -
November 16, 2020(videoconference call)	Present: 8 Represented: Absent: 1
December 9, 2020 (videoconference call)	Present: 8 Represented: 1 Absent: -

Committees of the Board

The Board has established two Board committees to assist and advise the Board on specific areas: the Audit Committee and the Nomination and Remuneration Committee. The terms of reference of these committees are set out in the Corporate Governance Charter.

The Audit Committee

The Board has established an Audit Committee, in accordance with Article 7:99 of the BCCA (the "**Audit Committee**"), which consists of the following members:

- Xavier Bedoret, Chairman;
- Simon Macvicker; and
- William Gallagher.

All the members of the Audit Committee have sufficient experience and expertise, notably in accounting, auditing and finance, acquired during their previous or current professional assignments.

Pursuant to the Corporate Governance Charter, the Audit Committee is convened at least four times a year and meets with the Company's statutory auditors at least twice a year.

The Audit Committee advises the Board on accounting, audit and internal control matters, and in particular:

- monitors the financial reporting process;
- monitors the effectiveness of the Company's system of internal control, risk management systems and the internal audit function;
- monitors the quality of the statutory audit of the consolidated annual accounts, including the follow-up on questions and recommendations made by the statutory auditor;
- presents recommendations to the Board with respect to the appointment of the statutory auditor; and
- reviews and monitors the independence of the statutory auditor, in particular regarding the provision of non-audit services to the Company.

The Audit Committee reports regularly to the Board on the exercise of its duties, identifying any matters in respect of which, it considers that action or improvement is needed, and at least when the Board reviews the consolidated annual accounts, intended for publication.

In 2020, the Audit Committee met four times: on March 18, on May 26, and on September 23, via videoconference call, with all members present; and on December 9, via video-conference call, with two members present.

Nomination and Remuneration Committee

The Board has established a Nomination and Remuneration Committee in accordance with Article 7:100 of the BCCA (the "**Nomination and Remuneration Committee**") which consists of the following members:

- Joseph Rutkowski, Chairman,
- Manuel Iraola, and
- Margaret Zakos.

As a consequence of the death of Jacques Moulaert in November 2020, the Board, upon recommendation of the Nomination and Remuneration Committee, designated Ms. Margaret Zakos as new member of the Nomination & Remuneration Committee, replacing Jacques Moulaert, and Mr. Joseph Rutkowski as Chairman of the Nomination & Remuneration Committee.

The Nomination and Remuneration Committee meets at a minimum twice a year, and whenever necessary in order to carry out its duties.

The Nomination and Remuneration Committee advises the Board principally on matters regarding the appointment and the remuneration of the members of the Board and Executive Management, and in particular:

- submits recommendations to the Board with regard to the appointment and the remuneration of the members of the Board and Executive Management;
- identifies and nominates, for the approval of the Board, candidates for filling vacancies as they arise;
- advises on appointment proposals originating from shareholders;
- periodically assesses the composition and size of the Board and submits recommendations to the Board with regard to any change, and
- drafts and submits a remuneration report to

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the Board, including proposals regarding the remuneration policy and recommendations based on its findings.

In 2020, the Nomination and Remuneration Committee met three times: on March 18, and on September 22, via videoconference call, with all Committee members present, and on November 16, via videoconference call, with two members present.

Evaluation of the Board and its Committees

The Board regularly assesses (at least every two or three years) its size, composition and performance of its committees, as well as the Board's interaction with Executive Management. On December 4, 2019, the Board made its first assessment and concluded that, overall, the Board and its Committees operate effectively and in compliance with the applicable corporate governance rules, meeting the objectives set by the Corporate Governance Code (principle 4.11).

Non-Executive members of the Board meet regularly after Board meetings to assess their interaction with Executive Management.

The performance of Executive Management is also assessed on an informal basis through the presentation of the Company's performance in respect of the interim and annual financial statements.

Executive management

The Executive Management of the Company comprises the Executive Vice-President, *Mr Dimitrios Kyriakopoulos*; the Chief Executive Officer (CEO), *Mr Alexios Alexiou*; and the Chief Financial Officer (CFO), *Mr Alexandros Benos*.

In the past five years, the members of Executive Management held the following directorships and memberships of administrative, management or supervisory bodies and/or partnerships:

Dimitrios Kyriakopoulos, Executive Vice-President

Please see above, "Information on the members of the Board" in the section on the Board of Directors.

Alexios Alexiou, Co-Chief Executive Officer

Mr Alexiou serves as CEO and Executive Member of the Board of Directors for the Hellenic Cables Group, a Cenergy Holdings company. He has been working for Viohalco since 1996. He holds a BSc in Economics from the University of Piraeus and a MSc. in Finance from Strathclyde University. With more than 16 years' experience in the finance and cables technology sectors, he joined Viohalco in 1996 as internal auditor. Since then, he has held the positions of Financial Manager of Hellenic Cables (2002-2003), General Manager of Icme Ecab (2003–2008) and since 2009 has held the position of CEO for Hellenic Cables.

Ilias Bekiros, Co-Chief Executive Officer

Mr. Bekiros has been CEO of Corinth Pipeworks since June 2019. He is a Mechanical Engineer, graduate of the National Technical University of Athens (NTUA) and also holds an MBA from the Athens University of Economics and Business (AUEB). Prior to this position, he served as the Commercial Director in Corinth Pipeworks since June 2014. From 2005 to 2014, he had assumed several sales management positions for a vast range of steel products of Sidenor Group.

Alexandros Benos, Chief Financial Officer

Mr. Benos has been CFO of Cenergy Holdings since May 2018. He holds a degree in Economic Sciences from Athens University, a B.A. and an M.A. in Economics from the University of Cambridge, UK, and a Ph.D. in Finance from Stanford University, USA. He has extensive banking experience. He joined National Bank of Greece Group in early 2000, tasked with establishing the Value at Risk Estimation Framework for Market Risk, then to develop obligor rating systems for corporate clients and then spearheaded the "Basel II & III" implementation projects. Mr Benos was appointed Director of Group Risk Control & Architecture Division at the Bank in 2010, then Deputy General Manager for NBG Group Risk Management in 2013 and, finally, Group Chief Risk Officer (CRO) in 2015. He served on the Board of Directors and as Chairman of the Board Risk Committee of United Bulgarian Bank, as well as on the Board of Directors at NBG Asset Management M.F.M.C. and the Asset Liability Committee of Ethniki Asfalistiki Insurance Co. He previously held academic positions in the US

(GSB, Stanford University), France (M.S. Finance International, HEC School of Management in Paris), Switzerland (Dept. of Economics, University of Geneva) and Greece (Dept. of Banking and Finance, University of Piraeus).

In September 2020, the Board decided that:

a) a single CEO structure be adopted in order to further promote management synergies and enhance cost efficiency of the Company, and that

b) Mr. Alexios Alexiou be appointed as the sole Chief Executive Officer (CEO) of Cenergy Holdings. Mr. Ilias Bekiros will no longer act as co-CEO and member of the Executive Management of Cenergy Holdings, but will retain his position as General Manager of Corinth Pipeworks SA, the steel pipes segment of the Company.

The Executive Management is vested with the day-to-day management of the Company. They are also entrusted with the implementation of the resolutions of the Board.

In particular, the Board has assigned the following responsibilities to Executive Management:

- preparing strategic proposals for the Board;
- preparing annual and strategic plans;
- implementing internal controls;
- monitoring and managing the Company's results and performance against strategic and financial plans;
- presenting to the Board a complete, timely, reliable and accurate set of the Company's draft financial statements, in accordance with the applicable accounting standards, and the related press releases to be published by the Company;
- providing the Board with a balanced and comprehensive assessment of the Company's financial situation; and making recommendations to the Board with respect to matters within its competency.

Remuneration policy

This remuneration policy sets forth the principles applicable to the remuneration of the members of the Board of directors and the Executive Management of Cenergy Holdings.

Procedure

This remuneration policy has been prepared by the Board of directors upon recommendation of the Nomination & Remuneration Committee. It will be submitted to the approval of the shareholders' meeting of 25 May 2021.

This policy may be revised by the Board upon recommendation of the Nomination & Remuneration Committee. Upon approval by the shareholders' meeting, this remuneration policy will be applicable for four years, it being understood that any material change to the remuneration policy during this period will be submitted to the approval of the shareholders' meeting.

In exceptional circumstances, the Board of directors may, upon recommendation of the Nomination & Remuneration Committee, temporarily derogate from the remuneration policy if the derogation is necessary to serve the long-term interests and sustainability of the Company or to assure its viability.

For the preparation of this remuneration policy, the Board, with the assistance of the Nomination & Remuneration Committee, takes into consideration whether events of conflicts of interests exist. For the prevention of such events, each member of the Board and each member of the Executive Management is required to always act without conflict of interests and always put the interest of Cenergy Holdings before his individual interest. They are also required to inform the Board of conflicts of interests as they arise. In the event a conflict of interests may arise, the Board is required to implement the specific procedures of conflict resolution set forth in articles 7:96 of the BCCA.

The remuneration policy is based on the prevailing market conditions for comparable companies, paying at market-competitive level achieved through benchmarking. It takes into account the responsibilities, experience, required competencies, and participation/contribution of the members of the Board of Directors and the members of the Executive Management.

The Board of Cenergy Holdings, a holding company of a predominantly industrial portfolio, aims at preserving long-term value for its shareholders. The determination and evolution of the Company's remuneration policy is closely linked with the growth, results and success of the Company as a whole. The Company's remuneration policy is built around internal fairness and external market competitiveness. The Company's objective is to balance offering competitive salaries while maintaining focus on performance and results.

Board of Directors

The remuneration of the members of the Board of Directors consists in a fixed annual fee amounting to EUR 25,000. In addition, Board members who are members of a Board committee receive a fixed fee of EUR 25,000 per committee.

Additional fees or other benefits, such as company car, training, or other benefits 'in natura' may be attributed either by the Company or by its subsidiaries based on the responsibilities and number of functions each member of the Board of Directors holds within the Company or in one or more of its subsidiaries.

The fees are allocated on a "pro rata temporis" basis for the period extending from the Annual Ordinary Shareholders' Meeting until the Annual Ordinary Shareholders' Meeting of the following year and are payable at the end of such period.

Members of the Board of directors do not receive any variable remuneration or remuneration in shares.

Members of the Board of directors are not entitled to retirement pension plans or severance payments.

Executive Management

The remuneration of the members of the Executive Management of Cenergy Holdings consists in a fixed annual fee, which is attributed either by the Company or by its subsidiaries.

Members of the Executive Management do not receive any variable remuneration, or remuneration in shares.

Members of the Executive Management are not entitled to retirement pension plans or severance payments other than what is provided by the applicable law in each case.

Remuneration report

This remuneration report provides an overview of the remuneration granted during the financial year 2020 to the members of the Board of directors and the members of the Executive Management, in accordance with the remuneration policy. It will be submitted to the vote of the shareholders' meeting of 25 May 2021.

With regard to the contribution of the remuneration to the long-term performance of the Company, the Company uses its KPIs (i.e. Profitability, Revenue) as a measure of its financial performance. The evolution of the measurement during the last five years as published in the Company's financial statements is presented under a later section.

Board of Directors

Table 15 provides an overview of the fees paid to the members of the Board of Directors in the financial year 2020; all amounts are in EUR. The following Notes apply to both Tables 15 and 16.

(a) Base salary: this column includes the fixed base salary in exchange for professional services regarding their mandate or for any other executive or non-executive services or functions provided during the reported financial year under a specific contract.

(b) Fees: this column includes all fees of the members of the Board for the participation in the administrative, management or supervisory bodies of the Company's meetings during the reported financial year.

(c) Other benefits: this column includes the value of any benefits and perquisites, such as non-business or non-assignment related travel, medical, car, residence or housing, credit cards, and other benefits in kind.

(d) Extraordinary items: this column includes any other non-recurring remuneration, whether in cash or in other form, such as a sign-on fee, retention bonus, redundancy payment, compensation for relocation, indemnity for non-competition, compensation or buyout from previous employment contracts or severance and termination payments or benefits.

During the financial year 2020, neither any member of the Board nor any member of the Executive Management received any variable remuneration, hence there is no such information recorded in the Tables to follow.

Table 15: Board of Directors – Remuneration Report (amounts in EUR)

Name	Paid by	Fixed remuneration Base Salary(a)	Fees(b)	Other benefits(c)	Total Remuneration	Proportion of fixed remuneration
Jacques Moulaert[10]	Cenergy Holdings	-	45,833	-	45,833	100%
	Subsidiaries	-		-	0	-
	Total	0	45,833	0	45,833	100%
Xavier Bedoret	Cenergy Holdings	-	50,000	-	50,000	100%
	Subsidiaries	-		-	0	-
	Total	0	50,000	0	50,000	100%
Dimitrios Kyriakopoulos	Cenergy Holdings	-	25,000	-	25,000	100%
	Subsidiaries	-		-	0	-
	Total	0	25,000	0	25,000	100%
Margaret Zakos[11]	Cenergy Holdings	-	6,250	-	6,250	100%
	Subsidiaries	-		-	0	-
	Total	0	6,250	0	6,250	100%
Simon Macvicker	Cenergy Holdings	-	50,000	-	50,000	100%
	Subsidiaries	-		-	0	-
	Total	0	50,000	0	50,000	100%
Rudolf Wiedenmann	Cenergy Holdings	-	25,000	-	25,000	100%
	Subsidiaries	2,679		-	2,679	100%
	Total	2,679	25,000	0	27,679	100%
Manuel Iraola	Cenergy Holdings	-	50,000	-	50,000	100%
	Subsidiaries	-		-	0	-
	Total	0	50,000	0	50,000	100%
Joseph Rutkowski	Cenergy Holdings	-	50,000	-	50,000	100%
	Subsidiaries	-		-	0	-
	Total	0	50,000	0	50,000	100%
William Gallagher	Cenergy Holdings	-	50,000	-	50,000	100%
	Subsidiaries	-		-	0	-
	Total	0	50,000	0	50,000	100%
Marina Sarkisian-Ochanesoglou[12]	Cenergy Holdings	-	14,583	-	14,583	100%
	Subsidiaries	-		-	0	-
	Total	0	14,583	0	14,583	100%
Total Remuneration	Cenergy Holdings	0	366,666	0	366,666	100%
	Subsidiaries	2,679	0	0	2,679	100%
	Total	**2,679**	**366,666**	**0**	**369,345**	**100%**

10. This Board member passed away on 10.11.2020.
11. This Board member was co-opted on 16.11.2020.
12. This Board member was nominated on 26.05.2020.

Executive Management

Table 16 provides an overview of the fees paid to the members of the Executive Management during the financial year 2020:

Table 16: Executive Management – Remuneration Report (amounts in EUR)

Name	Paid by	Fixed remuneration Base Salary[(a)]	Fees[(b)]	Other benefits[(c)]	Extraordinary items[(d)]	Total Remuneration	Proportion of fixed remuneration
Alexios Alexiou[13]	Cenergy Holdings	-	-	-	-	0	
	Subsidiaries	198,694	-	8,832	150,000	357,526	100%
	Total	198,694	0	8,832	150,000	357,526	100%
Ilias Bekiros[14]	Cenergy Holdings		-	-	-	0	
	Subsidiaries	140,700	-	7,668	45,000	193,368	100%
	Total	140,700	0	7,668	45,000	193,368	100%
Alexandros Benos	Cenergy Holdings	141,600	-	3,750	80,500	225,850	100%
	Subsidiaries	-	-	-	-	0	
	Total	141,600	0	3,750	80,500	225,850	100%
Total Remuneration	Cenergy Holdings	141,600	0	3,750	80,500	225,850	100%
	Subsidiaries	339,394	0	16,500	195,000	550,894	100%
	Total	**480,994**	**0**	**20,250**	**275,500**	**776,744**	**100%**

Evolution of the remuneration

The following Table provides an overview of the evolution over the three most recent financial years of the overall remuneration of the members of the Board of directors and the members of the Executive Management, and the performance of the Company through the reporting of some of its KPIs:

Table 17: Remuneration and Company performance[15]

Amounts in EUR thousand	2020	2019	2018
Remuneration of the members of the Board of directors and the Executive Management	1,146	991	908
Performance of the Company			
[EBITDA]	91,121	90,273	56,223
[a-EBITDA]	101,800	90,098	60,951
[Revenue]	908,417	958,016	963,797

13. Mr. Alexiou was co-CEO until 22.09.2020 and CEO afterwards.
14. Mr. Bekiros was co-CEO until 22.09.2020. His remuneration amounts are therefore pro rata.
15. The information is provided on the basis of the available information from previous remuneration reports and the annual accounts of the Company. Cenergy Holdings was founded and listed on the Stock Exchange in 2016. Therefore, the available information starts in 2017.

The remuneration ratio, as defined by Section3:6 of the BCCA, was 5.8x for 2020. For its calculation, the Company used the remuneration of the CEO as the highest paid management member and the remuneration of the full-time employee of the holding company - who has worked for a full year - as the lowest paid employee.

Publishing of this ratio is a new practice required by the law and the presentation adopted is intended to comply with the new transparency requirements. The disclosure on this ratio will be assessed and evaluated in the future subject to the evolution of the ratio and to potential future guidance/clarifications that may be published on this requirement.

External Audit

The statutory auditor, appointed by the Shareholders' Meeting among the members of the Belgian Institute of Certified Auditors, is entrusted with the external audit of the Company's consolidated financial statements.

The statutory auditors' mission and powers are those defined by the law. The Shareholders' Meeting sets the number of statutory auditors and determines their remuneration in compliance with the law. The statutory auditors are appointed for a renewable term of three years.

On May 29, 2019, the Company appointed PriceWaterhouseCoopers - Reviseurs d'entreprises SCRL, in abbreviation PwC Reviseurs d'Entreprises, represented by Marc Daelman, as statutory auditor for a three-year period.

Risk Management and Internal Audit

The Belgian legislative and regulatory framework on risk management and internal control consists of the relevant provisions of the law of 17 December 2008 on the establishment of an Audit Committee, and the law of 6 April 2010 on the enhancement of corporate governance, as well as of the Corporate Governance Code.

As set out in the "Risks and Uncertainties" chapter of this Annual Report, Executive Management is responsible for risk management and the systems of internal control. Under the strict supervision of Executive Management, the management team of each Company's subsidiary is responsible for developing an adequate organisation and an appropriate system of internal control for running the subsidiary's operations and managing risk.

The Audit Committee is responsible for monitoring the effectiveness of the Company's risk management, its systems of internal control and its internal audit function.

Risk Management

Risk management, incorporating market risk and operational risk, is mainly the responsibility of the Management of the subsidiaries. The managers of the subsidiaries report on risk assessment and risk mitigation to Executive Management on a regular basis; they provide the Board and the Audit Committee with a detailed business review which analyses risks and challenges.

Internal Audit Function

The Audit Committee supervises the internal audit function. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the organization's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal audit is conducted in accordance with the International Standards for the Professional Practice of Internal Auditing (IPPF).

The internal audit function is responsible for performing audit engagements in accordance with its annual internal audit plan, which is prepared and reviewed in order to assist the organization to effectively mitigate risk throughout its operations. The audit engagements follow the audit methodology described in the internal audit charter and the internal audit manual as well as aim at ensuring that subsidiaries comply with shared services processes with regards to their operations, industrial production and consolidation guidelines. At the end of each audit engagement, the internal audit function issues an audit report containing its audit findings and recommendations. The subsidiaries' management is responsible to design and implement remedial

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actions towards each of the internal audit findings and recommendations in due time.

The internal audit function reports to the Audit Committee. The Audit Committee ensures that the internal audit work is focused on the activities and the risk areas it deems critical. It ensures that the internal audit function reduces the probability of fraud and error and provides effective mitigation of risk.

Control Activities and Relationship with Subsidiaries

Cenergy Holdings is a holding company that operates in a decentralised manner. Each of the subsidiaries is responsible for its performance and results. The management of the subsidiaries is organised around solid global and regional teams, with responsibility assigned to the members of their respective executive management team.

All Cenergy Holdings' companies are accountable for their own organisation, risk management and system of internal control as these are developed and implemented depending on the business segment, the geographical location and the type of production plant concerned.

In order to secure consistency of approach when separate companies deal with similar issues, and to optimise coordination throughout the network of the Company's subsidiaries, the Board sets out corporate policies aimed at providing the local management of the companies with solid guidance and a workable framework for optimal local implementation and monitoring.

Financial Reporting and Monitoring Activities

Cenergy Holdings has established procedures for the adequate recording and reporting of financial and non-financial information. The objective is to ensure that financial and non-financial information produced by each entity is homogeneous, coherent and comparable, and that consolidated financial information is fair, reliable and can be obtained in a timely manner.

Each subsidiary reports financial information on a monthly basis. This includes the balance sheet, the income statement, the statement of cash flows and a working capital analysis.

A review of each business segment is presented to the Board. The review includes "actual versus budgeted" financial and non-financial information, the highlights of the reporting period, the outlook for each business segment, and is a key component of Cenergy Holdings' decision-making process.

Conflict of interests

Pursuant to Article 8 of the Corporate Governance Charter, in the event that a conflict of interest arises with a Board member, a shareholder or other Cenergy Holdings' company, the Board is required to implement the specific procedures of conflict resolution set forth in articles 7:96 and 7:97 of the BCCA.

Each member of the Board and Executive Management is required to always act without conflicts of interest and put the interests of the Company before his or her individual interests. Each member of the Board and Executive Management is required to always arrange his or her personal and business affairs so as to avoid direct and indirect conflicts of interest with the Company.

All Board members are required to inform the Board on conflicts of interest once they arise. If the conflict of interest is of a proprietary nature, they will also abstain from participating in the discussions and deliberations on the matter involved, in accordance with Article 7:96 of the BCCA. If the conflict of interest is not covered by the provisions of the BCCA, and involves a transaction or contractual relationship between the Company or one of its related entities on the one hand, and any member of the Board or Executive Management (or a company or entity with which such member of the Board or Executive Management has a close relationship) on the other hand, such member will inform the Board of the conflict. The Board is under an obligation to check that the approval of the transaction is motivated by the Company's interest only and that it takes place at arm's length.

In all cases involving a conflict of interest not covered by Article 7:96 of the BCCA, the Board member affected by the conflict of interest is required to judge whether he or she should abstain from participating in the discussions of the Board and the vote.

Since the listing of the Company, the Board has not been notified of any transaction or other contractual relationship between Cenergy

Holdings and its Board members which cause a conflict of interest as defined by articles 7:96 and 7:97 of the BCCA.

Shareholders' Structure

Capital Structure

On December 31, 2020, the Company's share capital amounted to EUR 117,892,172.38 represented by 190,162,681 shares without nominal value. There is no authorised share capital.

Cenergy Holdings has received a transparency notification dated 22 December 2016 indicating that Viohalco S.A. holds, directly and indirectly, 81.93% of the voting rights of the Company. Viohalco S.A. holds directly 56.77% of the voting rights of the Company and 25.16% through its subsidiary, ElvalHalcor S.A.

According to its obligation under Article 14 of the Belgian Law of 2 May 2007 on the disclosure of significant shareholdings in listed companies, Cenergy Holdings publishes the content of the notification that it has received on its website (www.cenergyholdings.com).

All shares of the Company belong to the same class of securities and are in registered or dematerialised form. Shareholders may select, at any time, to have their registered shares converted into dematerialised shares and vice versa.

Share transfers are not restricted in the Company's Articles of Association. All shares of the Company are freely transferable. Each share entitles the holder to one voting right.

Restrictions on Voting Rights

The Articles of Association do not provide for special restrictions on the shareholders' voting rights. Provided that the shareholders are admitted to the Shareholders' Meeting and their rights are not suspended, they enjoy unrestricted freedom in exercising their voting rights.

The relevant provisions governing the shareholders' admission to the Shareholders' Meeting are set out in Article 19 of Cenergy Holdings' Articles of Association.

Article 6.4 of the Articles of Association provides that the Company's shares are indivisible and recognises only one holder per share. The Board has the right to suspend the exercise of all rights attached to jointly owned shares until a single representative of the joint owners has been appointed.

Transparency

Pursuant to the Belgian Law of 2 May 2007 on the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions (the "**Transparency Law**"), the Company requires that any natural and legal person, who directly or indirectly acquires voting securities in the Company, notifies the Company and the Financial Services and Markets Authority (the "**FSMA**") of the number and proportion of existing voting rights they hold, where the voting rights attached to the voting securities reach 5% or more of the total existing rights. A similar notification is required in the following cases:

- direct or indirect acquisition, or disposal, of voting securities, or change of the breakdown of the voting rights, where the proportion of voting rights attached to the securities held reaches or exceeds 10%, 15%, 20% and so on, by increments of 5%, of the total existing voting rights;
- first admission of the Company's shares to trading on a regulated market, where the voting rights attached to the voting securities represent 5% or more of the total existing voting rights;
- conclusion, modification or termination by natural or legal persons of an agreement to act in concert where the proportion of the voting rights that are the subject of the agreement, or the proportion of the voting rights held by a party to the agreement, reaches, exceeds or falls below one of the thresholds provided for in § 1, or the nature of the agreement to act in concert is modified;
- breaching of stricter notification thresholds added by the Company's Articles of Association.

The notification must be made promptly and no later than within four trading days following the acquisition or disposal of the voting rights triggering the reaching of the threshold. The Company must publish the information within three trading days following receipt of the notification.

At Shareholders' Meetings, shareholders cannot cast more votes than those attached to the securities or rights they have notified to the Company, in pursuance to the Transparency Law, before the date of the Shareholders' Meeting, subject to certain exceptions.

The form, on which such notifications must be made, together with additional explanations, is available on the FSMA website (www.fsma.be).

The voting rights held by major shareholders of the Company are available on the website of Cenergy Holdings (www.cenergyholdings.com).

Cenergy Holdings is not aware of the existence of any agreement between its shareholders concerning the transfer or the exercise of the voting rights attached to the shares of the Company.

Distribution and dividend policy

Cenergy Holdings does not have a history of dividend distribution. No dividends have been paid to shareholders during the Company's lifetime as it reinvests profits back into its business.

The dividend distribution policy will be reviewed by the Board in due course and, if the policy changes, the Company will inform the market accordingly. No assurance can be given, however, that the Company will make dividend payments in the future. Such payments will depend upon a number of factors, including the Company's prospects, strategies, results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors considered relevant by the Board. Due to its interest and participation in a number of subsidiaries and affiliated companies, the Company's stand-alone income and its ability to pay dividends depends in part on the receipt of dividends and distributions from these subsidiaries and affiliated companies. The payment of dividends by these subsidiaries and affiliated companies is contingent upon the sufficiency of earnings, cash flows, and distributable reserves.

Pursuant to Belgian law, the calculation of amounts available for distribution to shareholders, as dividends or otherwise, must be determined on the basis of the Company's non-consolidated financial statements. In accordance with BCCA, the Company's Articles of Association also require that the Company allocates at least 5% of its annual net profits to its legal reserve each year, until the legal reserve equals at least 10% of the Company's share capital. As a consequence of these factors, there can be no assurance as to whether dividends or similar payments will be distributed in the future.

Shareholders' Meeting

Meetings

The Annual Ordinary Shareholders' Meeting of the Company is held on the last Tuesday of May at 10:00 a.m. or, if the day is a public holiday in Belgium, on the previous business day, at the same time. It takes place in Brussels, at the registered office of the Company or at the place indicated in the convening notice of the Shareholders' Meeting.

The other Shareholders' Meetings of the Company must take place on the date, hour and place indicated in the convening notice of the Meeting. They may take place at locations other than the Company's registered office.

The Annual, the Special and Extraordinary Shareholders' Meetings of the Company may be convened by the Board or by the statutory auditor of the Company, or at the request of shareholders representing at least 10% of the Company's share capital.

Quorum and Majority required for modification of the articles of association

The modification of Cenergy Holdings' Articles of Association requires at least the majority of the share capital to be present or represented, and that it is approved by a qualified majority of 75% of the votes cast. If the quorum is not reached at the first meeting, a second meeting can be convened with the same agenda. This new general meeting is considered to have reached the quorum and to be validly convened irrespective of the proportion of the Company's share capital represented.

Consolidated Financial Statements 2020

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1. Consolidated Statement of Financial Position

Amounts in EUR thousand	Note	31 December 2020	31 December 2019
ASSETS			
Property, plant and equipment	17	457,937	422,066
Right of use assets	18	5,598	5,881
Intangible assets	19	29,323	24,773
Investment property	20	764	764
Equity - accounted investees	21	34,339	34,583
Other investments	22	5,657	5,015
Derivatives	23	871	-
Trade and other receivables	15	1,303	1,482
Contract costs	7.E	222	84
Deferred tax assets	13	2,908	2,164
Non-current assets		**538,921**	**496,812**
Inventories	14	213,192	228,495
Trade and other receivables	15	112,872	112,577
Contract assets	7.D	64,875	118,573
Contract costs	7.E	491	512
Income tax receivables		54	35
Derivatives	23	584	213
Cash and cash equivalents	16	81,035	90,408
Current assets		**473,103**	**550,814**
Total assets		**1,012,024**	**1,047,626**
EQUITY			
Share capital		117,892	117,892
Share premium		58,600	58,600
Reserves	24	30,427	34,699
Retained earnings		44,556	20,377
Equity attributable to owners of the Company		**251,475**	**231,568**
Non-controlling interests		287	295
Total equity		**251,762**	**231,862**
LIABILITIES			
Loans and borrowings	26	174,625	177,730
Lease liabilities	18	3,681	3,990
Employee benefits	11	6,406	5,677
Grants	28	16,487	14,006
Trade and other payables	27	217	2,170
Deferred tax liabilities	13	31,668	22,985
Contract liabilities	7.D	9,889	7,543
Non-current liabilities		**242,973**	**234,100**
Loans and borrowings	26	231,592	320,827
Lease liabilities	18	1,752	1,768
Trade and other payables	27	249,092	213,794
Contract liabilities	7.D	30,196	43,528
Current tax liabilities		2,081	18
Derivatives	23	2,576	1,728
Current liabilities		**517,289**	**581,663**
Total liabilities		**760,262**	**815,763**
Total equity and liabilities		**1,012,024**	**1,047,626**

The notes on pages 90 to 156 are an integral part of these Consolidated Financial Statements.

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2. Consolidated Statement of Profit or Loss

Amounts in EUR thousand		For the year ended 31 December	
	Note	2020	2019
Revenue	7	908,417	958,016
Cost of sales	8.C	(804,924)	(859,502)
Gross profit		**103,493**	**98,514**
Other income	8.A	5,088	8,095
Selling and distribution expenses	8.C	(13,719)	(16,237)
Administrative expenses	8.C	(24,895)	(24,044)
Reversal of / (Impairment loss) on receivables and contract assets	29.C.1	55	(1,511)
Other expenses	8.B	(3,810)	(3,301)
Operating profit		**66,211**	**61,517**
Finance income	9	356	42
Finance costs	9	(31,996)	(34,667)
Net finance costs		**(31,640)**	**(34,626)**
Share of profit of equity-accounted investees, net of tax	21	838	1,600
Profit before tax		**35,410**	**28,492**
Income tax	13	(10,638)	(8,315)
Profit for the year		**24,771**	**20,177**
Profit/(Loss) attributable to:			
Owners of the Company		24,772	20,189
Non-controlling interests		(1)	(12)
		24,771	**20,177**
Earnings per share (in EUR per share)			
Basic and diluted	10	0.13027	0.10617

The notes on pages 90 to 156 are an integral part of these Consolidated Financial Statements.

3. Consolidated Statement of Profit or Loss and Other Comprehensive Income

Amounts in EUR thousand	Note	For the year ended 31 December 2020	2019
Profit for the year		**24,771**	**20,177**
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit liability	11	(447)	(1,372)
Changes in the fair value of equity instruments at fair value through other comprehensive income	22	640	7,650
Share of other comprehensive income of associates accounted for using the equity method	21	(161)	(17)
Related tax		106	525
		139	**6,786**
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences		(4,330)	1,117
Cash flow hedges – effective portion of changes in fair value		(2,130)	(1,235)
Cash flow hedges – reclassified to profit or loss		1,235	2,040
Related tax		212	(293)
		(5,012)	**1,628**
Other comprehensive income / (loss)		**(4,872)**	**8,414**
Total comprehensive income after tax		**19,899**	**28,590**
Total comprehensive income / (loss) attributable to:			
Owners of the Company		19,907	28,612
Non-controlling interests		(8)	(22)
		19,899	**28,590**

The notes on pages 90 to 156 are an integral part of these Consolidated Financial Statements.

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4. Consolidated Statement of Changes in Equity

Amounts in EUR thousand	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2020	**117,892**	**58,600**	**(17,552)**	**52,251**	**20,377**	**231,568**	**295**	**231,862**
Total comprehensive income								
Profit / (Loss) for the period	-	-	-	-	24,772	24,772	(1)	**24,771**
Other comprehensive income / (loss)	-	-	(4,324)	(40)	(501)	(4,865)	(7)	**(4,872)**
Total comprehensive income	**-**	**-**	**(4,324)**	**(40)**	**24,271**	**19,907**	**(8)**	**19,899**
Transactions with owners of the company								
Contributions and distributions								
Transfer of reserves	-	-	-	93	(93)	-	-	**-**
Total contributions and distributions	**-**	**-**	**-**	**93**	**(93)**	**-**	**-**	**-**
Total transactions with owners of the Company	**-**	**-**	**-**	**93**	**(93)**	**-**	**-**	**-**
Balance at 31 December 2020	**117,892**	**58,600**	**(21,876)**	**52,303**	**44,556**	**251,475**	**287**	**251,762**

Amounts in EUR thousand	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2019	**117,892**	**58,600**	**(18,676)**	**51,950**	**(6,784)**	**202,981**	**317**	**203,298**
Total comprehensive income								
Profit / (Loss) for the period	-	-	-	-	20,189	20,189	(12)	**20,177**
Other comprehensive income / (loss)	-	-	1,124	8,164	(864)	8,424	(10)	8,414
Total comprehensive income	**-**	**-**	**1,124**	**8,164**	**19,325**	**28,612**	**(22)**	**28,590**
Transactions with owners of the company								
Contributions and distributions								
Transfer of reserves	-	-	-	(7,600)	7,600	-	-	**-**
Total contributions and distributions	**-**	**-**	**-**	**(7,600)**	**7,600**	**-**	**-**	**-**
Changes in ownership interests								
Acquisition of subsidiary (Common control transaction)	-	-	-	-	(26)	(26)	-	**(26)**
Disposal of subsidiary	-	-	-	(263)	263	-	-	**-**
Total changes in ownership interests	**-**	**-**	**-**	**(263)**	**237**	**(26)**	**-**	**(26)**
Total transactions with owners of the Company	**-**	**-**	**-**	**(7,862)**	**7,836**	**(26)**	**-**	**(26)**
Balance at 31 December 2019	**117,892**	**58,600**	**(17,552)**	**52,251**	**20,377**	**231,568**	**295**	**231,862**

The notes on pages 90 to 156 are an integral part of these Consolidated Financial Statements.

5. Consolidated Statement of Cash Flows

Amounts in EUR thousand	Note	For the year ended 31 December 2020	2019
Cash flows from operating activities			
Profit/(Loss) of the period		24,771	20,177
Adjustments for:			
- Income tax		10,638	8,315
- Depreciation	17, 18, 20	21,179	25,197
- Amortization	19	3,801	2,696
- Amortization of grants	28	(908)	(736)
- (Reversal of) impairment losses on investment property	8	-	(10)
- Net finance costs	9	31,640	34,626
- Share of profit of equity-accounted investees, net of tax	21	(838)	(1,600)
- (Gain) / loss from sale of property, plant & equipment	8	(6)	377
- Loss from write-offs of intangible assets	8	142	137
- Gain from disposal of subsidiaries	8	-	(3,630)
- Unrealised (Gain) / Loss from valuation of derivatives		(1,289)	(1,484)
- (Reversal of) / Impairment loss on receivables & contract assets	29.C.1	(55)	1,511
- (Reversal of) / Impairment of inventories		275	262
		89,349	**85,835**
Changes in:			
- Inventories		15,028	(10,615)
- Trade and other receivables		3,011	73,803
- Trade and other payables		38,230	6,842
- Contract assets		53,699	(4,246)
- Contract liabilities		(10,986)	(11,076)
- Contract costs		(117)	1,384
- Employee benefits		283	(15)
Cash generated from operating activities		188,497	141,910
Interest charges & related expenses paid		(29,437)	(31,711)
Income tax paid		(484)	(300)
Net Cash from operating activities		**158,575**	**109,898**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(66,285)	(51,276)
Acquisition of intangible assets	19	(3,683)	(4,224)
Proceeds from grants	28	317	169
Proceeds from sale of property, plant & equipment & intangible assets		126	1,030
Disposal of subsidiaries, net of cash disposed of		-	6,629
Acquisition of subsidiary, net of cash acquired		-	(23)
Acquisition of equity-accounted investee	21	(3,285)	-
Dividends received	21	915	498
Interest received		31	13
Acquisition of financial assets	22	(26)	(1)
Proceeds from disposal of financial assets	22	24	-
Net Cash flows used in investing activities		**(71,865)**	**(47,185)**
Cash flows from financing activities			
Proceeds from new borrowings	26	38,030	62,930
Repayment of borrowings	26	(132,217)	(98,909)
Principal elements of lease payments	26	(1,267)	(1,066)
Net cash flows used in financing activities		**(95,454)**	**(37,045)**
Net (decrease)/ increase in cash and cash equivalents		**(8,744)**	**25,669**
Cash and cash equivalents at 1 January		90,408	65,203
Effect of movement in exchange rates on cash held		(630)	(463)
Cash and cash equivalents at 31 December	**16**	**81,035**	**90,408**

The notes on pages 90 to 156 are an integral part of these Consolidated Financial Statements.

6. Notes to the Consolidated Financial Statements

1. Reporting entity

Cenergy Holdings S.A. (hereafter referred to as "the Company", "the Holding" 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" or the "Group"), and Cenergy Holdings' interest in associates accounted for using the equity method.

Cenergy Holdings is a holding company and holds participations in 11 subsidiaries. With production facilities in Greece, Bulgaria and Romania, Cenergy Holdings' subsidiaries specialise in manufacturing steel pipes and cables products. Its shares are traded on Euronext Brussels since December 2016 and has its secondary listing on the Athens Stock exchange (trading ticker "CENER"). The Company's electronic address is www.cenergyholdings.com, where the Consolidated Financial Statements have been posted.

Cenergy Holdings is a subsidiary of Viohalco S.A. (81.93% of voting rights). Viohalco S.A. ("Viohalco") is a Belgium-based holding company whose subsidiaries are specialised in the manufacture of aluminium, copper, cables, steel and steel pipes products and technological advancement.

2. Basis of accounting

Statement of compliance

The Consolidated Financial Statements have been prepared by Management in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and authorized for issue by the Company's Board of Directors on 6 April 2021.

Details of the Company's accounting policies are included in Note 5.

Basis of measurement

The Consolidated Financial Statements have been prepared in accordance with the historical cost principle with the exception of the following assets and liabilities which are measured on an alternative basis on each reporting date.

- Derivative financial instruments held for hedging purposes (fair value);
- Equity investments at FVOCI (fair value);
- Net defined benefit liability (present value of the obligation).

3. Functional currency and presentation currency

The functional and presentation currency of the Company is the euro. All amounts in the Consolidated Financial Statements are rounded to the nearest thousand, unless otherwise indicated. As such, due to rounding, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

4. Use of estimates and judgements

Preparing financial statements in line with IFRS requires that Management makes judgements, estimates and assumptions that affect the application of Cenergy Holdings' accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Management's estimates and judgements are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

When preparing the Consolidated Financial Statements, Management took into account the consequences of the Covid-19 pandemic in its estimates and assumptions, despite the prevailing uncertainty concerning the coronavirus's mutation and how the resulting crisis will evolve. The pandemic's consequences are described in Note 30 and are taken into account in the estimates described below, where applicable.However, the effect on the outcome of such estimates and assumptions due to the pandemic was rather limited.

Information about judgements, assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 7 – Revenue recognition;
- Note 11 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 13 – Recognition of deferred tax assets, availability of future taxable profits against which carryforward tax losses can be used;
- Note 15 – Recoverability of overdue receivable from a former customer in the Middle-East ;
- Note 19– Impairment test: key assumptions underlying recoverable amounts;
- Note 29.C1 – Measurement of expected credit losses on trade receivables and contract assets: key assumptions in determining expected loss rates.

5. Significant accounting policies

The accounting principles described below have been consistently applied to all periods presented in these Consolidated Financial Statements and have also been consistently applied by Cenergy Holdings and its subsidiaries and its equity-accounted investees.

5.1 Basis of Consolidation

(a) Business combinations

Acquisition of subsidiaries is accounted for using the acquisition method on the acquisition date, i.e. the date on which control is transferred to Cenergy Holdings. To assess control, Cenergy Holdings takes into account substantive potential voting rights.

Cenergy Holdings measures goodwill on the acquisition date as follows:

- the fair value of the consideration paid; plus
- the value of any non-controlling interest in the acquired subsidiary; less
- the fair value of identifiable assets and liabilities assumed.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is immediately recognized in the Consolidated Statement of Profit or Loss. Any expenses directly linked with acquisition are directly posted in the Consolidated Statement of Profit or Loss. Any contingent consideration is recognized at its fair value on the acquisition date.

(b) Common control transactions

A business combination, in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and when control is not transitory, is a common control transaction. The Group has chosen to account for such common control transactions at book value (carry-over basis). The identifiable net assets acquired are not measured at fair value but recorded at their carrying amounts; intangible assets and contingent liabilities are recognized only to the extent that they were recognised before the business combination in accordance with applicable IFRS. Any difference between the consideration paid and the capital of the acquiree is presented in retained earnings within equity. Transaction costs are expensed as incurred.

(c) Subsidiaries

Subsidiaries are entities controlled by Cenergy Holdings. Cenergy Holdings controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

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(d) Non-controlling interests

Non-controlling interests (NCI) are measured at fair value or at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. This measurement is done on an acquisition by acquisition basis.

Changes in Cenergy Holdings' interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(e) Loss of control

When Cenergy Holdings loses control over a subsidiary, the assets and liabilities of the subsidiary are derecognised, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(f) Associates

Associates are those entities in which Cenergy Holdings has significant influence, but not control or joint control, over the financial and operating policies. This is generally the case where Cenergy Holdings holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (h) below), after initially being recognised at cost.

(g) Joint arrangements

Under IFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

Cenergy Holdings recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures

A joint venture is an arrangement in which Cenergy Holdings has joint control, whereby Cenergy Holdings has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method (see (h) below), after initially being recognised at cost in the consolidated balance sheet.

(h) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Cenergy Holdings' share of the post-acquisition profits or losses of the investee in profit or loss, and Cenergy Holdings' share of movements in other comprehensive income of the investee, until the date on which significant influence or joint control ceases. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Cenergy Holdings' share of losses in an equity-accounted investment equals or exceeds its interest in the entity, Cenergy Holdings does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Cenergy Holdings' interests in equity-accounted investees comprise only of interests in associates.

(i) Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

5.2 Foreign currency

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Cenergy Holdings' companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate, when the fair value was determined. Foreign currency gains and losses are recognized and classified in the Consolidated Statement of Profit or Loss based on the nature of the related item of the Consolidated Statement of Financial Position.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences arising from the translation of qualifying cash flow hedges to the extent that the hedges are effective and investments in equity securities designated as at FVOCI are recognised as Other Comprehensive Income (OCI).

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates of the reporting date. The income and expenses of foreign operations are translated into Euro at the exchange rates at the date of the transactions. The average rate for the period is deemed to be an appropriate rate.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

5.3 Revenue

Cenergy Holdings recognizes revenue from the following major sources:

- Sale of products;
- Energy projects;
  - Steel pipes projects, i.e. onshore and offshore customized pipelines produced for applications based on customers' specifications.
  - Cables projects, i.e. high-tech customized underground and submarine cables and "turnkey" cable systems for power or data transmission and distribution.
- Rendering of services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Cenergy Holdings recognizes revenue when it transfers control of a product or service to a customer.

Consideration can vary because of trade discounts, volume rebates, returns or other similar items. Depending on the type of variable consideration, the most appropriate method for measuring this variable consideration is used.

Sale of products

Cenergy Holdings sells hollow structural sections for the construction sector, power cables, telecom cables, wires and raw materials.

For sales of products, revenue is recognised at a point of time, when the control of the goods sold has been transferred.

The timing of the transfer of control occurs when the goods have been shipped to the customers' location, unless otherwise specified in the terms of the contract. The terms defined on the contracts with customers are according to Incoterms.

Revenue recognised at a point in time is invoiced either simultaneously with its recognition or within a short time period from its recognition. A receivable is recognised when the control is transferred to the customer, as this represents the point in time at which the right to consideration becomes unconditional.

Energy projects

The Group produces and sells customized products to customers for energy projects.

In the cables sector, Cenergy Holdings' subsidiaries also produce and sell "turnkey" cable systems, i.e. supply and install complete cable systems.

Under the terms of the contracts and due to the high degree of customization, these products have no alternative use, since they are produced according to customers' specifications, while there is an enforceable right to payment for performance completed to date if the contract is terminated by the customer or another party for reasons other than Cenergy Holdings' failure to perform as promised. Revenue from such projects is therefore recognised over time.

For distinct performance obligations identified, the most appropriate method to measure progress is used. The methods used are the following:

- For performance obligations related to production of customized products, depending on the type of contract concerned, the methods to measure progress is estimated based on:
  i. Production time elapsed, i.e. the ratio between the actual time spent on the production and the total number of scheduled production time. This method is used for submarine cables produced in long continuous lengths, when time elapsed is the most relevant method to measure the progress of the performance obligation.
  ii. The quantity of manufactured and tested cable drums or steel pipes compared with the total quantity to be produced according to the contract. This method is used for customized land cables and steel pipes, since the production of such products is performed in batches and as a result the performance obligations related are satisfied as certain batches of agreed quantities have been produced.
- For installation phases of cables sector's turnkey projects, the method to measure progress is based on appraisal of results achieved or milestones reached, based to clearly defined technical milestones, such as transport or meters of cables installed. When milestones are being used as a method to measure progress, these milestones faithfully depict the performance.

Management considers that these methods are appropriate measures of the progress towards complete satisfaction of these performance obligations under IFRS 15.

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances (contract liabilities). These contract assets and contract liabilities are presented on the Consolidated Statement of Financial Position in the lines "Contract assets" and "Contract liabilities" respectively. For products and services for which revenue is recognised over time, 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 manufactured items.

Generally, billing occurs subsequent to revenue recognition for customized products and services performed over time resulting in contract assets. However, when advances from customers are received before revenue is recognized, a contract liability is recognized.

There is not considered to be a significant financing component in energy projects contracts with customers, as the period between the recognition of revenue and the milestone payment is less than one year.

Rendering of services

Cenergy Holdings recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

Services provided by Cenergy Holdings are mainly related with the products sold by its subsidiaries and mainly include:

- Metal processing technical support service;
- Design and engineering of customized applications;
- Supervision services;
- Installation services;
- Repairs and replacements.

All of the above, when related to Energy projects, are reported in the Cables' and Steel pipes' revenue streams, respectively.

If payment for services is not due from the customer until the services are complete, a contract asset is recognised over the period in which the services are performed representing the right to consideration for the services performed to date. These contract assets are presented on the Consolidated Statement of Financial Position in the line "Contract assets".

Contract costs

Cenergy Holdings recognize the incremental costs of obtaining contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset, if those costs are expected to be recoverable, and record them in the line "Contract costs" in the Consolidated Statement of Financial Position. Incremental costs of obtaining contracts are costs incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained.

Fulfilment costs are only capitalised if they generate or enhance resources that will be used to satisfy performance obligations in the future.

Assets arising from contract costs are amortized using either the straight-line method over a period based on the estimated contract duration or based on the portion of revenue recognised during the execution of the related contract.

Incremental costs of obtaining contracts are recognised as an expense when incurred if the amortisation period of the assets would be one year or less.

5.4 Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if Cenergy Holdings and its companies have a present legal or constructive obligation to pay this amount, as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined contribution plans

Defined-contribution plans are plans for the period after the employee has ceased to work during which Cenergy Holdings pays a defined amount to a third legal entity without any other obligation. The accrued cost of defined-contribution programs is recorded as an expense in the period that the related service is provided.

(c) Defined benefit plans

Cenergy Holdings' net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate is based on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. Cenergy Holdings determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. Cenergy Holdings recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(d) Termination benefits

Termination benefits are expensed at the earlier of when Cenergy Holdings can no longer withdraw the offer of those benefits and when Cenergy Holdings recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

5.5 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and Cenergy Holdings will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the Consolidated Statement of Profit or Loss (line "Other income") on a straight line basis over the expected useful lives of the related assets.

5.6 Finance income and finance costs

Cenergy Holdings' finance income and finance costs mainly include:

- interest income;
- interest expense;
- dividend income;
- foreign currency gains and losses from loans and deposits.

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset or to the amortised cost of the financial liability.

5.7 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

A. Current tax

Current tax comprised the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

B. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that Cenergy Holdings is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that is has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurements of deferred tax reflects the tax consequences that would follow from the manner in which Cenergy Holdings expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

5.8 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined by applying the method of weighted average cost and includes the production and conversion cost and all direct expenses required to bring inventories at their current condition. The net realisable value is estimated based on the inventory's current sales price, in the ordinary course of business activities, less any possible selling expenses, whenever such a case occurs.

The write-down of inventories to net realisable value and any reversals are recognized in "Cost of sales" in the period in which the write-downs occur.

5.9 Property, plant and equipment

A. Recognition and measurement

Property, plant and equipment are presented at their acquisition cost less accumulated depreciation and impairment. The acquisition cost includes all expenses that are directly associated with the asset's acquisition or self-construction. The cost of self-constructed fixed assets includes the cost of direct labour, materials and any other cost that is required for the fixed asset to be ready for use as well as any borrowing costs.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to Cenergy Holdings. Repair and maintenance costs are recorded in the Consolidated Statement of Profit or Loss when these are incurred.

On the sale of property, plant and equipment, any difference that may arise between the price that is received and the carrying value thereof is recorded through profit or loss in the category “Other income (expenses)”.

Borrowing costs related to the construction of qualifying assets are capitalised during the period required for the construction to be completed.

B. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

Administrative buildings	20-50 years
Plants	33-50 years
Heavy machinery	12-40 years
Light machinery	8-18 years
Furniture	4-10 years
Other equipment	4-12 years
Transport means	4-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

C. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified accordingly.

The item is reclassified at its net book value at the date of reclassification which becomes its deemed cost for subsequent accounting purposes.

D. Reclassification to assets held for sale

Non-current assets and disposal group of assets are reclassified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use.

5.10 Intangible assets

A. Recognition and measurement

Research and Development: Expenditure on research activities is recognised in profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercial feasible, future economic benefits are probable and Cenergy Holdings intends to and have sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Software programs: Software licenses are recorded at their acquisition cost less accumulated amortisation. These assets are amortised on the straight line method over their estimated useful lives, which ranges between 3 to 10 years. Expenses that are associated with the software’s maintenance are recognised in profit or loss in the year in which they are incurred.

Other intangible assets: Other intangible assets, including customer relationships, “know-how”, patents and trademarks, which are acquired by Cenergy Holdings and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. These assets are amortised on the straight line method over their estimated useful lives. Other intangible assets having indefinite useful lives are measured at cost less accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

C. Amortisation and useful lives

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Goodwill and other intangible assets with indefinite useful lives are not amortised.

The estimated useful lives for the current and comparative periods are as follows:

• Trademarks and licenses	10 – 15 years
• Software programs	3 – 10 years

Intangible assets with indefinite useful lives are not amortised and are subject to an annual impairment test.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

5.11 Investment property

Investment property, which includes land, is owned by Cenergy Holdings either for the collection of rents or for capital appreciation and is not used for owner-purposes. Investment property is presented at cost less depreciation. When the carrying amounts of investment property exceed their recoverable value, the difference (impairment) is directly recorded in profit and loss as expense. The reversal of previously recognised impairment losses is also recognised in profit and loss as income. The land is not depreciated. The buildings are depreciated by applying the straight line method.

5.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

5.13 Impairment

A. Non-derivative financial assets

Cenergy Holdings recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost; and
- contract assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of trade receivables and contract assets.

Cenergy Holdings considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full, without recourse by Cenergy Holdings companies to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Cenergy Holdings companies are exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss and OCI.

Write-off

The gross carrying amount of a financial asset is written off when Cenergy Holdings has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Cenergy Holdings subsidiaries make an assessment on an individual basis with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Cenergy Holdings expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

B. Non-financial assets

At each reporting date, Cenergy Holdings and its companies review the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets with indefinite useful life is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss under "Other expenses". They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.14 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

Accounting for lease contracts as a lessee

Cenergy Holdings companies lease various offices, warehouses, machinery and cars. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Cenergy Holdings recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Subsequently they are measured at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable ;
- variable lease payment that are based on an index or a rate ;
- amounts expected to be payable by the lessee under residual value guarantees ;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

These payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate of the component entered into the lease agreement. Generally, Cenergy Holdings uses its incremental borrowing rate as the discount rate.

This is the rate that the lessee, i.e. each subsidiary of Cenergy Holdings, would have to pay on the commencement date of the lease for a loan of a similar term, and with similar security, to obtain an asset of similar value to the right-of-use asset in similar economic environment.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured if there is a modification that is not accounted for as a separate lease; when there is a change in future lease payments arising from a change in an index or rate; a change in the estimate of the amount expected to be payable under a residual value guarantee; and changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Cenergy Holdings elected not to separate non-lease components from lease components.

Lease liabilities and right-of-use assets are presented separately in the statement of financial position.

Cenergy Holdings has elected to present interest paid related to lease liabilities in the Consolidated Statement of Cash Flows, within the line "Interest charges & related expenses paid" in operating activities.

Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment, small items of office furniture and other equipment.

Cenery Holdings companies lease administration offices and warehouses by the ultimate parent company Viohalco S.A. and other related companies. All contracts for administration offices and warehouses do not include any early termination penalty clauses and they are cancellable at any time. For this reason, all intercompany contracts for administration offices and warehouses are considered as short term and Cenergy Holdings recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Rental income

Rental income is recognised as other income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

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5.15 Financial instruments

A. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when Cenergy Holdings becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

B. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, unless Cenergy Holdings changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, Cenergy Holdings may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets (except derivatives held for hedging purposes) not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, Cenergy Holdings may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

Cenergy Holdings makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, Cenergy Holdings considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, Cenergy Holdings considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost.

All financial liabilities (except derivatives held for hedging purposes) are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

C. Derecognition

Financial assets

Cenergy Holdings derecognises a financial asset when

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction:
  - in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - in which Cenergy Holdings neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Cenergy Holdings enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

Cenergy Holdings derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Cenergy Holdings also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

D. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, Cenergy Holdings currently has a legally enforceable right to setoff the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

E. Derivatives and hedge accounting

Cenergy Holdings has elected not to adopt the provisions of IFRS 9 regarding the hedge accounting and continues to apply IAS 39.

Cenergy Holdings holds derivative financial instruments designated as fair value or cash flow hedges. Derivatives are used to cover risks arising from changes in prices of metals, fluctuations of foreign exchange rates and changes in interest rates on borrowings.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss, unless the instrument qualifies for cash flow hedge accounting.

Fair value hedge

Derivatives are designated as fair value hedges when the exposure to changes in the fair value of a recognized financial asset or liability is hedged.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in the Consolidated Statement of Profit or Loss, along with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives designated as cash flow hedges is recognized in the "Hedging reserve". Any ineffective proportion is recognized immediately in profit or loss.

The amounts recognized in the "Hedging reserve" are reclassified to the Consolidated Statement of Profit or Loss when the hedged items affect profit or loss.

When a hedge item matures or is sold or when the hedge no longer meets the hedge accounting criteria, hedge accounting is discontinued prospectively, amounts recorded in "Hedging reserve" the profits and losses accrued to "Equity" remain as a reserve and are reclassified to profit or loss when the hedged asset affects profit or loss. In the case of a hedge on a forecast future transaction which is no longer expected to occur, amounts recorded in "Hedging reserve" are reclassified to profit and loss.

Cenergy Holdings' companies examine the effectiveness of the cash flow hedges at inception (prospectively) by comparing the critical terms of the hedging instrument with the critical terms of the hedged item, and then at every reporting date (retrospectively), the effectiveness of the cash flow hedges is examined by applying the dollar offset method on a cumulative basis.

5.16 Share capital

Shareholder's equity is composed of ordinary shares.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted in equity (see Note 5.7).

5.17 Provisions

Provisions are measured by discounting the expected future cash flows at a pre-tax rate. The discount rate used for the determination of present value reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are recognised when:

i. There is a present legal or constructive obligation as a result of past events.
ii. Payment is probable to settle the obligation.
iii. The amount of the payment in question can be reliably estimated.

Provisions for pending court rulings are recognised when it is more likely than not, that a present obligation from this litigation exists, and payment is probable.

Assurance warranty provisions are recognised when the product is sold and according to historical experience (probability that sold products will need to be replaced). The initial estimate of warranty-related costs is revised annually.

Restructuring provisions are recognised only when Cenergy Holdings has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features or when the company has already started to implement the plan.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating a contract and the expected net cost of continuing with the contract. Before the provision is established, Cenergy Holdings recognises any impairment loss on the associated assets with the contract.

5.18 Earnings per share

Cenergy Holdings presents basic and diluted earnings per share. Basic earnings per share are calculated by dividing the net profit/ loss (-) attributable to holders of the Company's ordinary shares by the average weighted number of outstanding ordinary shares during each period.

Diluted earnings per share are determined by adjusting the profit or loss attributable to holders of ordinary shares and the average weighted number of outstanding ordinary shares by the effect of all diluted eventual ordinary shares consisting of convertible notes and shares with options granted to the staff.

5.19 Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of Cenergy Holdings, as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.

5.20 Fair value measurement

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which Cenergy Holdings has access at that date. The fair value of a liability reflects its non-performance risk.

A number of Cenergy Holdings' accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, Cenergy Holdings measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then Cenergy Holdings uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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If an asset or a liability measured at fair value has a bid price and an ask price, then Cenergy Holdings measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If Cenergy Holdings determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

5.21 New standards, amendments to standards and interpretations

A number of new or amended standards became applicable for the current financial year and subsequent years. The Group has applied all of the new standards, interpretations and amendments to existing standards that were mandatory for the first time in the fiscal year beginning 1 January 2020 and none of the new or amended standards and interpretations has had material impact on recognition and measurement in the Consolidated Financial Statements.

Standards and Interpretations effective for the current financial year

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2020 and have been endorsed by the European Union:

Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020). The revised Conceptual Framework includes a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance—in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

Amendments to the definition of material in IAS 1 and IAS 8 (effective 1 January 2020). The amendments clarify the definition of material and make IFRSs more consistent. The amendment clarifies that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information. It also states that an entity assesses materiality in the context of the financial statements as a whole. The amendment also clarifies the meaning of “primary users of general purpose financial statements” to whom those financial statements are directed, by defining them as “existing and potential investors, lenders and other creditors” that must rely on general purpose financial statements for much of the financial information they need. The amendments are not expected to have a significant impact on the preparation of financial statements.

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (effective 1 January 2020). The amendments require qualitative and quantitative disclosures to enable users of financial statements to understand how an entity’s hedging relationships are affected by the uncertainty arising from interest rate benchmark reform.

Amendments to the guidance of IFRS 3 Business Combinations, that revises the definition of a business (effective 1 January 2020). The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organised workforce. The changes to the definition of a business will likely result in more acquisitions being accounted for as asset acquisitions across all industries, particularly real estate, pharmaceutical, and oil and gas. Application of the changes would also affect the accounting for disposal transactions.

The following new amendments have been issued, is not mandatory for the first time for the financial year beginning 1 January 2020 but have been endorsed by the European Union:

Amendment to IFRS 16 Leases Covid-19-Related Rent Concessions (effective 01/06/2020, with early application permitted). If certain conditions are met, the Amendment would permit lessees, as a practical expedient, not to assess whether particular Covid-19-related rent concessions are lease modifications. Instead, lessees that apply the practical expedient would account for those rent concessions as if they were not lease modifications.

Standards and Interpretations effective for subsequent periods

The following new standards and amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2020 and have not been endorsed by the European Union. The following amendments are not expected to have a material impact on Cenergy Holdings Consolidated Financial Statements in the current or future reporting periods.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as current or non-current (effective 1 January 2022), 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. The IASB has issued an exposure draft to defer the effective date to 1 January 2023. 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.

Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (effective 01/01/2022). The package of amendments includes narrow-scope amendments to three Standards as well as the Board's Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards.

- Amendments to IFRS 3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- Amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making.
- Annual Improvements make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective 01/01/2021). These amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

6. Operating segments

A. Basis for the division into segments

Cenergy Holdings is divided into 2 reportable segments:

- Cables;
- Steel Pipes.

For management purposes, Cenergy Holdings is split into two major strategic reportable segments which operate in different industries. These segments offer different products and services, and are managed separately because they require different technology and marketing strategies.

Such structural organization is determined by the nature of risks and returns associated with each business segment. It is based on the management structure, as well as the internal reporting system. It represents the basis on which Cenergy Holdings reports its segmental information.

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The segment analysis presented in these Consolidated Financial Statements reflects operations analysed by business. This is the way the chief operating decision maker of Cenergy Holdings regularly reviews the operating results of the Group in order to allocate resources to segments and in assessing their performance.

A brief description of the segments is as follows:

- *Cables*: Hellenic Cables, its subsidiaries, and Icme Ecab S.A. are a cable producer, manufacturing power, telecommunication and submarine cables, as well as wires and compounds.
- *Steel pipes*: Corinth Pipeworks engages in the production of steel pipes for the transportation of natural gas, oil and water networks, as well as steel hollow sections which are used in construction projects.
- *Other activities*: The segment includes the activities of the Holding company.

B. Information about reportable segments and reconciliations to IFRS measures

The information disclosed in the tables below is derived directly from the internal financial reporting system used by the Board (i.e. chief operating decision maker) to monitor and evaluate the performance of the operating segments separately.

The following tables illustrate the information about the reportable segments' profit or loss, assets and liabilities at 31 December 2020 and 2019, and for the years then ended.

2020		Reportable segments			
Amounts in EUR thousand	Note	Cables	Steel Pipes	Other activities	Total
Segment revenue		920,644	340,430	-	**1,261,074**
Inter-segment revenue		(320,786)	(31,871)	-	**(352,657)**
External revenue	**7**	**599,858**	**308,559**	**-**	**908,417**
Gross profit		**79,609**	**23,884**	**-**	**103,493**
Operating profit / (loss)		**56,116**	**11,962**	**(1,867)**	**66,211**
Finance income		206	150	-	**356**
Finance costs		(21,240)	(10,753)	(3)	**(31,996)**
Share of profit of equity accounted investees, net of tax		-	(38)	877	**838**
Profit / (Loss) before tax		**35,082**	**1,321**	**(993)**	**35,410**
Income tax expense		(8,846)	(1,792)	-	**(10,638)**
Profit/(Loss) for the year		**26,236**	**(472)**	**(993)**	**24,771**
Depreciation and amortization		(15,225)	(8,844)	(2)	**(24,071)**
Segment assets		644,481	339,189	28,354	**1,012,024**
Non-current assets excl. deferred tax and financial instruments		306,157	202,532	20,797	**529,485**
Equity-accounted investees			13,570	20,769	**34,339**
Segment liabilities		566,244	193,500	518	**760,262**
Capital expenditure	17/19	49,381	15,486	-	**64,867**

2019		Reportable segments			
			Steel	Other	
Amounts in EUR thousand	Note	Cables	Pipes	activities	Total
Segment revenue		873,991	458,090	24	**1,332,106**
Inter-segment revenue		(294,275)	(79,815)	-	**(374,090)**
External revenue	**7**	**579,716**	**378,276**	**24**	**958,016**
Gross profit		**66,674**	**31,816**	**24**	**98,514**
Operating profit / (loss)		**48,380**	**14,898**	**(1,760)**	**61,517**
Finance income		13	28		**42**
Finance costs		(22,286)	(12,364)	(17)	**(34,667)**
Share of profit of equity accounted investees, net of tax		-	1,426	174	**1,600**
Profit / (Loss) before tax		**26,107**	**3,988**	**(1,603)**	**28,492**
Income tax expense		(7,602)	(712)	-	**(8,315)**
Profit/(Loss) for the year		**18,504**	**3,276**	**(1,603)**	**20,177**
Depreciation and amortization		(16,526)	(10,420)	(210)	**(27,156)**
Segment assets		602,426	416,842	28,358	**1,047,626**
Non-current assets excl. deferred tax and financial instruments		273,994	195,216	20,423	**489,633**
Equity-accounted investees		-	14,161	20,422	**34,583**
Segment liabilities		548,654	266,540	570	**815,763**
Capital expenditure	17/19	42,453	10,853	2	**53,307**

C. Geographic information

Cenergy Holdings' segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in Greece, Bulgaria and Romania.

The segmental information below is based on the segment revenue from external customers by country of domicile of customers and segment assets were based on the geographic location of the assets.

Amounts in EUR thousand	For the year ended 31 December	
Revenue	2020	2019
Belgium	4,781	8,224
Greece	313,327	251,157
Germany	91,868	92,452
Romania	33,382	54,076
United Kingdom	59,596	90,075
Other European Union countries	285,460	310,066
Other European countries	11,228	21,143
Asia	48,729	38,119
Americas	49,901	85,403
Africa	10,094	7,244
Oceania	51	56
Total	**908,417**	**958,016**

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The geographic information below analyses the consolidated non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment assets were based on the geographic location of the assets.

Amounts in EUR thousand	At 31 December	
Property, Plant & Equipment	**2020**	**2019**
Belgium	1	1
Greece	433,093	397,193
Other	24,844	24,871
Total	**457,937**	**422,066**

Amounts in EUR thousand	At 31 December	
Right of use assets	**2020**	**2019**
Belgium	27	-
Greece	2,493	2,620
Other	3,078	3,261
Total	**5,598**	**5,881**

Amounts in EUR thousand	At 31 December	
Intangible assets	**2020**	**2019**
Belgium	-	-
Greece	27,832	22,958
Other	1,490	1,815
Total	**29,323**	**24,773**

Amounts in EUR thousand	At 31 December	
Investment property	**2020**	**2019**
Belgium	-	-
Greece	764	764
Other	-	-
Total	**764**	**764**

Amounts in EUR thousand	At 31 December	
Additions in Property, Plant & Equipment, Intangible assets & Right of use assets	**2020**	**2019**
Belgium	29	2
Greece	62,265	48,596
Other	4,201	6,448
Total	**66,495**	**55,047**

7. Revenue

A. Significant accounting policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Cenergy Holdings recognises revenue when it transfers control over a product or service to a customer. For the detailed accounting policy, see Note 5.3.

B. Nature of goods and services

Steel pipes projects

Corinth Pipeworks produces and sells customized products to customers mainly for onshore and offshore pipelines for oil and gas transportation and casing pipes. Under the terms of the contracts and due to the high degree of customization, these products have no alternative use, since they are produced according to customers' specifications, while there is an enforceable right to payment for performance completed to date if the contract is terminated by the customer or another party for reasons other than Cenergy Holdings' failure to perform as promised. Revenue from such projects is therefore recognised over time.

Hollow structural sections

These steel products are primarily used in the construction sector and they are used as structural components in metal constructions. For sales of such products, revenue is recognised at a point of time, when the control of the goods sold has been transferred.

Cables projects

Cenergy Holdings' subsidiaries in the cables segment produces and sells "turnkey" cable systems, i.e. supplies and installs complete cable systems. In addition, customized products are produced for grid connections, offshore/onshore wind farms and other energy projects. Under the terms of the contracts and due to the high degree of customization, these products have no alternative use, since they are produced according to customers' specifications, while there is an enforceable right to payment for performance completed to date if the contract is terminated by the customer or another party for reasons other than Cenergy Holdings' failure to perform as promised. Revenue from such projects is recognised over time. The typical length of a contract for turnkey projects exceeds 12 months. For turnkey projects, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the contracts and if a customer can benefit from it.

Power & telecom cables

The key products in this category are power cables and overhead conductors for electric power distribution networks for electric power operators, utilities, industrial applications, renewable energy applications, railway transportation networks and buildings. The category also includes telecommunication, data transmission cables, optical fibre cables and signalling cables. For sales of such products, revenue is recognised at a point of time, when the control of the goods sold has been transferred.

Enameled cables

Cenergy Holdings' subsidiaries in the cables segment produces and sells enamelled cables for electric motors and transformers, copper wires for grounding and can manufacture. For sales of such products, revenue is recognised at a point of time, when the control of the goods sold has been transferred. Upon the sale of the subsidiary Cablel Wires which took place in 2019, there are no sales in this product category from 2020 and onwards, since the Group no longer produces such products.

C. Disaggregation of revenue

In the following table revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

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The table includes a reconciliation with the Group's reportable segments (see Note 6):

Primary geographical markets								
Segment	Steel Pipes		Cables		Other activities		Total	
Amounts in EUR thousand	2020	2019	2020	2019	2020	2019	2020	2019
Greece	18,095	15,640	295,232	235,494	-	24	313,327	251,157
Other European Union countries	228,636	266,743	246,450	288,150	-	-	475,086	554,893
Other European countries	4,722	12,680	6,506	8,463	-	-	11,228	21,143
America	49,040	83,213	861	2,190	-	-	49,901	85,403
Rest of the world	8,065	-	50,809	45,420	-	-	58,874	45,420
	308,559	**378,276**	**599,858**	**579,716**	**-**	**24**	**908,417**	**958,016**

Major products and service lines								
Segment	Steel Pipes		Cables		Other activities		Total	
Amounts in EUR thousand	2020	2019	2020	2019	2020	2019	2020	2019
Steel pipes projects	273,741	345,589	-	-	-	-	273,741	345,589
Hollow structural sections	23,071	18,439	-	-	-	-	23,071	18,439
Cables projects	-	-	242,198	217,787	-	-	242,198	217,787
Power & telecom cables	-	-	308,923	314,093	-	-	308,923	314,093
Enameled cables	-	-	-	29,625	-	-	-	29,625
Other (wires, raw materials etc.)	11,746	14,248	48,738	18,211	-	24	60,484	32,482
	308,559	**378,276**	**599,858**	**579,716**	**-**	**24**	**908,417**	**958,016**

Timing of revenue recognition:

	Steel Pipes		Cables		Other activities		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Products transferred at a point in time	34,818	32,687	357,661	361,929	-	24	392,478	394,640
Products transferred over time	273,741	345,589	242,198	217,787	-	-	515,939	563,375
	308,559	**378,276**	**599,858**	**579,716**	**-**	**24**	**908,417**	**958,016**

Consolidated revenue for 2020 stands at EUR 908 million, a 5.2% y-o-y decrease reflecting the slowdown of demand in steel pipes segment mainly due to the impact of lower oil & gas prices.

Revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date amounts to EUR 189.2 million. An amount of EUR 152.9 million is expected to be recognised during 2021, while the remaing EUR 36.3 million is expected to be recognised during the periods from 2022 and onwards based on the time schedules included in the open contracts as of 31 December 2020, which have original expected durations of more than one year and revenue recognition started during 2020 or prior periods.

D. Contract balances

The following table provides information about contracts assets and contracts liabilities from contracts with customers:

Amounts in EUR thousand	31 December 2020	31 December 2019
Contract assets	64,875	118,573
Contract liabilities	40,085	51,071
Out of which: Long term Contract liabilities	*9,889*	*7,543*

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

Amounts in EUR thousand	Contract assets		Contract liabilities	
	2020	2019	2020	2019
Opening balance	**118,573**	**114,327**	**51,071**	**62,147**
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	-	(38,755)	(33,246)
Increases due to cash received, excluding amounts recognised as revenue during the period	-	-	27,808	22,180
Transfers from contract assets recognised at the beginning of the period to receivables	(109,532)	(108,638)	-	-
Increases as a result of changes in the measure of progress	55,895	111,920	-	-
Foreign exchange differences	(35)	838	(40)	(10)
Impairment loss	(48)	-	-	-
Impairment loss reversal	21	126	-	-
Closing balance	**64,875**	**118,573**	**40,085**	**51,071**

Contract assets decreased by EUR 53.7 million compared to 31 December 2019 due to lower project-related activities in the steel pipes segment during 2020 compared to 2019.

Contract liabilities primarily relate to the advance consideration received from customers for construction of customized products or energy projects for which revenue is recognized over time. Contract liabilities which are expected to be settled within more than one year are classified as non-current liabilities (EUR 9,889 thousand as of 31 December 2020).

E. Contract costs

Management expects that fees, commissions & other costs associated with obtaining contracts for energy projects are recoverable. Cenergy Holdings recorded costs incurred to obtain a contract of EUR 545 thousand as Contract costs at 31 December 2020 (31 December 2019: EUR 285 thousand).

In addition, costs to fulfill a contract are capitalised, if they are directly associated with the contract and are recoverable. Such contract costs may include materials used for tests necessary for the production, labor costs, insurance fees and other costs necessary to fulfil performance obligations under a contract once it is obtained, but before transferring the control of goods or rendering services to the customer. Cenergy Holdings recorded costs incurred to fulfil a contract of EUR 167 thousand as Contract costs at 31 December 2020 (31 December 2019: EUR 311 thousand).

Therefore, at 31 December 2020 Cenergy Holdings has recorded as contract costs an amount of EUR 713 thousand, out of which an amount of EUR 222 thousand is classified as non-current assets.

Contract costs of obtaining or fulfilling a contract are expensed to cost of sales when the related revenue is recognised. In 2020, there was no impairment loss in relation to contract costs.

F. Significant judgments in revenue recognition

In recognizing revenue the Group makes judgements regarding the timing of satisfaction of performance obligations, the identification of distinct performance obligations, as well as the transaction price and the amounts allocated to performance obligations. The most significant of these estimates are described below:

- Contracts including multiple performance obligations are mainly identified in cables segment for turnkey projects and for customized products in both segments, as described in Note 7.B and Note 5.3. In such cases the total transaction price is allocated to these performance obligations on the basis of the relative standalone selling prices of the promised goods or services. If these goods and services are not sold separately, a cost plus margin approach is used to estimate the standalone selling price.
- Revenue deriving from the production of customized products for energy projects is recognized overtime. In such projects, contracts signed by Cenergy Holdings' subsidiaries may prescribe the promises of both:

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- producing customized products based on customers' specifications; and
- transporting them to the customer's site.

In such cases, transportation is considered as a separate performance obligation, since both criteria prescribed in IFRS 15.27 are met, since the customer benefits from the offered transportation service and the promise to transport the goods to the customer is separately identifiable from the production of these customized products.

Revenue for orders of standardized products (i.e. hollow structural sections, wires and non-customized power & telecom cables) is recognized at a specific point in time and transportation is not considered a separate performance obligation, since the second criterion of IFRS 15.27 is not met.

- Some contracts with customers involve a variable transaction cost as they include a volume or trade discount based on the total sales to the customer within a time period. In such case revenue is recognised based on the anticipated sales to the customer throughout the year, as these sales are realized and new orders are received and up to an extent it is highly probable that a significant reversal of cumulative revenue recognised will not be needed.

8. Income and expenses

A. Other income

Amounts in EUR thousand	Note	For the year ended 31 December 2020	2019
Government grants		18	42
Rental income		568	526
Income from fees, commissions & costs recharged		2,373	2,299
Indemnities and income from claims		17	114
Gain from disposal of property, plant & equipment		6	7
Amortization of grants	28	908	736
Gain from disposal of subsidiaries		-	3,630
Reversal of impairment losses on investment property	20	-	89
Income from valuation of options	23	936	-
Other		262	652
Other Income		**5,088**	**8,095**

B. Other expenses

Amounts in EUR thousand	Note	For the year ended 31 December 2020	2019
Loss from disposal of Property, plant & equipment		-	(384)
Loss from write-offs of Property, plant & equipment	17	(142)	(137)
Impairment of investment property	20	-	(79)
Depreciation and amortisation	20	-	(200)
Expenses recharged		(682)	(502)
Indemnities and claims		(116)	(29)
Other taxes		(214)	(419)
Other penalties		(11)	(421)
Incremental coronavirus costs		(1,837)	-
Employee benefits	11	(292)	(149)
Other		(515)	(981)
Other expenses		**(3,810)**	**(3,301)**

The line "Incremental coronavirus costs" presented in the table above includes 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. "Incremental coronavirus costs" includes temporary premium payments to compensate employees for performing their normal duties at increased personal risk, charges for cleaning and disinfecting facilities more thoroughly and more frequently, medical equipment, nursery staff and other expenses directly associated with the coronavirus outbreak.

C. Expenses by nature

Amounts in EUR thousand	Note	For the year ended 31 December 2020	2019
Cost of inventories recognized as an expense		(539,680)	(621,672)
Employee benefits	12	(70,629)	(68,225)
Energy		(11,605)	(14,108)
Depreciation and amortisation	17, 18, 19	(24,979)	(27,693)
Amortization of contract costs		(342)	(1,890)
Taxes - duties		(1,679)	(1,504)
Insurance premiums		(13,790)	(11,337)
Rental fees		(2,356)	(2,151)
Transportation		(31,981)	(26,742)
Promotion & advertising		(433)	(686)
Third party fees and benefits		(120,995)	(96,577)
Loss from derivatives		(5,660)	(7,535)
Maintenance expenses		(9,220)	(9,907)
Travel expenses		(2,393)	(3,145)
Commissions		(3,269)	(3,057)
Foreign exchange gains/(losses)		(1,192)	111
Other expenses		(3,335)	(3,667)
Total cost of sales, selling & distribution expenses and administrative expenses		**(843,539)**	**(899,782)**

The increase in "Third party fees and benefits" is attributed mainly to fees paid to subcontractors for coating services in the context of steel pipes projects and for installation services in the context of turnkey contracts executed during 2020 by subsidiaries in the cables segment. Specifically, during 2020 the installation for the submarine interconnection of Cyclades (second phase), the submarine interconnection of Skiathos island with Evia, Greece, the Crete – Peloponese interconnection and several other onshore projects were undertaken by subcontractors in Cables segment. During 2019, installation services provided in the context of cables projects assigned to subcontractors were more limited in the onshore cables business, while only two submarine projects, i.e. the installation phases for the interconnection of the Kafireas wind park in Evia, Greece, with the national power grid via submarine cables and the 400kV submarine cable in Rio-Antirio, were executed.

The fluctuation in transportation costs relate to the geographical mix of sales and volume of deliveries in steel pipes segment that took place in 2020 compared to 2019. As mentioned in note 7.F, when certain criteria are met, transportation is considered as a separate performance obligation and the relevant costs are recognized when such performance obligations are fulfilled.

Cenergy Holdings significantly invests in research and development in order to continuously bring value-added products and services to the market and improve production processes, as well as to promote materials recycling and the proper use of natural resources. The aggregate amount of research and development expenditure recognised as an expense for 2020 amounts to EUR 3.8 million (2019: EUR 3.8 million).

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9. Net finance costs

Amounts in EUR thousand	For the year ended 31 December 2020	2019
Finance income		
Interest income	31	42
Foreign exchange gains	325	-
	356	**42**
Finance costs		
Interest expense and related costs	(31,333)	(33,714)
Foreign exchange losses	(662)	(954)
	(31,996)	**(34,667)**
Net finance costs	**(31,640)**	**(34,626)**

Interest expenses and related costs were lower by 7% compared to 2019 as a result of lower interest rates agreed and lower working capital needs for the execution of projects in the steel pipes segment.

10. Earnings per share

Considering that there are neither share options, nor convertible bonds, basic and diluted earnings per share are identical and have been based on the following profit attributable to ordinary shareholders and weighted-average numbers of ordinary shares outstanding.

A. Profit attributable to ordinary shareholders

Amounts in EUR thousand	For the year ended 31 December 2020	2019
Profit attributable to the owners of the Company	24,772	20,189

B. Weighted-average number of ordinary shares outstanding

The number of ordinary shares in issue for 2020 and 2019 was 190,162,681 shares. No shares were issued during 2020.

C. Earnings per share

The basic and diluted earnings per share are as follows:

In EUR per share	For the year ended 31 December 2020	2019
Basic and diluted	0.13027	0.10617

11. Employee benefits

Amounts in EUR thousand	Note	At 31 December 2020	2019
Net defined benefit liability		6,406	5,677
Liability for social security contributions	27	2,561	2,413
Total employee benefit liabilities		**8,967**	**8,089**
Non-current		6,406	5,677
Current		2,561	2,413

For details on the related employee benefit expenses, see Note 12.

A. Post-employment plans

The following post-employment plans exist:

Defined contribution plan

All the employees of the Company's subsidiaries are insured for their main pension by the respective social insurance organizations as required by the local legislation. Once the contributions have been paid, the Company's subsidiaries have no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due, and as such are included in employee benefit expenses.

Defined benefit plan

The employees of the Company's subsidiaries in Greece and Bulgaria, are entitled to receive a lump sum when they retire. This lump sum is determined in accordance with the years of service and the salary at the retirement date. This obligation meets the definition of defined benefit plans and charges the accumulated benefits through profit or loss in each period with a corresponding increase of the retirement liability. Benefits paid to pensioners during each period are charged against this liability. These plans are unfunded.

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B. Movement in net defined benefit liability

The following table shows the reconciliation from the opening balance to the closing balance for net defined benefit liability and its components.

Amounts in EUR thousand	For the year ended 31 December 2020	2019
Balance at 1 January	**5,677**	**4,320**
Included in profit or loss		
Current service cost	372	263
Past service cost	138	1
Settlement/curtailment/termination loss	798	214
Interest cost	43	69
	1,351	**547**
Included in OCI		
Remeasurement loss/(gain)		
Actuarial loss/(gain) arising from:		
- Demographic assumptions	-	31
- Financial assumptions	415	1,149
- Experience adjustments	31	192
	447	**1,372**
Other movements		
Disposal of subsidiary	-	(239)
Benefits paid	(1,068)	(323)
Balance at 31 December	**6,406**	**5,677**

During the financial year 2020, Cenergy Holdings' companies provided EUR 1,068 thousand in benefit payments to employees who left the Group during the year. An additional cost that arose due to these payments (Settlement/Curtailment/Termination loss of EUR 798 thousand) was recognized. More specifically, in the cases of dismissal, voluntary withdrawals with benefit payment and retirement, the additional cost is the difference between the benefit paid and the amount recorded in the defined benefit liability for the respective employees.

The increase in benefits paid and in Settlement/curtailment/termination loss is attributed to the cost optimization initiatives undertaken in steel pipes segment during 2020.

C. Defined benefit obligation

a) Actuarial assumptions

The following were the weighted average principal actuarial assumptions at the reporting date:

	2020	2019
Discount rate	0.30%	0.77%
Inflation	1.25%	1.30%
Future salary growth	1.86%	1.78%
Plan duration (expressed in years)	16.25	14.54

Assumptions regarding future mortality have been based on published statistics and mortality tables.

b) Expected maturity analysis

The analysis of Group's expected undiscounted benefits cash flows in the future years out of the defined benefit plan liability is as follows:

Amounts in EUR thousand	2020	2019
Up to 1 year	127	111
Between 1 and 2 years	74	95
Between 2 and 5 years	320	239
Over 5 years	6,212	5,986
Total	**6,733**	**6,430**

c) Sensitivity analysis

The sensitivity analysis for each significant actuarial assumption, which was reasonably possible, at the end of the reporting period and shows how the defined benefit obligation would have been affected by the following changes:

Amounts in EUR thousand	Increase	Decrease
Discount rate (0.5% movement)	(484)	536
Future salary growth (0.5% movement)	515	(475)

If zero withdrawal rates were used when determining the defined benefit liability as of 31 December 2020, the liability would have been increased by EUR 636 thousand.

The above sensitivity analysis is based on a change in one assumption while all other assumptions remain constant. In practice, this is unlikely to occur as changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employee benefit liability recognized on the statement of financial position. The methods and the formula of the assumptions used for the defined analysis have not changed compared to the previous year.

12. Employee benefit expenses

	For the year ended 31 December	
Amounts in EUR thousand	2020	2019
Employee remuneration & expenses	56,589	54,436
Social security expenses	11,057	11,053
Defined benefit plan	1,351	547
Other	3,977	4,113
Total	**72,974**	**70,149**

Employee benefits were allocated as follows:

	For the year ended 31 December	
Amounts in EUR thousand	2020	2019
Cost of goods sold	53,085	49,931
Distribution expenses	7,874	9,351
Administrative expenses	9,670	8,943
Other expenses	292	149
Incremental coronavirus costs	154	-
Capitalised in assets under construction	1,899	1,775
Total	**72,974**	**70,149**

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The number of employees, as well as their profile and gender, employed by the Group is presented in the following tables:

	2020	2019
Number of employees	2,238	2,088

	18 - 30	30-50	51+	Total
Male	297	1,202	467	**1,966**
Female	55	158	59	**272**
Total	**352**	**1,360**	**526**	**2,238**

	Office employees & professionals	Workers	Management	Total
Number of employees	778	1,343	117	**2,238**

13. Income tax

A. Amounts recognised in profit or loss

Amounts in EUR thousand	For the year ended 31 December 2020	2019
Current tax expense	**(2,494)**	**(274)**
Origination and reversal of temporary differences	(6,960)	(9,577)
Change in tax rate or composition of new tax	-	(502)
Recognition of previously unrecognised tax losses, tax credit or temporary differences of a prior period	42	2,105
Derecognition of previously recognised tax losses	(1,226)	(66)
Deferred tax expense	**(8,144)**	**(8,041)**
Income Tax	**(10,638)**	**(8,315)**

B. Reconciliation of effective tax rate

Amounts in EUR thousand	For the year ended 31 December 2020	2019
Profit before tax	**35,410**	**28,492**
Tax using the domestic tax rate in Greece (24%)	(8,498)	(6,838)
Non-deductible expenses for tax purposes	(1,026)	(2,955)
Tax-exempt income	736	1,078
Recognition of previously unrecognised tax losses, tax credit or temporary differences of a prior period	42	2,105
Effect of tax rates in foreign jurisdictions	134	143
Current-year losses for which no deferred tax asset is recognised	(377)	(1,049)
Incremental R&D tax incentives	297	-
Change in tax rate or composition of new tax	-	(502)
Derecognition of previously recognised tax losses	(1,226)	(66)
Adjustment for prior year income tax	(720)	(231)
Income tax expense reported in the statement of profit or loss	**(10,638)**	**(8,315)**
Effective tax rate	**(30.0%)**	**(29.2%)**

According to the Greek law N. 4646/2019, the corporate income tax rate for legal entities in Greece for the fiscal year 2019 and onwards is set at 24%. The corporate income tax rate of legal entities in Romania is set at 16% and in USA is set at 21%.

The effective income tax rate of the Group was influenced by the fact that certain loss making subsidiaries did not recognize deferred tax on current year's tax losses, while the current assessment regarding the recoverability of available tax losses to offset future taxable income in steel pipes segment led to the derecognition of deferred tax asset on previously recognised tax losses.

Since 2019, based on Greek legislation, research and development (R&D) expenditure, including the tax depreciation costs of equipment and instruments used in R&D activities, may be deducted from gross revenue when incurred at a rate 130%. Further, on 29 July 2020, the Greek government passed new legislation increasing the R&D expenditure deduction from 30% to 100% and accelerating the certification procedure by the General Secretariat for Research and Technology (GSRT) (Law 4712/2020, art.46, Government Gazette A' 146/29/7/2020). The new law amended article 22A of Law 4172/2013 and is effective since 1 September 2020. Therefore, R&D expenditure may be deducted from gross revenue when incurred at a rate of 200% from 1 September 2020, onwards instead of 130%, rate applicable for expenditure incurred up to 31 August 2020. The subsidiaries of Cenergy Holdings make use of the above tax provisions and the expected tax benefit is presented in the line "Incremental R&D tax incentives" of the table above.

C. Movement in deferred tax balances

The movement in deferred tax assets and liabilities during the year is as follows:

2020					Change in tax rate			Balance at 31 December		
Amounts in EUR thousand	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Effect recognised in profit or loss	Effect recognised in OCI	Disposal of subsidiaries	Net	Deferred tax assets	Deferred tax liabilities
Property, plant & equipment	(30,268)	(3,127)	-	4	-	-	-	**(33,391)**	2	(33,392)
Right of use assets	(6)	10	-	-	-	-	-	**4**	9	(5)
Intangible assets	(1,799)	(134)	-	-	-	-	-	**(1,934)**	410	(2,343)
Investment property	71	-	-	-	-	-	-	**71**	71	-
Inventories	96	(23)	-	-	-	-	-	**73**	73	-
Contracts with customers	(6,271)	(5,152)	-	-	-	-	-	**(11,423)**	-	(11,423)
Derivatives	352	(98)	212	-	-	-	-	**466**	534	(68)
Loans and borrowings	(2,448)	480	-	-	-	-	-	**(1,968)**	-	(1,968)
Employee benefits	1,359	68	106	-	-	-	-	**1,534**	1,534	-
Provisions	632	(320)	-	-	-	-	-	**313**	313	-
Other items	(720)	460	-	(115)	-	-	-	**(375)**	307	(682)
Carry forward tax loss	7,689	(2,424)	-	-	-	-	-	**5,265**	5,265	-
Thin-cap interest	10,493	2,114	-	(4)	-	-	-	**12,603**	12,603	-
Tax assets / (liabilities) before set-off	**(20,821)**	**(8,144)**	**319**	**(114)**	**-**	**-**	**-**	**(28,761)**	**21,121**	**(49,882)**
Set-off tax									*(18,213)*	*18,213*
Net tax assets / (liabilities)	**(20,821)**	**(8,144)**	**319**	**(114)**	**-**	**-**	**-**	**(28,761)**	**2,908**	**(31,668)**

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The movement in deferred tax assets and liabilities during the prior year is as follows:

2019					Change in tax rate			Balance at 31 December		
Amounts in EUR thousand	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Effect recognised in profit or loss	Effect recognised in OCI	Disposal of subsidiaries	Net	Deferred tax assets	Deferred tax liabilities
Property, plant & equipment	(31,268)	(1,669)	-	5	2,189	-	474	**(30,268)**	-	(30,268)
Right of use assets	-	(6)	-	-	-	-	-	**(6)**	6	(12)
Intangible assets	(1,074)	(102)	-	-	(623)	-	-	**(1,799)**	539	(2,338)
Investment property	74	-	-	-	(3)	-	-	**71**	71	-
Inventories	(696)	832	-	-	(41)	-	-	**96**	96	-
Contracts with customers	5,667	(11,250)	-	(3)	(686)	-	-	**(6,271)**	-	(6,271)
Derivatives	1,072	(356)	(127)	-	(71)	(167)	-	**352**	370	(19)
Loans and borrowings	(3,167)	507	-	-	212	-	-	**(2,448)**	-	(2,448)
Employee benefits	1,078	(147)	645	-	(38)	(120)	(57)	**1,359**	1,359	-
Provisions	5,936	(4,484)	-	-	(819)	-	-	**632**	632	-
Other items	(909)	103	-	(4)	90	-	-	**(720)**	200	(920)
Carry forward tax loss	3,118	5,005	-	-	(434)	-	-	**7,689**	7,689	-
Thin-cap interest	6,751	4,028	-	(6)	(278)	-	(2)	**10,493**	10,493	-
Tax assets / (liabilities) before set-off	**(13,419)**	**(7,539)**	**518**	**(7)**	**(502)**	**(287)**	**414**	**(20,821)**	**21,455**	**(42,276)**
Set-off tax									*(19,291)*	*19,291*
Net tax assets / (liabilities)	**(13,419)**	**(7,539)**	**518**	**(7)**	**(502)**	**(287)**	**414**	**(20,821)**	**2,164**	**(22,985)**

On 31 December 2020, the accumulated tax losses carried forward available for future use amounted to EUR 36.7 million. Cenergy Holdings' companies have recognised a deferred tax asset on tax losses of EUR 22 million because management considered it probable that future taxable profits would be available against which such losses can be used. Such tax losses are expected to be used during the next five years.

Deferred tax assets on tax losses relate mainly to steel pipes segment and the recoverability of such asset is based on the expected profitability during the following years, due to the existing initiatives undertaken in order to secure high utilisation of Thisvi plant in the following years, while the history of tax profits during prior years demonstrate the ability to use available tax losses against future profits in the forthcoming years. Finally, it is noted that the main part of the tax losses on which deferred tax has been recognized occurred due a non-recurring event, i.e. originate from the tax recognition of impairment loss for a specific former customer (see note 15) during 2019.

Based on management's estimates regarding the future taxable profits and the utilization period of tax losses according to applicable tax legislation deferred tax assets have not been recognised in respect of tax losses carried forward for an amount of EUR 14.8 million with expiration date during the period 2021 to 2025. Such tax losses for which deferred tax assets have not been recognised mainly concern the parent company.

According to the provisions of articles 49 and 72 of the Greek Law 4172/2013 concerning thin capitalization, net interest expense is deductible from current year's tax profits, if it is equal or less than 30% of EBITDA and any excess can be settled with future tax profits without time limitations. Similar thin capitalization rules apply to the tax deductibility of interest in Romania. Specifically, net interest cost higher than the deductible limit of EUR 200 thousand is deductible only up to 10% of EBITDA. The excess net interest costs are non-deductible in the relevant tax period, but may be carried forward to an unlimited number of tax years. During 2020, deferred tax asset recognised related on thin capitalization rules increased by EUR 2.1 million.

14. Inventories

Amounts in EUR thousand	2020	2019
Finished goods and merchandise	52,443	52,560
Semi-finished goods	33,732	26,247
Raw and auxiliary materials	113,612	137,373
Consumables	2,517	2,348
Packaging materials	1,947	1,817
Spare parts	8,940	8,150
Total	**213,192**	**228,495**

In 2020, the amount of inventories recognised as expense during the period and included in "Cost of sales" was EUR 539.7 million (2019: EUR 621.7 million). This decrease is due to the execution of a more profitable projects mix in 2020 and the decrease in sales of steel pipes projects.

Inventories have been reduced by EUR 732 thousand in 2020 as a result of the write-down to net realizable value (2019: EUR 417 thousand).

Inventories with a carrying amount of EUR 21.5 million are pledged as security for borrowings received by Cenergy Holdings' companies (see Note 26).

The decrease in inventories is mainly due to less raw material purchases for steel pipes projects compared to the respective prior year's period.

15. Trade and other receivables

Amounts in EUR thousand	Note	2020	2019
Current assets			
Trade receivables		75,941	74,595
Less: Impairment losses	29.C.1	(23,824)	(26,263)
		52,118	**48,332**
Other downpayments		725	3,236
Cheques and notes receivables		50	23
Receivables from related entities	35	28,942	33,842
VAT & other tax receivables		12,064	7,391
Other receivables		6,580	9,902
Other debtors		12,960	10,265
Less: Impairment losses	29.C.1	(567)	(414)
		60,754	**64,244**
Total		**112,872**	**112,577**
Non-current assets			
Non-current receivables from related parties		208	115
Other non-current receivables		1,094	1,367
Total		**1,303**	**1,482**

A. Transfer of trade receivables

The carrying amount of receivables includes amounts that are subject to factoring arrangements. Cenergy Holdings and its subsidiaries, enter into factoring agreements with recourse to sell trade receivables for cash proceeds. These trade receivables are not being derecognised from the Consolidated Statement of Financial Position, because substantially all of the risk and rewards are retained within the Group - primarily credit risk. The amount received on transfer by the factor is recognised as a secured bank loan.

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The following information shows the carrying amount of trade receivables at the year-end that have been transferred but have not been derecognised and the associated liabilities.

Amounts in EUR thousand	At 31 December 2020	2019
Carrying amount of trade receivables transferred	31,000	15,882
Carrying amount of associated liabilities	2,245	9,662

The fair value of the trade receivables transferred approximate the carrying amount.

As of 31 December 2020 and 2019, Cenergy Holdings had not used the total amount of credit line available by the factoring companies.

B. Credit and market risks and impairment losses on trade receivables

During 2010, the subsidiary Corinth Pipeworks SA initiated in Greece and Dubai legal actions against a former customer in the Middle-East regarding the recovery of an overdue receivable of USD 24.8 million (EUR 20.3 million at 31 December 2020), plus legal interest.

Following a series of court proceedings, the Dubai Court of Cassation issued its final judgment, during 2017, and ruled to reject any counterclaim of the former customer and to confirm the amount due to Corinth Pipeworks.

In order to recover this long overdue balance, Corinth Pipeworks has initiated the enforcement procedures against the assets of the former customer that are located within any of the countries, where the Court of Cassation judgment issued against the former customer is enforceable (i.e. UAE and various other countries in the Middle East). There were no other substantial developments during 2020.

Corinth Pipeworks had recorded in the past an impairment loss for the whole outstanding amount, i.e. USD 24.8 million. However, the subsidiary will continue any and all actions required to collect the full amount of that receivable.

Information about Cenergy Holdings' exposure to credit and market risks and impairment losses for trade and other receivables is included in Note 29.C.1.

16. Cash and cash equivalents

Amounts in EUR thousand	2020	2019
Cash in hand and cash in bank	98	265
Short-term bank deposits	80,937	90,144
Total	**81,035**	**90,408**

Short term deposits have duration of less than 90 days and are available for use.

17. Property, plant and equipment

A. Reconciliation of carrying amount

Amounts in EUR thousand	Land, plants & other buildings	Machinery	Furniture and other equipment	Assets under construction	Total
Cost					
Balance at 1 January 2019	177,125	481,473	21,987	31,682	**712,267**
Change in accounting policy	-	(2,618)	(308)	-	**(2,926)**
Effect of movement in exchange rates	(492)	(1,048)	(125)	(38)	**(1,704)**
Additions	254	7,496	1,954	39,378	**49,083**
Disposals	(2,188)	(4)	(111)	-	**(2,303)**
Write-offs	-	-	(157)	(137)	**(295)**
Disposal of subsidiaries	(4,835)	(8,250)	(754)	(108)	**(13,948)**
Reclassification from inventory	-	1,755	-	-	**1,755**
Other reclassifications	2,089	38,593	(891)	(42,118)	**(2,327)**
Balance at 31 December 2019	**171,954**	**517,396**	**21,594**	**28,659**	**739,603**
Balance at 1 January 2020	171,954	517,396	21,594	28,659	**739,603**
Effect of movement in exchange rates	(383)	(845)	(68)	(26)	**(1,323)**
Additions	1,402	3,491	3,628	52,663	**61,184**
Disposals	(16)	(46)	(356)	(121)	**(538)**
Write-offs	(48)	-	(1)	(94)	**(142)**
Other reclassifications	4,313	19,716	767	(29,528)	**(4,732)**
Balance at 31 December 2020	**177,222**	**539,713**	**25,564**	**51,553**	**794,052**

Amounts in EUR thousand	Land, plants & other buildings	Machinery	Furniture and other equipment	Assets under construction	Total
Accumulated depreciation and impairment losses					
Balance at 1 January 2019	(65,207)	(224,428)	(17,302)	-	**(306,938)**
Change in accounting policy	-	307	100	-	**407**
Effect of movement in exchange rates	338	680	5	-	**1,023**
Depreciation	(3,641)	(18,680)	(1,236)	-	**(23,557)**
Disposals	798	3	97	-	**898**
Write-offs	-	-	157	-	**157**
Other reclassifications	(8)	(35)	1,222	-	**1,179**
Disposal of subsidiaries	1,597	6,959	737	-	**9,293**
Balance at 31 December 2019	**(66,124)**	**(235,193)**	**(16,220)**	**-**	**(317,538)**
Balance at 1 January 2020	(66,124)	(235,193)	(16,220)	-	**(317,538)**
Effect of movement in exchange rates	262	544	50	-	**856**
Depreciation	(3,019)	(15,142)	(1,565)	-	**(19,726)**
Disposals	58	18	343	-	**418**
Write-offs	-	-	1	-	**1**
Other reclassifications	3	(5)	(124)	-	**(126)**
Balance at 31 December 2020	**(68,821)**	**(249,778)**	**(17,516)**	**-**	**(336,115)**
Carrying amounts					
At 1 January 2019	111,918	257,045	4,685	31,682	405,330
At 31 December 2019	**105,830**	**282,204**	**5,374**	**28,659**	**422,066**
At 31 December 2020	**108,401**	**289,935**	**8,048**	**51,553**	**457,937**

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The net amount in other reclassifications concerns intangible assets under construction reclassified during the year to intangible assets.

B. Security

Property, plant & equipment with a carrying amount of EUR 136.4 million are mortgaged as security for borrowings received by Cenergy Holdings (see Note 26).

C. Property, plant and equipment under construction

The most important items in property, plant and equipment under construction as of 31 December 2020 concern the expansion of Fulgor's inter-array cables production capacity and certain productivity and capacity improvement investments in Thisvi's plant of steel pipes segment. The majority of such capital expenditure projects are expected to be completed during 2021.

The amount of EUR 29.5 million reclassified from assets under construction in 2020 mostly relates to the conclusion of part of the productivity improvements at the Fulgor plant and the conclusion of development projects related to the acquisition of licenses.

Borrowing costs of EUR 505 thousand related to the acquisition of new machinery were capitalised, calculated using a capitalisation rate of 4.55%.

D. Change in estimate of useful lives

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

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

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

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

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

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

18. Leases

A. Amounts recognised in the Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position shows the following amounts relating to leases:

Right-of-use assets Amounts in EUR thousand	2020	2019
Buildings	442	325
Machinery	2,229	2,204
Transportation means	2,927	3,352
Total	**5,598**	**5,881**

Lease liabilities Amounts in EUR thousand	Note	2020	2019
Current lease liabilities	26	1,752	1,768
Non-current lease liabilities	26	3,681	3,990
Total		**5,433**	**5,758**

B. Reconciliation of carrying amount of Right-of-use assets

Amounts in EUR thousand	2020	2019
Balance at 1 January	**5,881**	**-**
Effect of movement in exchange rates	(95)	(394)
Additions	1,628	1,739
Terminations	(497)	(36)
Modifications	(20)	2
Depreciation	(1,453)	(1,440)
Other reclassifications	155	-
Disposal of subsidiary	-	(14)
Change in accounting policy	-	6,025
Balance at 31 December	**5,598**	**5,881**

C. Amounts recognised in the Consolidated Statement of Profit or Loss

The Consolidated Statement of Profit or Loss shows the following amounts relating to leases:

Amounts in EUR thousand	2020	2019
Depreciation charge of right-of-use assets		
Buildings	51	121
Machinery	159	190
Transportation means	1,243	1,129
Total	**1,453**	**1,440**
Interest expense (included in finance cost)	212	181
Variable rental fees	105	196
Low value rental fees	137	133
Short term rental fees	1,718	1,709

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19. Intangible assets

A. Reconciliation of carrying amount

Amounts in EUR thousand	Development costs	Trademarks and licenses	Software	Other	Total
Cost					
Balance at 1 January 2019	1,042	22,940	9,731	304	**34,017**
Effect of movement in exchange rates	-	-	(101)	-	**(101)**
Additions	510	1,980	1,735	-	**4,224**
Disposals	-	-	(33)	-	**(33)**
Other reclassifications	-	502	1,824	-	**2,327**
Disposal of subsidiaries	-	(3)	(146)	-	**(150)**
Balance at 31 December 2019	**1,552**	**25,418**	**13,010**	**304**	**40,284**
Balance at 1 January 2020	1,552	25,418	13,010	304	**40,284**
Effect of movement in exchange rates	-	-	(92)	-	**(92)**
Additions	23	1,118	2,542	-	**3,683**
Other reclassifications	-	3,653	1,053	(2)	**4,704**
Balance at 31 December 2020	**1,575**	**30,189**	**16,512**	**303**	**48,578**

Amounts in EUR thousand	Development costs	Trademarks and licenses	Software	Other	Total
Accumulated amortisation and impairment losses					
Balance at 1 January 2019	(493)	(4,790)	(6,250)	(200)	**(11,733)**
Effect of movement in exchange rates	-	-	59	-	**59**
Amortisation	(171)	(1,135)	(1,377)	(13)	**(2,696)**
Disposals	-	-	32	-	**32**
Other reclassifications	-	-	(1,179)	-	**(1,179)**
Disposal of subsidiaries	-	3	1	-	**5**
Balance at 31 December 2019	**(663)**	**(5,922)**	**(8,713)**	**(213)**	**(15,511)**
Balance at 1 January 2020	(663)	(5,922)	(8,713)	(213)	**(15,511)**
Effect of movement in exchange rates	-	-	56	-	**56**
Amortisation	(239)	(1,692)	(1,857)	(13)	**(3,801)**
Disposals	-	-	-	-	**-**
Other reclassifications	-	(2)	-	2	**-**
Balance at 31 December 2020	**(902)**	**(7,616)**	**(10,514)**	**(224)**	**(19,256)**
Carrying amounts					
At 1 January 2019	**549**	**18,150**	**3,481**	**105**	**22,284**
At 31 December 2019	**888**	**19,497**	**4,296**	**92**	**24,773**
At 31 December 2020	**673**	**22,574**	**5,997**	**79**	**29,323**

The additions for the current period mainly concerned externally purchased know-how regarding production methods and associated software programmes. The useful lives for the know-how and associated software programmes is set to 10 years. Furthermore, several development projects leading to licenses have been concluded.

B. Amortisation

The amortization of trademarks & licenses with finite useful lives, software programs and other intangible assets is allocated to the cost of inventory and is included in "cost of sales" as inventory is sold, as trademarks & licenses and software programs are mainly used directly for the production of products and they are considered as production overheads. The amortization of intangible assets not used for production is allocated to administrative expenses.

C. Intangible assets with indefinite useful lives

All intangible assets have finite useful life, except for the following assets, included in trademarks and licenses:

a. Trade Name "Fulgor" (carrying amount of EUR 1.4 million at 31 December 2020)

It relates to the sector of medium voltage submarine cables and terrestrial high voltage cables that Fulgor was operating prior to its acquisition by Hellenic Cables in 2011 and which has revealed significant economic benefits. Based on the analysis of relevant factors (e.g. knowledge, no longstanding engagement with a wide range of clientele, future development of the sector), the useful life of the brand was considered indefinite.

b. License of Port use in Soussaki, Corinth (carrying amount of EUR 8.3 million at 31 December 2020)

Fulgor holds a license for permanent and exclusive use of a port located in the premises of the factory in Soussaki, Corinth. The port is necessary for the production of submarine cables of medium and high voltage. Since the acquisition of the subsidiary, significant investments for the upgrade and expansion of production capacity in producing high-voltage submarine cables took place. Since 2014, the production started as planned. The useful life of the asset is considered indefinite, since the use of these port facilities is for an indefinite period of time, in the context of the significant development of the sector.

D. Impairment testing

As these intangible assets do not generate independent cash inflows, it was considered appropriate to carry out the impairment test on the basis of the Cash Generating Unit (CGU) of Fulgor submarine cables production plant, which incorporates these assets. In order to evaluate the value in use, cash flow projections based on estimates by management covering a five-year period (2021 – 2025) were used. These estimates take into consideration the contracts already signed, as well as contracts estimated to be awarded in Greece and abroad.

The submarine cables CGU operates in a project-based business. Therefore, assumptions related to revenue and profitability growth are based on the contracts already signed, as well as those estimated to be undertaken in the forthcoming period. The main assumptions regarding the operations of submarine cables CGU and the projects to be executed within the five-year period are:

- Progressively high capacity utilization of Fulgor's plant, as in 2019 & 2020, based on contracts already awarded & expected awards based on tendering activity. Given the continued growth, the existing backlog, the growth of renewables business around the world, which is a significant driver in the attractive outlook for the offshore power generation market, the continuously high level of activity is expected to be retained throughout the period 2021-2025.
- Capital expenditure of approx. EUR 92 million in the following 5 years, in order to cover estimated production and capacity needs. Capital expenditure reflects investments for both maintenance purposes and expectations of organic growth. Based on the high order intake of the offshore business unit, investments are high for 2021 before being normalized over the period 2022–2025. For the terminal period, the investments are set equal to depreciation.
- Compound annual growth rate of revenue from offshore business for the five-year period at ca. 6.7% attributable to assignment of new projects mainly in Greece, North Europe and the USA.
- Profitability per offshore project in terms of EBITDA at ca. 15%-28% of revenue. Estimated profitability per project varies mainly due to different type of cable and technical specifications, geographic region and project's timeframe.
- Compound annual growth rate of fixed operating expenses at ca. 1.4% for the five-year period.

Cash flows after the first five years were calculated using an estimated long term growth rate of 1.38%, which mainly reflects management's estimates for the world economy as well as long-term growth prospects of the offshore cable sector. The expected long-term growth rate was set equal to the growth rate used in 2019. The pre-tax rate used to discount these cash flows is from 9.5% to 8.2% for the five year period and 8.5% for the terminal value and was based on the following:

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- Risk free rate was determined according to AAA Eurozone rates in the range of -0.68% to -0.64% for the five years and 0% for the terminal value.
- The country risk for operating in Greece determined in the range of 0.6% to 0.7% for the first five years and 0.5% for the terminal value.
- The market risk premium was determined at 5.96%, i.e. stable compared to prior year's impairment test.

Despite the fact that the commodity prices for copper and aluminium are part of the assumptions for the impairment test performed, due to the hedging activities undertaken and the customized nature of the products sold by Fulgor, the value of the business unit is not significantly affected by fluctuations in commodity prices. Neutral result from metal price fluctuations is assumed in the context of the impairment test.

The results of this test indicated that the recoverable amount as of 31 December 2020 exceeds the carrying amount of the CGU amounting to EUR 206 million by EUR 530 million.

A sensitivity analysis was carried out on the key assumptions of the model (discount rates and growth in perpetuity), so as to examine the adequacy of the headroom. The result of the sensitivity analysis indicated that the recoverable amount still exceeds the carrying value of the CGU. Assumptions may change as follows so as the recoverable amount equals the carrying amount:

	Assumptions used	Change in rates (percentage points change)
Discount rate	*9.5% to 8.2%*	*+13.2 ppc*
Terminal growth	*1.38%*	*-50.2 ppc*

20. Investment property

A. Reconciliation of carrying amount

Amounts in EUR thousand	2020	2019
Balance at 1 January	764	5,837
Impairment	-	(79)
Reversal of impairment	-	89
Depreciation	-	(200)
Disposal of subsidiary	-	(4,883)
Balance at 31 December	**764**	**764**
Gross carrying amount	1,348	1,348
Accumulated depreciation and impairment losses	(584)	(584)
Carrying amount at 31 December	**764**	**764**

Investment property at 31 December 2020 consists of several land properties in Greece. None of these is currently leased. These properties are not currently used by Cenergy Holdings and are held either for capital appreciation or to be leased in the foreseeable future.

B. Measurement of fair value – Impairment loss and subsequent reversal

Based on management's assessment, during the current period, there were no indications for impairment or reversal of impairment for any property. The fair value of investment property amounts to EUR 804 thousand on 31 December 2020 in line with 2019, while the accumulated impairment loss amounts to EUR 584 thousand. The inputs used for fair value measurement of investment property have been categorised Level 2, based on the inputs to the valuation techniques used.

C. Restrictions - Contractual obligations

There are neither restrictions nor contractual obligations.

21. Equity-accounted investees

A. Reconciliation of carrying amount

Amounts in EUR thousand	Note	2020	2019
Balance at 1 January		34,583	11,929
Share in profit after taxes		838	1,600
Share in other comprehensive income		(161)	(17)
Reclassification from Other investments	22	-	12,004
Additions		3,285	8,149
Dividends received		(915)	(498)
Foreign exchange differences		(3,292)	1,416
Balance at 31 December		**34,339**	**34,583**

During January 2020, the subsidiary CPW America acquired an interest of 20% of Bellville Tube Company based in Texas, USA in exchange of USD 3.3 million. Bellville Tube Company manufactures steel tubular products for the local market. Due to changes incurred during the period in the shareholding structure of the associate the interest held at 31 December 2020 was 19.4%.

During December 2019, the Group acquired an additional interest of 8.29% of the affiliate company International Trade S.A. Up to that date, the Group held a percentage of 12.21% in this affiliate and such investment was categorized as FVOCI. Upon the acquisition of the additional percentage, the Group can exercise significant influence over International Trade, as the voting power of the Group exceeds 20%. Therefore at 31 December 2019, the interest of EUR 12,004 thousand previous classified as Other investments was reclassified to equity-accounted investees.

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B. Financial information per associate

The following tables present financial information per associate. The disclosed financial information reflects amounts in the financial statements of the relevant associates.

2020

Company Amounts in EUR thousand	Principal place of business	Revenue	Profit / (Loss) from continuing operations	Total comprehensive income	Ownership interest
STEELMET S.A.	Greece	32,052	752	647	29.56%
DIA.VIPE.THIV. S.A.	Greece	2,487	109	107	26.19%
AO TMK-CPW	Russia	41,141	1,775	1,775	49.00%
INTERNATIONAL TRADE S.A.	Belgium	990,559	3,192	2,562	20.50%
BELLVILLE TUBE COMPANY	USA	14,548	(4,826)	(4,826)	19.40%

Company Amounts in EUR thousand	Segment	Current assets	Non-current assets	Current liabilities	Non-current liabilities
STEELMET S.A.	Other activities	6,786	3,260	9,047	2,531
DIA.VIPE.THIV. S.A.	Steel Pipes	1,882	12,239	352	8,258
AO TMK-CPW	Steel Pipes	25,397	4,734	9,794	-
INTERNATIONAL TRADE S.A.	Other activities	141,997	8,559	105,841	7,082
BELLVILLE TUBE COMPANY	Steel Pipes	1,975	14,200	3,773	3,428

2019

Company Amounts in EUR thousand	Principal place of business	Revenue	Profit / (Loss) from continuing operations	Total comprehensive income	Ownership interest
STEELMET S.A.	Greece	18,385	590	443	29.56%
DIA.VIPE.THIV. S.A.	Greece	2,130	(237)	(242)	26.19%
AO TMK-CPW	Russia	60,860	3,037	3,037	49.00%
INTERNATIONAL TRADE S.A.	Belgium	1,037,393	2,168	1,956	20.50%

Company Amounts in EUR thousand	Segment	Current assets	Non-current assets	Current liabilities	Non-current liabilities
STEELMET S.A.	Other activities	3,723	2,012	2,570	2,255
DIA.VIPE.THIV. S.A.	Steel Pipes	2,077	12,232	592	8,313
AO TMK-CPW	Steel Pipes	23,639	6,542	4,101	69
INTERNATIONAL TRADE S.A.	Other activities	113,172	8,879	83,321	2,659

The following table analyzes the interest in AO TMK-CPW and other significant associates:

Amounts in EUR thousand	At 31 December 2020	2019
Net assets of AO TMK-CPW at 1 January (100%)	**26,011**	20,886
Total comprehensive income of AO TMK-CPW (100%)	1,775	3,037
Foreign exchange differences (100%)	(6,120)	2,889
Dividends (100%)	(1,330)	(801)
Net assets of AO TMK-CPW at 31 December (100%)	**20,336**	**26,011**
Carrying amount of interest in AO TMK-CPW at 31 December (49%)	**9,965**	**12,745**
Carrying amount of interest in International Trade	20,473	20,153
Carrying amount of interest in Bellville Tube Company	2,162	-
Carrying amount of interest in other individually immaterial associates	1,739	1,684
Total	**34,339**	**34,583**

There are no restrictions on the ability of joint ventures or associates to transfer funds to the Company in the form of cash dividends, or to repay loans or advances made by the Company.

There are no unrecognised share of losses of an associate, both for the reporting period and cumulatively.

22. Other investments

Amounts in EUR thousand	Note	2020	2019
Balance at 1 January		5,015	4,579
Additions		26	4,790
Change in fair value		640	7,650
Reclassification to equity-accounted investees	21	-	(12,004)
Disposals		(24)	-
Balance at 31 December		**5,657**	**5,015**

Other investments are equity investments at FVOCI and concern unlisted shares (equity instruments) of Greek entities.

23. Derivatives

The following table sets out the carrying amount of derivatives:

Amounts in EUR thousand	At 31 December 2020	2019
Non-Current assets		
Options	871	-
Total	**871**	**-**
Current assets		
Forward foreign exchange contracts	584	213
Total	**584**	**213**
Current liabilities		
Forward foreign exchange contracts	143	322
Future contracts	2,433	1,407
Total	**2,576**	**1,728**

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Hedge accounting

Cenergy Holdings' companies hold derivative financial instruments for cash flow and fair value hedges.

The abovementioned derivative financial instruments cover risks from:

- Changes in the prices of metals;
- Fluctuations of foreign exchange rates.

The maturity and the nominal value of derivatives held by Cenergy Holdings' companies match the maturity and nominal value of the underlying assets / liabilities (hedged items).

Derivatives held by Cenergy Holdings' companies concern mainly:

- Future contracts to hedge the risk from the change of the price of metals listed in LME (London Metal Exchange) and used in production of Cenergy Holdings' companies in the cables segment (i.e. mainly copper and aluminium). Such hedges are designated as cash flow hedges.
- Foreign exchange forwards to hedge the risk from the change in exchange rate of US Dollar and British Pound (i.e. currencies to which Cenergy Holdings' companies are mainly exposed). Such hedges are either designated as fair value or cash flow hedges depending on the item hedged. Foreign exchange forwards, when used for hedging foreign exchange risk on outstanding receivables and suppliers denominated in foreign currency these instruments, are designated under fair value hedging. Foreign exchange forwards, when used for hedging foreign exchange risk on the forecasted sales of goods or purchase of materials, are designated as cash flow hedges.

Derivatives are recognised when Cenergy Holdings' companies enter into the transaction in order either to hedge the fair value of receivables, liabilities or commitments (fair value hedges) or highly probable transactions (cash flow hedges).

Fair value hedges

Derivatives are designated as fair value hedges when the exposure to changes in the fair value of a recognized financial asset or liability is hedged. Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the Consolidated Statement of Profit or Loss, along with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedges

The effective portion of change in fair value of derivatives designated as a cash flow hedge is recognised in other comprehensive income (OCI), under "Hedging Reserve". The gain or loss on the non-effective proportion is recorded to the profit or loss.

The amounts recorded in "Hedging Reserve" are reclassified to the Consolidated Statement of Profit or Loss of the period when the event hedged occurs, i.e. at the date when the forecasted transaction which constitutes the object of the hedge took place or the hedged item affects profit and loss (for example, in case of a forward sale of aluminium, the reserve is recognised in Consolidated Statement of Profit or Loss after the net cash settlement of future contract and at the date the aluminium sold).

When a hedge item is sold or when the hedging proportion no longer meets the hedge accounting criteria, hedge accounting is discontinued prospectively, the amounts recorded in "Hedging reserve" remain as a reserve and are reclassified to the Consolidated Statement of Profit or Loss when the hedged asset affects profits or losses. In the case of a hedge on a forecast future transaction, which is no longer expected to be realized, the amounts recorded in "Hedging reserve" are reclassified to the consolidated statement of profit or loss.

The change in fair value recognized in equity under cash flow hedging as of 31 December 2020 will be recycled to the consolidated statement of profit or loss during 2021, as all the hedged events will occur (the forecasted transactions will take place or the hedged items will affect profit or loss) in 2021.

Cenergy Holdings' companies examine the effectiveness of the cash flow hedge at inception (prospectively) by comparing the critical terms of the hedging instrument with the critical terms of the hedged item, and then at every reporting date (retrospectively) the effectiveness of the cash flow hedge by applying the dollar offset method on a cumulative basis is examined.

Cenergy Holdings' companies' results from the hedging activities recorded in the statement of profit or loss are presented for metal future contracts and foreign exchange contracts in "Revenue" and "Cost of sales". The amounts recognized in the consolidated statement of profit or loss are the following:

	For the year ended 31 December	
Amounts in EUR thousand	**2020**	**2019**
Gain / (loss) on future contracts	(3,308)	1,026
Gain / (loss) on foreign exchange forward contracts	424	(5,824)
Total	**(2,884)**	**(4,798)**

Profit or loss related to derivatives used for cash flow hedging and recognized in other comprehensive income (Hedging reserve) at 31 December 2020 will be recognized in profit or loss during the next financial year.

Options related to the associate Bellville Tube Company

Based on the purchase agreement, the shareholders of Bellville Tube Company (see note 21) granted CPW America with a call option to purchase the remaining outstanding capital stock of Bellville Tube Company. The calculation of the purchase price prescribed in the call option is based on a predetermined formula. The exercise period for the call option starts in 2022 and expires in 2025. Upon the exercise of the call option CPW America will own 100% of outstanding capital stock of Bellville Tube Company.

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

The options described above were recognized on the statement of financial position upon valuation performed and as a result a gain of EUR 936 thousand, included in "Other Income" in the statement of Profit or loss. Based on the inputs used in order to determine the fair value of the put and the call options, such options are categorized as Level 3. The options are valuated in USD and based on year end exchange rates, the valuation of such options was EUR 871 thousand. The valuation of the call & put options was based on a widely acceptable pricing model methodology considering the complexity of the option plan.

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

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

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

- If turnover was higher by 1%, then the fair value of the options would be higher by EUR 14 thousand or 1.4%.
- If working capital was higher by 1%, then the fair value of the options would be lower by EUR 48 thousand or 4.9%.
- If risk free rate was higher by 0,5%%, then the fair value of the options would be higher by EUR 23 thousand or 2.4%.
- If volatility was higher by 1%, then the fair value of the options would be higher by EUR 46 thousand or 4.7%.

24. Capital and reserves

A. Share capital and share premium

The outstanding share capital and number of shares of the Company are as follows:

- Total outstanding share capital: EUR 117,892,172.38; and
- Total number of shares: 190,162,681.

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The shares of the Company have no nominal value. Holders of shares are entitled to one vote per share at the shareholders meetings of the Company.

Share premium of the Company amounts to EUR 58,600 thousand.

B. Nature and purpose of reserves

(a) Statutory reserve

Pursuant to the Belgian tax legislation, the companies are obliged, from their fiscal year profits, to form 5% as a legal reserve until it reaches 10% of their paid share capital. The distribution of the legal reserve is prohibited.

Pursuant to Greek company law, the companies are obliged to allocate each year at least 5% of its annual net profits to its statutory reserve, until this reserve equals at least 1/3 of the company's share capital. The distribution of the statutory reserve is prohibited but it can be used to offset losses.

(b) Hedging reserve

The hedging reserve includes the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

(c) FVOCI reserve

This category relates to reserves formed by the application of the provisions of IFRS 9 regarding the treatment of other investments classified as FVOCI.

(d) Special reserves

This category relates to reserves formed by the application of the provisions of certain developmental laws, which were granting tax benefits to companies that invested their retained earnings rather than distribute them to the shareholders. More specifically, the aforementioned reserves either have exhausted their income tax liability or have been permanently exempted from income tax, after the lapse of a specified period beginning from the completion of the investments they concern.

(e) Tax exempt reserves

This category relates to reserves formed by the application of the provisions of certain tax laws and are exempt from income tax, provided that they are not distributed to the shareholders. In case these reserves are distributed, they will be taxed using the tax rate applying at such time.

(f) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

C. Reconciliation of reserves

Amounts in EUR thousand	Statutory reserve	Hedging reserve	FVOCI reserve	Special reserves	Tax exempt reserves	Translation reserve	Total
Balance at 1 January 2019	**7,569**	**(1,463)**	**-**	**9,525**	**36,318**	**(18,676)**	**33,273**
Other comprehensive income, net of tax	-	514	7,650	-	-	1,124	**9,288**
Transfer of reserves	50	-	(7,650)	-	-	-	**(7,600)**
Disposal of subsidiary	-	-	-	(263)	-	-	**(263)**
Balance at 31 December 2019	**7,619**	**(949)**	**-**	**9,263**	**36,318**	**(17,552)**	**34,699**
Balance at 1 January 2020	**7,619**	**(949)**	**-**	**9,263**	**36,318**	**(17,552)**	**34,699**
Other comprehensive income, net of tax	-	(681)	640	-	-	(4,324)	**(4,364)**
Transfer of reserves	93	-	-	-	-	-	**93**
Balance at 31 December 2020	**7,712**	**(1,630)**	**640**	**9,263**	**36,318**	**(21,876)**	**30,427**

25. Capital management

Cenergy Holdings' policy consists in maintaining a strong capital structure to keep the confidence of investors, creditors and the market and enable the future development of its activities. The Board of Directors closely monitors the return on capital and the level of dividends distributed to holders of ordinary shares.

The Board of Directors tries to maintain an equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure. In this context, the Board of Directors monitors the Return on Capital Employed (ROCE) index defined as EBIT (result of the period (earnings after tax) before income taxes & net finance costs) divided by total Capital Employed, (i.e. equity and debt). The Board of Directors seeks opportunities and examines feasibility to leverage Cenergy Holdings with relatively high ROCE (in any case higher than the cost of debt) and deleverage companies that go through a relatively low ROCE performance period.

Amounts in EUR thousand	2020	2019
Profit for the period	24,771	20,177
Income tax	10,638	8,315
Net finance costs	31,640	34,626
EBIT	**67,049**	**63,117**
Equity	251,762	231,862
Long term debt (incl. Lease liabilities)	178,306	181,719
Short term debt (incl. Lease liabilities)	233,344	322,595
Capital employed	**663,412**	**736,176**
ROCE	**10.1%**	**8.6%**

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26. Debt

A. Overview

Amounts in EUR thousand	At 31 December 2020	2019
Non-current liabilities		
Secured bank loans	6,833	9,355
Unsecured bank loans	11,084	16,770
Secured bond issues	81,835	93,166
Unsecured bond issues	74,874	58,439
Loans and borrowings - Long term	**174,625**	**177,730**
Lease liabilities - Long term	**3,681**	**3,990**
Total long term debt	**178,306**	**181,719**
Current liabilities		
Secured bank loans	6,909	1,962
Factoring with recourse	2,245	9,662
Unsecured bank loans	180,692	276,589
Current portion of secured bond issues	13,798	12,800
Current portion of unsecured bond issues	19,354	11,222
Current portion of secured bank loans	2,543	2,504
Current portion of unsecured bank loans	6,050	6,088
Loans and borrowings - Short term	**231,592**	**320,827**
Lease liabilities - Short term	**1,752**	**1,768**
Total Short term debt	**233,344**	**322,595**
Total Debt	**411,650**	**504,314**

Information about Cenergy Holdings' exposure to interest rate, foreign currency and liquidity risk is included in Note 29.

The maturities of non-current loans are as follows:

Amounts in EUR thousand	2020	2019
Between 1 and 2 years	42,338	35,012
Between 2 and 5 years	111,759	103,689
Over 5 years	24,209	43,019
Total	**178,306**	**181,719**

The effective weighted average interest rates of the main categories of loans and borrowings at the reporting date are as follows:

	2020		2019	
Amounts in EUR thousand	**Carrying amount**	**Interest rate**	**Carrying amount**	**Interest rate**
Bank lending (non-current) - EUR	17,681	2.6%	26,125	3.0%
Bank lending (non-current) - USD	37	1.0%	-	-
Bank lending (current) - EUR	195,441	3.5%	292,282	3.8%
Bank lending (current) - GBP	1,437	3.0%	448	4.3%
Bank lending (current) - USD	198	1.0%	644	5.4%
Bank lending (current) - RON	1,562	4.0%	2,140	5.0%
Bank lending (current) - LEV	-	-	1,290	4.6%
Bond issues - EUR	189,860	4.3%	175,626	4.7%

During 2020, Cenergy Holdings' subsidiaries obtained new bank loans amounting to EUR 38.0 million and paid back loans of EUR 132.2 million maturing within the year. New loans are mainly drawdowns from existing revolving credit facilities and new ones with similar terms and conditions, project financing facilities as well as three new long-term loans, described below. Loans and borrowings had an average effective interest rate of 3.8% (2019: 4.0%).

During Q4 2020, the Group obtained the following long-term loans:

- Corinth Pipeworks entered an agreement with a major Greek bank for a long-term bond loan of EUR 10 million for 5 years from the date of signing. The loan is guaranteed by Hellenic Development Bank.
- Corinth Pipeworks entered an agreement with a major Greek bank for a long-term bond loan of EUR 6 million for 5 years from the date of signing.
- Fulgor entered an agreement with a major Greek bank for a long-term bond loan of EUR 20 million for 5 years from the date of signing.

All the above long term bond loans are fully drawn.

Short-term facilities are predominately revolving credit facilities, funding working capital needs, and project financing facilities for specific ongoing and new projects.

Total Debt decreased by EUR 92.7 million, pushed by lower working capital needs in the steel pipes segment in addition to higher operational profitability in the cables segment.

As of 31 December 2020, Cenergy Holdings' consolidated current liabilities exceeded consolidated current assets by EUR 44.2 million (31 December 2019: EUR 30.8 million). Even so, Cenergy Holdings' subsidiaries have never in the past experienced any issues in financing their activities, renewing their working capital lines or refinancing long-term loans and borrowings. Management expects that any mandatory repayment of banking facilities will be met with operating cash flows or from currently unutilized and committed credit lines. Regarding the funding of project-based activities, Cenergy Holdings' subsidiaries have secured the necessary funds through project finance facilities.

Mortgages and pledges in favor of banks have been recorded on property, plant and equipment and inventories of subsidiaries. The carrying amount of assets mortgaged or pledged is EUR 157.9 million (amount of EUR 21.5 million relates to pledged inventories and amount of EUR 136.4 million relates to mortgaged property, plant and equipment).

In the bank loan agreements of Cenergy Holdings' companies there are clauses of change of control that provide the lenders with an early redemption clause.

There was no incident in 2020 of breach of covenants of the loans of Cenergy Holdings' companies.

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B. Reconciliation of movements of liabilities to cash flows arising from financing activities

Amounts in EUR thousand	2020 Loans & borrowings	2020 Lease liabilities	2020 Total	2019 Loans & borrowings	2019 Lease liabilities	2019 Total
Balance at 1 January	**498,556**	**5,758**	**504,314**	**537,007**	**1,639**	**538,645**
Changes from financing cash flows:						
Proceeds from new borrowings	38,030	-	**38,030**	62,930	-	**62,930**
Repayment of borrowings	(132,217)	-	**(132,217)**	(98,909)	-	**(98,909)**
Principal elements of lease payments	-	(1,267)	**(1,267)**	-	(1,066)	**(1,066)**
Total changes from financing cash flows	**(94,187)**	**(1,267)**	**(95,454)**	**(35,979)**	**(1,066)**	**(37,045)**
Other changes:						
New leases	-	1,628	**1,628**	-	1,739	**1,739**
Effect of changes in foreign exchange rates	(133)	(92)	**(225)**	73	(11)	**62**
Capitalised borrowing costs	505	-	**505**	785	-	**785**
Interest expense	20,079	212	**20,291**	24,102	181	**24,282**
Interest paid	(18,603)	(212)	**(18,815)**	(22,004)	(181)	**(22,184)**
Terminations	-	(573)	**(573)**	-	(36)	**(36)**
Modifications	-	(20)	**(20)**	-	2	**2**
Disposal of subsidiaries	-	-	**-**	(5,427)	(15)	**(5,443)**
Change in accounting policy	-	-	**-**	-	3,507	**3,507**
	1,848	**943**	**2,790**	**(2,471)**	**5,185**	**2,714**
Balance at 31 December	**406,217**	**5,433**	**411,650**	**498,556**	**5,758**	**504,314**

27. Trade and other payables

Amounts in EUR thousand	Note	2020	2019
Suppliers		114,881	137,165
Notes payable		93,230	47,349
Social security contributions	11	2,561	2,413
Amounts due to related parties	35	9,026	9,945
Sundry creditors		5,195	1,891
Accrued expenses		20,644	14,338
Other taxes		3,771	2,865
Total		**249,309**	**215,964**
Current balance of trade and other payables		249,092	213,794
Non-current balance of trade and other payables		217	2,170
Balance at 31 December		**249,309**	**215,964**

The increase in trade and other payables is mainly attributed to the improved credit terms agreed with the supply chain partners of the Group related mainly to the purchase of primary raw materials.

28. Grants

Amounts in EUR thousand	Note	2020	2019
Balance at 1 January		**14,006**	**14,655**
New grants received during the year		317	169
New grants for which receipt is pending		3,073	-
Amortisation of grants	8.A	(908)	(736)
Disposal of subsidiary		-	(80)
Effect of movement in exchange rates		(1)	(2)
Balance at 31 December		**16,487**	**14,006**

Government grants have been received mainly for investments in property, plant and equipment.

During 2020, Fulgor recorded an amount of EUR 3,073 thousand related to a government grant for the purchase of certain items of property, plant and equipment for which all relative conditions were fulfilled during the year. The receipt of such government grant is pending and is expected shortly.

In addition, Fulgor received a new grant of EUR 72 thousand for the participation in a development programme related to floating dynamic cables.

Corinth Pipeworks recorded a grant of EUR 245 thousand in the context of the receipt of a new loan guaranteed by the Hellenic Development Bank. Such grant will be amortized during the term of the loan.

All conditions attached to the grants received by Cenergy Holdings were met as of 31 December 2020.

29. Financial instruments

A. Accounting classifications 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.

31/12/2020

Amounts in EUR thousand	Carrying amount	Level 1	Level 2	Level 3	Total
Equity investments at FVOCI	5,657	-	-	5,657	**5,657**
Derivative financial assets	1,455	-	584	871	**1,455**
	7,112	**-**	**584**	**6,528**	**7,112**
Derivative financial liabilities	(2,576)	(2,433)	(143)	-	**(2,576)**
	4,536	**(2,433)**	**441**	**6,528**	**4,536**

31/12/2019

Amounts in EUR thousand	Carrying amount	Level 1	Level 2	Level 3	Total
Equity investments at FVOCI	5,015	-	-	5,015	**5,015**
Derivative financial assets	213	-	213	-	**213**
	5,228	**-**	**213**	**5,015**	**5,228**
Derivative financial liabilities	(1,728)	(1,407)	(322)	-	**(1,728)**
	3,499	**(1,407)**	**(109)**	**5,015**	**3,499**

The various levels are as follows:

- Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.

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- 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:

- 90% of consolidated loans and borrowings concern floating-rate debt, which are a very good approximation of current market rates;
- As for fixed-rate instruments (EUR 39.5 million as of 31 Dec 2020), the fair value test based on current market rates indicates that their fair value determined to EUR 41.4 million.

The following table shows the reconciliation between opening and closing balances for Level 3 financial assets, which are classified as Equity investments at:

Amounts in EUR thousand	2020	2019
Balance at 1 January	**5,015**	**4,579**
Additions	26	4,790
Change in fair value	640	7,650
Reclassification to equity-accounted investees	-	(12,004)
Disposals	(24)	-
Balance at 31 December	**5,657**	**5,015**

B. Measurement of fair values

(a) Valuation techniques and significant unobservable inputs

The fair values of financial assets that are traded in active markets (stock markets) (e.g. derivatives such as futures, shares, bonds, mutual funds) are set according to the published prices (Level 1 inputs) that are valid on the reporting date. The fair value of financial assets is determined by their offer price, while the fair value of financial liabilities is determined by their bid price.

The fair values of financial assets that are not traded in active markets are set through the use of valuation techniques and standards that are based on market data on the reporting date.

The fair values of financial liabilities, for the purpose of being recorded in Financial Statements, are estimated based on the present value of the future cash flows that arise from specific contracts using the current interest rate that is available for Cenergy Holdings and its companies for the use of similar financial-credit means.

Inputs that do not meet the respective criteria and cannot be classified in Level 1 but are observable, either directly or indirectly, fall under Level 2. Over-the-counter derivative financial instruments based on prices obtained from brokers are classified in this level.

The financial assets, such as unlisted shares or option schemes that are not traded in an active market whose measurement is based either on the Cenergy Holdings' companies' forecasts for the issuer's future profitability or on other widely acceptable method are classified under Level 3.

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Forwards exchange contracts	*Market comparison technique*: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments	Broker quotes	Not applicable
Future contracts	*Market value*: Price as traded in active market.	Not applicable.	Not applicable.
Options	*Options pricing model:* The model is based on widely acceptable methodology considering the complexity of the options plan	The basic inputs that have been used in the valuation model are the following: • expected turnover & EBITDA margins of the associate; • future working capital needs; • risk free rate • volatility, defined as the range of values for all inputs used in the valuation model	*• If turnover of the associate is higher, then the fair value of the options would be higher; • If future working capital is higher, then the fair value of the options would be lower; • If risk free rate is higher, then the fair value of the options would be higher; • If volatility is higher, then the fair value of the options would be higher (See also note 23)*
Equity securities not traded in active markets	*Adjusted Net Asset Method:* According to this method the Group adjusts the book values of an investment's assets and liabilities, if and when necessary, to arrive at their fair market value at the time of valuation	*Investment in Noval Property:* Noval Property is a real estate company following fair value model to value its assets. Therefore, net assets is considered a reliable metric for the estimation of fair value of the investment	The estimated fair value would increase (decrease) based on the fair value of underlying properties held

(b) Transfers between Levels 1 and 2

There were no transfers from Level 2 to Level 1 or from Level 1 to Level 2 in 2020 and no transfers in either direction in 2019.

C. Financial risk management

Cenergy Holdings and its companies are exposed to credit, liquidity and market risk due to the use of its financial instruments. This Note sets forth information on their exposure to each one of the above risks, their objectives, the policies and procedures applied to risk measurement and management and Cenergy Holdings' Capital Management (Note 25).

The risk management policies are applied in order to identify and analyze the risks facing Cenergy Holdings and its companies, set risk-taking limits and apply relevant control systems. The risk management policies and relevant systems are examined from time to time so as to take into account any changes in the market and the companies' activities.

The implementation of risk management policies and procedures is supervised by the Internal Audit department, which performs recurring and non-recurring audits and the results of such audits are notified to the Board of Directors.

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C.1. Credit risk

Credit risk is the risk of the financial loss to Cenergy Holdings, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the companies' receivables from customers and contract assets & deposits with banks.

The carrying amount of financial assets represents the maximum credit exposure.

		At 31 December	
Amounts in EUR thousand	**Note**	**2020**	**2019**
Trade & Other receivables - Current	15	112,872	112,577
Trade & Other receivables - Non-current	15	1,303	1,482
Contract assets	7.D	64,875	118,573
Less:			
Other downpayments	*15*	*(725)*	*(3,236)*
Tax assets	*15*	*(12,064)*	*(7,391)*
Other receivables	*15*	*(6,580)*	*(9,902)*
Subtotal		**159,680**	**212,103**
Equity investments at FVOCI	22	5,657	5,015
Cash and cash equivalents	16	81,035	90,408
Derivatives	23	1,455	213
Subtotal		**88,147**	**95,636**
Grand total		**247,827**	**307,739**

(a) Trade and other receivables & contract assets

Cenergy Holdings' exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the companies' management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. As of the reporting dates, no client exceeds 10% of consolidated sales and, consequently, commercial risk is spread over a large number of clients. However, due to the fact that the business of certain subsidiaries (i.e. CPW Pipe Industry, Hellenic Cable Industry and Fulgor) is project oriented, there are cases where this threshold is individually exceeded for a rather short period of time. For 2020, this threshold was exceeded from only one client of cables segment, namely ADMIE (Greek TSO), due to the execution of certain signed contracts for cables projects.

Cenergy Holdings has established a credit policy where each new customer is examined on an individual basis in terms of creditworthiness before the standard payment and delivery terms are proposed to such customer. Cenergy Holdings' review includes external ratings, if they are available, and in some cases bank references. Credit limits are set for each individual customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. As a rule, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of recoverability they have shown. Trade and other receivables mainly include wholesale customers of Cenergy Holdings' companies. For any customer characterized as being "high risk", any subsequent sale is required to be paid in advance. Depending on the background of the customer and its status, Cenergy Holdings' subsidiaries may demand collateral or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

Cenergy Holdings records an impairment that represents its estimate of expected credit losses in respect of trade and other receivables.

At 31 December, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

Amounts in EUR thousand	2020	2019
Greece	84,151	76,719
Other EU Member States	63,320	124,915
Other European countries	81	2,005
Asia	7,586	2,988
America (North & South)	4,065	5,347
Africa	477	129
Total	**159,680**	**212,103**

At 31 December, the aging of trade and other receivables that were not impaired was as follows:

Amounts in EUR thousand	2020	2019
Neither past due nor impaired	149,942	190,759
Overdue		
- Up to 6 months	6,531	17,602
- Over 6 months	3,207	3,742
Total	**159,680**	**212,103**

Subsidiaries' management believes that the amounts that are past due up to 6 months and over 6 months are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available.

On 31 December 2020 and 2019, the remaining receivables past due but not impaired mainly related to leading industrial groups, major public and private utilities and major resellers.

Cenergy Holdings' companies insure the majority of their receivables in order to be secured in case of default. As of 31 December 2020, 72% of the balances owed by counterparties were insured.

The movement in impairment of trade and other receivables and contract assets is as follows:

Amounts in EUR thousand	2020 Trade & other receivables	2020 Contract assets	2020 Total	2019 Trade & other receivables	2019 Contract assets	2019 Total
Balance at 1 January	**26,678**	**115**	**26,793**	**25,467**	**242**	**25,708**
Impairment loss recognized	292	48	341	1,880	-	1,880
Impairment loss reversed	(375)	(21)	(395)	(243)	(126)	(370)
Reversal of / (Impairment loss) on receivables and contract assets	*(82)*	*28*	*(55)*	*1,637*	*(126)*	*1,511*
Write-offs	(321)	-	(321)	(183)	-	(183)
Foreign exchange differences	(1,884)	-	(1,884)	347	-	347
Disposal of subsidiary	-	-	-	(590)	-	(590)
Balance at 31 December	**24,390**	**143**	**24,533**	**26,678**	**115**	**26,793**

The allowance for expected credit losses for trade receivables and contract assets are calculated at individual level when there is an indication of impairment. For receivables and contract assets without any indication of impairment the expected credit losses are based on the historical credit loss experience combined with forward-looking

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information in macroeconomic factors effecting the credit risk, such as country risk and customers' industry related risks.

In 2020, a net reversal of impairment loss was recorded as a result of the improvement of the expected loss rates of major clients operating in the energy sector and domestic.

The following collateral exists for securing non-insured receivables & contract assets:

Amounts in EUR thousand	2020	2019
Bank letters of guarantee	-	2,953
Payables which can be offset by receivables	3,858	2,191
Total	**3,858**	**5,144**

(b) Cash and cash equivalents

Cenergy Holdings and its companies held cash and cash equivalents of EUR 81,035 thousand at 31 December 2020. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated from AA- to CCC+ based on ratings of Fitch.

C.2. Liquidity risk

Liquidity risk is the risk that Cenergy Holdings and its companies will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach to manage liquidity is to ensure, as much as possible, that they will have sufficient liquidity to meet their liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to their reputation.

In order to avoid liquidity risks, Cenergy Holdings and its companies estimate the expected cash flows for the next year when preparing the annual budget and monitor the monthly rolling forecast of its cash flows for the next quarter, so as to ensure sufficient cash on hand to meet its operating needs, including coverage of its financial obligations. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

The companies monitor their cash needs through Steelmet S.A., an affiliate company, which agrees upon financing terms with the credit institutions in Greece and other countries.

Exposure to liquidity risk

Financial liabilities and derivatives based on contractual maturity are broken down as follows:

31/12/2020		Contractual cash flows				
Amounts in EUR thousand	Carrying Amount	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Bank loans and factoring with recourse	**216,356**	202,283	9,448	9,628	461	**221,821**
Bond issues	**189,860**	43,154	38,217	109,089	31,625	**222,084**
Lease liabilities	**5,433**	1,929	1,401	2,044	466	**5,840**
Derivatives	**2,576**	2,576	-	-	-	**2,576**
Trade and other payables	**242,977**	242,760	227	-	-	**242,987**
	657,203	**492,701**	**49,294**	**120,761**	**32,552**	**695,309**

31/12/2019			Contractual cash flows			
Amounts in EUR thousand	Carrying Amount	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Bank loans and factoring with recourse	**322,930**	298,151	9,541	16,977	1,335	**326,003**
Bond issues	**175,626**	36,912	29,260	91,397	48,967	**206,536**
Lease liabilities	**5,758**	2,193	1,699	2,014	223	**6,129**
Derivatives	**1,728**	1,728	-	-	-	**1,728**
Trade and other payables	**210,687**	209,017	1,953	217	-	**211,187**
	716,729	**548,002**	**42,452**	**110,605**	**50,525**	**751,583**

Cenergy Holdings' companies have syndicated loans that contain loan covenants. A future breach of covenants may require the companies to repay the loans earlier than indicated in the above table. Under the agreement, the covenants are monitored on a regular basis and regularly reported to companies' management to ensure compliance with the agreements.

C.3. Market risk

Market risk is the risk that changes in the market prices – such as commodity prices, foreign exchange rates and interest rates - will affect Cenergy Holdings and its companies' income or the value of their financial instruments. Cenergy Holdings' companies use derivatives to manage market risk.

Generally, the companies seek to apply hedge accounting to manage volatility in profit or loss.

(a) Currency risk:

Cenergy Holdings and its companies are exposed to currency risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Cenergy Holdings and its companies, which is mainly EUR. The most important currencies in which these transactions are held are mainly EUR, USD and GBP.

Over time, Cenergy Holdings' companies hedge the greatest part of their estimated exposure to foreign currencies in relation to the anticipated sales and purchases, as well as to the receivables and liabilities in foreign currency. Cenergy Holdings' companies enter mainly into forward contracts with external counterparties so as to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the reporting date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may also be covered by taking out loans in the respective currencies.

Loan interest is denominated in the same currency as that of cash flows that arise from the Cenergy Holdings' companies' operating activities.

The investments of Cenergy Holdings and its companies in their subsidiaries are not hedged, because these exchange positions are considered to be long-term and have been made mainly in EUR.

The summary quantitative data about Cenergy Holdings and its companies' exposure to currency risk as reported is as follows.

31/12/2020 Amounts in EUR thousand	USD	GBP	RON	OTHER	TOTAL
Trade and other receivables	10,999	8,398	9,277	-	**28,674**
Contract assets	-	-	-	-	**-**
Cash & cash equivalents	7,288	37	758	43	**8,127**
Loans and Borrowings	(732)	(1,624)	(1,562)	-	**(3,918)**
Trade and other payables	(14,280)	(430)	(11,023)	(8)	**(25,741)**
Contract liabilities	(2,302)	-	(144)	-	**(2,446)**
	974	**6,381**	**(2,693)**	**35**	**4,696**
Derivatives for risk hedging (Nominal Value)	(16,581)	(16,183)	-	-	**(32,764)**
Total risk	**(15,607)**	**(9,802)**	**(2,693)**	**35**	**(28,068)**

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31/12/2019 Amounts in EUR thousand	USD	GBP	RON	OTHER	TOTAL
Trade and other receivables	4,045	6,946	11,727	-	**22,718**
Contract assets	4,470	-	-	-	**4,470**
Cash & cash equivalents	11,369	825	875	24	**13,094**
Loans and Borrowings	(1,045)	(770)	(2,140)	-	**(3,955)**
Trade and other payables	(14,452)	(393)	(9,514)	(53)	**(24,412)**
Contract liabilities	(2,071)	-	(1,168)	-	**(3,239)**
	2,317	**6,609**	**(221)**	**(29)**	**8,676**
Derivatives for risk hedging (Nominal Value)	(10,422)	(6,913)	-	-	**(17,334)**
Total risk	**(8,105)**	**(304)**	**(221)**	**(29)**	**(8,659)**

The following exchange rates have been applied during the year.

	Average exchange rate		Year end spot rate	
	2020	2019	2020	2019
USD	1.1422	1.1195	1.2271	1.1234
GBP	0.8897	0.8778	0.8990	0.8508
RON	4.8376	4.7452	4.8694	4.7793

A reasonably possible strengthening (weakening) of the EUR, USD, GBP or RON against other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
Amounts in EUR thousand	Strengthening	Weakening	Strengthening	Weakening
2020				
USD (10% movement in relation to EUR)	511	(624)	1,383	(1,690)
GBP (10% movement in relation to EUR)	891	(1,089)	891	(1,089)
RON (10% movement in relation to EUR)	245	(299)	245	(299)
2019				
USD (10% movement in relation to EUR)	(61)	75	587	(718)
GBP (10% movement in relation to EUR)	28	(34)	28	(34)
RON (10% movement in relation to EUR)	20	(25)	20	(25)

(b) Interest rate risk:

Exposure to interest rate risk

Cenergy Holdings' companies during the prolonged low interest period have adopted a flexible policy of ensuring that between 5% and 20% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a float rate. The interest rate profile of Cenergy Holdings' companies' interest-bearing financial instruments, as reported is as follows.

Amounts in EUR thousand	At 31 December 2020	2019
Fixed-rate instruments		
Financial liabilities	(39,518)	(37,561)
Variable-rate instruments		
Financial liabilities	(372,133)	(466,753)

Fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Group does not currently use derivatives (interest rate swaps) as hedging instruments under a fair value or cash flow hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect either profit or loss or equity.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 0.25% in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular foreign currency exchange rate, remain constant.

Amounts in EUR thousand	Profit or loss & Equity, net of tax 0.25% increase	0.25% decrease
2020		
Financial liabilities	(1,314)	1,314
2019		
Financial liabilities	(1,481)	1,481

The Group does not currently use derivatives (interest rate swaps) as hedging instruments under a fair value or cash flow hedge accounting model and as a result the impact presented in the table above in profit or loss and equity is the same.

(c) Derivatives assets and liabilities designated as cash flow hedges

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur:

2020 Amounts in EUR thousand	Carrying Amount	Expected cash flows 1-6 months	6-12 months	> 1 year	Total
Foreign exchange forwards					
Assets	326	326	-	-	**326**
Liabilities	-	-	-	-	**-**
Future contracts					
Assets	-	-	-	-	**-**
Liabilities	(2,433)	(2,433)	-	-	(2,433)
Options					
Assets	871	-	-	871	**871**
Liabilities	-	-	-	-	**-**
	(1,235)	**(2,107)**	**-**	**871**	**(1,235)**

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2019 Amounts in EUR thousand	Carrying Amount	Expected cash flows 1-6 months	6-12 months	> 1 year	Total
Foreign exchange forwards					
Assets	213	213	-	-	**213**
Liabilities	(136)	(136)	-	-	**(136)**
Future contracts				**-**	
Assets	-	-	-	-	**-**
Liabilities	(1,407)	(954)	(453)	-	**(1,407)**
	(1,329)	**(877)**	**(453)**	**-**	**(1,329)**

The tables below provides information about the items designated as cash flow hedging instruments during the year and also at 31 December 2020 and the reconciliation of hedging reserve.

Amounts in EUR thousands	Nominal Amount	Carrying amount Assets	Carrying amount Liabilities	Line item in the statement of financial position where the hedging instrument is include	Balance 1 January 2020	Changes in the value of the hedging instrument recognised in OCI	Amount reclassified from hedging reserve to profit or loss	Effect of movement in exchange rates	Balance 31 December 2020
Forward foreign exchange contracts	8,141	326	-	Derivatives - Assets & (Liabilities)	77	(172)	304	117	**326**
Future contracts	14,624	-	(2,433)	Derivatives - Assets & (Liabilities)	(1,407)	1,407	(2,433)	-	**(2,433)**
	22,766	**326**	**(2,433)**		**(1,329)**	**1,235**	**(2,130)**	**117**	**(2,107)**

(d) Commodity price risk

The commodity markets have experienced and are expected to continue to experience price fluctuations. Cenergy Holdings subsidiaries have exposure to the following commodities: steel, aluminum, copper and lead. Cenergy Holdings subsidiaries therefore use future contracts to minimize exposure to commodity price volatility, when possible. Subsidiaries in cables segment use back to back matching of purchases and sales, or derivative instruments (future contracts) in order to minimize the effect of the metal price fluctuations on their results.

As of 31 December 2020 the net derivative balance per commodity was:

Amounts in EUR thousand	2020
Aluminium - Long / (short) position	487
Copper - Long / (short) position	(2,859)
Lead - Long / (short) position	(58)
Nickel - Long / (short) position	(4)
Total	**(2,433)**

These hedges are designated in a cash flow hedge accounting relationship.

C.4. Risk of macroeconomic and financial environment

Cenergy Holdings' subsidiaries follow closely and on a continuous basis the developments in the international and domestic environment and timely adapt their business strategy and risk management policies in order to minimize the impact of the macroeconomic conditions on their operations.

Concerning potential implications from the Brexit, Cenergy Holdings is closely monitoring relevant developments and taking measures to mitigate any disruption. On 31 December 2020 the transitional period for the United Kingdom to leave the European Union has expired. As of 1 January 2021, customs formalities, like those applied on the movement of goods between the EU and any other third country, apply to all goods being exported from an EU Member State to the United Kingdom. There is no transition period for imports into the EU. Therefore, formalities and relevant controls may lead to longer delays at customs. In general, goods entering the EU from the United Kingdom after the end of the transition period must also be covered by an entry summary declaration. Cenergy Holdings companies follows the guidelines provided by the competent authorities in order to mitigate any delays related to imports or exports of goods and to avoid any business disruption. Exports to the United Kingdom accounted for approximately 7% of total revenues for 2020, while most of our competitors in both steel pipes and cables segments operate within the Eurozone and is expected to react accordingly to any currency fluctuation or bureaucratic procedures may arise in the initial implementation phase of the agreement. To summarize, from the analysis performed up to date, Brexit is not expected to have any material adverse effect on the operations of Cenergy Holdings.

30. Impact of Covid-19 pandemic

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

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

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

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

The incremental costs incurred due to the coronavirus outbreak amounted to EUR 1,837 thousand. Such cost includes temporary premium payments to compensate employees for performing their normal duties at increased personal risk, charges for cleaning and disinfecting facilities more thoroughly and more frequently, medical equipment, nursery staff and other expenses directly associated with the coronavirus Covid-19 pandemic.

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

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

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

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

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In the cables segment, only the telecom market experienced a downturn during 2020, while and low voltage markets were hit during the first wave of the pandemic and showed signs of recovery from Q3 onwards. On the contrary, a number of medium and high voltage cable projects and/or corresponding frame agreements were awarded during that same period.

Despite the fact that the steel pipes segment has seen a significant drop in customer demand, mainly due to the significant decrease in oil prices that particularly impacted the feasibility of planned exploration projects, Corinth Pipeworks was awarded significant onshore and offshore projects in Europe, Americas, North Africa and Asia. The successful execution of such projects enhanced Corinth Pipeworks' performance during the second half of the year.

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

Regarding intangible assets with indefinite useful life related to the offshore cables business unit, management concluded that the recoverable amount of the business unit as at 31 December 2020 significantly exceeds the carrying amount of the CGU, as described in note 19. Such assessment is further grounded by the fact that demand in offshore cables sector seems unaffected by the downturn and the fact that operating profitability for 2020 of the business unit was in line with expectations.

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

A reassessment of the recoverability of deferred tax assets was equally performed by subsidiaries based on forecasted taxable profits. It was concluded that deferred tax assets remain recoverable, as described in note 13.

Finally, regarding loan covenants, Cenergy Holdings subsidiaries will make every effort to obtain a waiver from our banking partners at the next measurement date (December 31st, 2021) in view of the covenants which are expected to be breached, as has always been the case in the past whenever such a waiver was necessary. In the unlikely event that no waivers will be obtained, existing credit lines will cover any obligations that may arise from such breaches.

The future impact of Covid-19 pandemic remains challenging to foresee and will be closely linked to the pace of vaccinations across the world, potential next waves of the pandemic and the duration of restrictions imposed across the globe.

31. List of subsidiaries

The Company's subsidiaries and the interest held at the end of the reporting period are as follows:

Subsidiaries	Country	Direct & indirect interest 2020	Direct & indirect interest 2019
CORINTH PIPEWORKS INDUSTRY S.A.	GREECE	100.00%	100.00%
CPW AMERICA CO	USA	100.00%	100.00%
HUMBEL LTD	CYPRUS	100.00%	100.00%
WARSAW TUBULAR TRADING SP. ZOO.	POLAND	100.00%	100.00%
FULGOR S.A.	GREECE	100.00%	100.00%
ICME ECAB S.A.	ROMANIA	98.59%	98.59%
LESCO OOD	BULGARIA	100.00%	100.00%
LESCO ROMANIA S.A.	ROMANIA	65.00%	65.00%
DE LAIRE LTD	CYPRUS	100.00%	100.00%
HELLENIC CABLES S.A. HELLENIC CABLE INDUSTRY S.A.	GREECE	100.00%	100.00%
HELLENIC CABLES AMERICA CO	USA	100.00%	100.00%

For all the above entities, Cenergy Holdings S.A. does exercise control directly and/or indirectly.

32. Joint operations

Hellenic Cables has a 62.48% interest in a joint arrangement called VO Cablel VOF, which was set up as a partnership together with Van Oord. The scope of this joint operation scheme is to supply and install sea and land cables for the Hollandse Kust (South) Alpha project and Hollandse Kust (South) Beta project. The principal place of business of the joint operation is in the Netherlands.

Hellenic Cables has a 50.77% interest in a joint arrangement called DEME Offshore NL - Hellenic Cables V.O.F., which was set up as a partnership together with Tideway. The scope of this joint operation scheme is to execute a turnkey contract for the supply and installation of submarine cables for the connection of the Seamade offshore wind project to the Belgian grid. The principal place of business of the joint operation is in Belgium.

Fulgor has a 10% interest in a joint arrangement called Fulgor – JDN Consortium, which was set up as a partnership together with Jan De Nul. The scope of this joint operation scheme is to execute a turnkey contract for the installation of submarine cables for the interconnection Crete-Peloponnese in Greece. The principal place of business of this joint operation is in Greece.

The agreements in relation to the VO Cablel VOF, Fulgor – JDN Consortium and DEME Offshore NL - Hellenic Cables V.O.F. require unanimous consent from all parties for all relevant activities. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. These entities are therefore classified as a joint operations and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 5.1(g).

33. Commitments

A. Purchase commitments

Cenergy Holdings' subsidiaries have entered into contracts according to their investment plans, which are expected to be concluded during the next year.

	At 31 December	
Amounts in EUR thousand	**2020**	**2019**
Property, plant and equipment	9,845	13,327

B. Guarantees

	At 31 December	
Amounts in EUR thousand	**2020**	**2019**
Guarantees for securing liabilities to suppliers	6,999	5,376
Guarantees for securing the good performance of contracts with customers	252,397	195,018
Guarantees for securing grants	9,573	13,929

34. Contingent liabilities

A. Litigations

Reference is made to the ongoing claim described in Note 15.B.

B. Contingent tax liabilities

The tax filings of the subsidiaries are routinely subjected to audit by the tax authorities in most of the jurisdictions in which Cenergy Holdings conduct business. These audits may result in assessments of additional taxes. Cenergy Holdings provide for additional tax in relation to the outcome of such tax assessments at the amount expected to be settled (or recovered).

Cenergy Holdings believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of underlying factors, including interpretations of tax law and prior experience.

35. Related parties

A. Related party transactions

The following transactions have been made with Viohalco and its subsidiaries, equity-accounted investees and other related parties:

Amounts in EUR thousand	For the year ended 31 December 2020	2019
Sales of goods		
Equity-accounted investees	118,139	1
Other related parties	40,420	135,479
	158,559	**135,480**
Sales of services		
Equity-accounted investees	273	525
Other related parties	1,801	1,385
	2,074	**1,909**
Sales of property, plant & equipment		
Other related parties	65	1,019
	65	**1,019**
Purchases of goods		
Equity-accounted investees	17	-
Other related parties	13,973	19,606
	13,990	**19,606**
Purchases of services		
Viohalco	82	259
Equity-accounted investees	7,929	7,337
Other related parties	10,452	12,325
	18,463	**19,922**
Purchase of property, plant and equipment		
Equity-accounted investees	96	323
Other related parties	3,638	4,382
	3,733	**4,704**

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

During 2020, the sales of goods to related parties have increased, due to sales performed through Viohalco's commercial companies in the main European markets. International Trade is accounted as an equity accounted investee since 27 December 2019. Therefore, all transactions with International Trade and its subsidiaries are presented as transactions with equity accounted investees for 2020, while such transactions are presented as transactions with other related parties for 2019, in the table above.

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

	At 31 December	
Amounts in EUR thousand	**2020**	**2019**
Non-current receivables from related parties		
Other related parties	208	115
	208	**115**
Current receivables from related parties		
Equity-accounted investees	14,457	15,497
Other related parties	14,485	18,345
	28,942	**33,842**
Current liabilities to related parties		
Parent company	82	82
Equity-accounted investees	1,214	3,584
Other related parties	7,730	6,279
	9,026	**9,945**

The outstanding balances from related parties are not secured and the settlement of those current balances is expected to be performed in cash during the next year, since the balances concern only short-term receivables & payables, except for the balances classified as Non-current receivables from related parties, which concerns to long-term guarantees given to related parties providing energy services to Group's subsidiaries.

B. Key management personnel compensation

The table below provides an overview of the transactions with Board members and executive management.

	For the year ended 31 December	
Amounts in EUR thousand	**2020**	**2019**
Compensation to BoD members and executives	1,146	991

The compensation to directors and executive management in the table above is fixed. No variable compensation, post-employment benefits or share based benefits were paid.

36. Auditor’s fees

The Company’s statutory auditor (PwC Reviseurs d’Entreprises SRL / Bedrijfsrevisoren BV) and a number of other member firms of the auditor’s network, received fees for the following services:

	For year ended 31 December	
Amounts in EUR thousand	2020	2019
PwC Reviseurs d’Entreprises SRL / Bedrijfsrevisoren BV		
Audit	105	100
Audit related services	-	-
	105	**100**
PwC Network		
Audit	283	319
Tax related services	77	75
Other services	7	58
	366	**452**
Total	**471**	**552**

37. Subsequent events

No significant subsequent event for which disclosure is required in the Consolidated Financial Statements has occurred since 31 December 2020.

Statutory Auditor's Report

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF CENERGY HOLDINGS SA ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Cenergy Holdings SA (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 28 May 2019, following the proposal formulated by the board of directors and following the recommendation by the audit committee. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2021. We have performed the statutory audit of the Company's consolidated accounts for 2 consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of EUR 1,012,024 thousand and a profit for the year of EUR 24,772 thousand.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated accounts" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter 1: Availability of financing resources and compliance with covenants

Description of the Key Audit Matter

The subsidiaries of the Group have significant non-current and current financial debts. The terms and conditions of the related financing agreements often include financial covenants that are to be complied with at each balance sheet date. Any breach in such financial covenants could result in its lenders exercising the right to claim early repayment of certain non-current and/or current financial debts. For these reasons, we considered the availability of financing resources and failure to comply with covenants as most significant to our audit.

Reference is made to Note 5: Significant accounting policies: Financial instruments and Note 27: Debts.

How our Audit addressed the Key Audit Matter

Our testing included, amongst others, an understanding of the financing agreements and the Group's procedures and controls in place both to ensure its compliance with the financial covenants and to understand the used and unused financing resources. We tested the calculation, performed by Management, of the financial covenants related to the most significant financing agreements and assessed compliance with the terms and conditions stipulated therein. Furthermore, we evaluated both the presentation of the financial debts on the Consolidated Statement of Financial Position and the adequacy of the relevant disclosures in the Notes to the Consolidated Financial Statements.

We found the tested financial covenants to be complied with and company's disclosures of financial debts appropriate.

Key audit matter 2: contract assets (note 7)

Description of the Key Audit Matter

We focused on revenue recognition of construction contracts and its relating contract assets because the Group substantially generates its revenue from projects which qualifies as construction contracts under IFRS. The recognition of revenue and the estimation of the outcome of fixed price construction contracts is complex and requires significant management judgement, in particular with respect to estimation of the cost incurred and the cost to complete the contracts. For these reasons, we identified the contract assets from these construction contracts as most significant during our audit.

Reference is made to Note 5: Significant accounting policies: Revenue and Note 8: Revenue. At December 31, 2020 contract assets amounted to EUR 65 million

How our Audit addressed the Key Audit Matter

Our testing on contract assets included procedures to gain an understanding of the related process and controls as well as substantive test procedures related to the recording of the contract assets, the related revenues and determination of the stage of completion of the contracts. Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies. We also included an evaluation of the significant judgements made by management based on the examination of the associated project documentation and the discussion on the status of projects under construction with finance and technical staff of the Group for specific individual transactions/projects. In addition, in order to evaluate the reliability of management's estimates, we performed a rundown of subsequent costs incurred for closed projects. We also performed testing over manual journals posted to revenue to identify unusual or irregular items that could influence contracts and the relating accrued profit included in this balance.

We found management's judgements in respect of the contract assets to be consistent and in line with our expectations.

Responsibilities of the board of directors for the preparation of the consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that pwc

were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts and to report on these matters.

Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information required by virtue of article 3:32, §2 of the Companies' and Associations' Code is included in the directors' report which is part of the section 'Non-financial information' of the annual report. The Company has prepared the non-financial information, based on the UN's Sustainable Development Goals (SDG's) reporting framework. However, in accordance with article 3:80, §1, 5° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with the UN's Sustainable Development Goals (SDG's) reporting framework as disclosed in the directors' report on the consolidated accounts.

Statement related to independence

Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.

The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

Other statements

- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Sint-Stevens-Woluwe, 8 April 2021

The statutory auditor

PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV

Represented by

Marc Daelman

Réviseur d'Entreprises / Bedrijfsrevisor

CENERGY HOLDINGS

Declaration of responsible persons

Statement on the true and fair view of the consolidated financial statements and the fair overview of the management.

In accordance with the article 12, §2, 3° of the Royal Decree of 14 November 2007, the members of the Executive Management, (i.e. Dimitrios Kyriakopoulos, Alexios Alexiou and Alexandros Benos) declare that, on behalf and for the account of the Company, to the best of their knowledge:

a) the consolidated financial statements for the year ended 31 December 2020 which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the Equity, Financial position and Financial Performance of the Company, and the entities included in the consolidation as a whole,

b) the management report on the consolidated financial statements includes a fair overview of the development and performance of the business and the position of the Company, and the entities included in the consolidation, together with the description of the main risks and uncertainties with which they are confronted.

Condensed Statutory Financial Statements

In accordance the BCCA (Articles 3:17 and 3:36), the Company's annual accounts are presented hereafter in a condensed version, which does not include all the notes required by law or the Statutory Auditor's report. The full version of the Company's annual accounts that shall be deposited with the National Bank of Belgium, is available on the Company's website and can be obtained free of charge upon request.

The statutory Auditor's report on the annual accounts was unqualified.

Table 18: Condensed Statutory Balance Sheet

	As of 31 December	
Amounts in EUR thousand	**2020**	**2019**
Non- current assets	**175,940**	**176,120**
Start-up costs	189	365
Tangible assets	1	1
Financial assets	175,750	175,754
Current assets	**5,127**	**6,967**
Amounts receivable	4,403	5,523
Cash at the bank and in hand	652	1,374
Deferred charges and accrued income	71	70
Total assets	**181,067**	**183,086**
Capital and reserves	**177,646**	**178,869**
Capital	117,892	117,892
Share premium account	59,591	59,591
Reserves	8,575	8,575
Losses carried forward	-8,412	-7,189
Creditors	**3,420**	**4,217**
Amounts payable within one year	3,175	3,966
Accrued charges and deferred income	245	251
Total liabilities	**181,067**	**183,086**

CENERGY HOLDINGS

Table 19: Condensed Statutory Income Statement

Amounts in EUR thousand	For the year ended December 31 2020	2019
Sales and services	20	21
Operating charges	-2,074	-1,903
Miscellaneous goods and services	-1,299	-1,181
Remuneration, social security and pensions	-436	-260
Depreciation and amounts written off on start-up costs, intangible and tangible assets	-176	-177
Amounts written off stocks, contracts in progress and trade debtors	0	-67
Other operating expenses	-64	-54
Other non-recurring operating expenses	-100	-164
Loss of operating activities	-2,054	-1,881
Financial income	836	518
Income from financial assets	826	493
Non-recurring income	10	25
Financial expenses	-4	-100
Other financial expenses	-1	0
Amounts written off financial fixed assets	-4	-100
Loss for the year before income taxes	-1,223	-1,464
Income taxes on result	0	0
Loss for the year	-1,223	-1,464

Alternative Performance Measures

In addition to the results reported in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, this Annual 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 Annual Report are: **Earnings Before Interest and Tax (EBIT), Adjusted EBIT, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), Adjusted EBITDA and Net debt**. Reconciliations to the most directly comparable IFRS financial measures are presented below.

We believe these APMs are important supplemental measures of our operating and financial performance and are frequently used by financial analysts, investors and other interested parties in the evaluation of companies in the steel pipes and cables production, distribution and trade industries. By providing these measures, along with the reconciliations included in this appendix, we believe that investors will have better understanding of our business, our results of operations and our financial position. However, these APMs shall not be considered as an alternative to the IFRS measures.

These APMs are also key performance metrics on which Cenergy Holdings prepares, monitors and assesses its annual budgets and long-range (5 year) plans. However, it must be noted that adjusted items should not be considered as non-operating or non-recurring.

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

APM definitions remained unmodified compared to those applied as at 31 December 2019. 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, and
- 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

CENERGY HOLDINGS

Table 20: EBIT and EBITDA

Amounts in EUR thousand	Cables 2020	Cables 2019	Steel Pipes 2020	Steel Pipes 2019	Other activities 2020	Other activities 2019	Total 2020	Total 2019
Profit/(Loss) before tax (as reported in Consolidated Statement of Profit or Loss)	35,082	26,107	1,321	3,988	(993)	(1,603)	35,410	28,492
Adjustments for:								
Net finance costs	21,034	22,273	10,603	12,336	3	17	31,640	34,626
EBIT	56,116	48,380	11,924	16,324	(991)	(1,586)	67,049	63,117
Add back:								
Depreciation & Amortisation	15,225	16,526	8,844	10,420	2	210	24,071	27,156
EBITDA	71,341	64,905	20,767	26,744	(988)	(1,376)	91,121	90,273

Table 21: a-EBIT and a-EBITDA

Amounts in EUR thousand	Cables 2020	Cables 2019	Steel pipes 2020	Steel pipes 2019	Other activities 2020	Other activities 2019	Total 2020	Total 2019
EBIT	56,116	48,380	11,924	16,324	(991)	(1,586)	67,049	63,117
Adjustments for:								
Metal price lag(1)	8,086	3,088	-	-	-	-	8,086	3,088
Reorganization costs	-	-	447	-	-	-	447	-
Exceptional legal fees	-	-	-	-	315	-	315	-
Gain from sale of subsidiaries	-	(3,538)	-	-	-	(92)	-	(3,630)
Incremental coronavirus costs(2)	1,370	-	467	-	-	-	1,837	-
Impairment/ (Reversal of Impairment) on investment property	-	79	-	-	-	(89)	-	(10)
(Gains)/ Loss from sales of fixed assets	(6)	366	-	16	-	(5)	(6)	377
Adjusted EBIT	65,566	48,374	12,838	16,340	(675)	(1,772)	77,729	62,942
Add back:								
Depreciation & Amortisation	15,225	16,526	8,844	10,420	2	210	24,071	27,156
Adjusted EBITDA	80,791	64,900	21,681	26,760	(673)	(1,562)	101,800	90,098

Notes:

(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. There will, however, always be 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.

Table 22: Net debt

Amounts in EUR thousand	Cables 31 Dec 2020	Cables 31 Dec 2019	Steel pipes 31 Dec 2020	Steel pipes 31 Dec 2019	Other activities 31 Dec 2020	Other activities 31 Dec 2019	Total 31 Dec 2020	Total 31 Dec 2019
Loans and borrowings (incl. Lease liabilities) - Long term	133,295	132,628	44,989	49,091	21	-	178,306	181,719
Loans and borrowings (incl. Lease liabilities) - Short term	168,428	192,232	64,911	130,363	6	-	233,344	322,595
Cash and cash equivalents	(59,694)	(69,229)	(20,689)	(19,805)	(652)	(1,374)	(81,035)	(90,408)
Net debt	242,029	255,630	89,211	159,649	(625)	(1,374)	330,615	413,905

Information to our Shareholders

Cenergy Holdings is a Belgian listed subsidiary of Viohalco S.A. (81.93% of voting rights).

On 14 December 2016, Cenergy Holdings S.A. announced the completion of the cross-border merger by absorption of Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme by Cenergy Holdings S.A. On 21 December 2016, the trading of Cenergy Holdings' shares commenced on Euronext Brussels and on the Athens Stock Exchange (Athex).

During 2019, Hellenic Cables sold its 100% subsidiary Cablel Wires, which had absorbed its enamelled wires sector during the year. Hellenic Cables, during the last quarter of 2019, established Hellenic Cables America Inc., a wholly owned subsidiary in order to provide US customers with direct support and expertise throughout the lifetime of energy projects.

No changes in Group structure took place during 2020 (see also note 31 of the Consolidated Financial Statements).

Market data

The table below sets forth, for the periods indicated, the maximum and minimum year-end closing prices and the end of the year closing prices of Cenergy Holdings on Euronext Brussels and Athens Stock Exchange (Athex).

Market	Euronext Brussels and Athens Stock Exchange
Ticker	CENER
ISIN code	BE 0974303357

Share price EURONEXT BRUSSELS in EUR	2020	2019
At the end of the year	1.62	1.32
Maximum	2.25	1.53
Minimum	0.61	1.05
Dividends	0.00	0.00
Gross annual return in %	22.88	8.20

Share price ATHENS EXCHANGE in EUR	2020	2019
At the end of the year	1.73	1.36
Maximum	1.94	1.60
Minimum	0.61	1.20
Dividends	0.00	0.00
Gross annual return in %	27.39	7.10

Investor relations contact details

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Chief Investor Relations Officer

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Financial calendar

Date	Publication / Event
12 May 2021	2021Q1 trading update
25 May 2021	Ordinary General Meeting 2021
22 September 2021	Half Yearly 2021 results

Glossary

The following explanations are intended to assist the general reader in understanding certain terms used in this Annual Report. The definitions set out below apply throughout the annual report, unless the context requires otherwise.

ABB	ABB is a global technology company in power and automation.
Aramco	Saudi Aramco is the state-owned oil company of the Kingdom of Saudi Arabia. It is the world's top exporter of crude oil and natural gas liquids.
BCCA	the Belgian Code of Companies and Associations
Belgian GAAP	the applicable accounting framework in Belgium
BG	BG Group is an international exploration and production and LNG company.
Board of Directors or Board	the Board of Directors of the Company from time to time appointed in accordance with the Articles of Association
BP	British Petroleum (BP) is one of the world's leading integrated oil and gas companies.
Cheniere Energy	Houston-based energy company primarily engaged in LNG-related businesses
Chevron	Chevron is one of the world's leading integrated energy companies.
Cross-Border Merger	the cross-border merger through absorption of Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme (both formally listed in Greece), by the Company in accordance with articles 772/1 and following of the BCC and the Greek law 3777/2009 in conjunction with articles 68 §2 and 69 to 77a of the Greek Codified Law 2190/1920
DCP Midstream	is an energy company that sits squarely between a growing resource base and expanding petrochemical and energy markets.
Denbury	Denbury Resources Inc. is an independent oil and natural gas company
EBIT	Operating result as reported in the Profit or loss statement plus share of profit/(loss) of equity accounted investees
EBITDA	EBIT plus depreciation and amortisation
EDF	EDF Energy, the UK's largest producer of low-carbon electricity
Enbridge	Enbridge, Inc. is an energy delivery company based in Calgary, Canada which operates the longest crude oil and liquid hydrocarbons transportation system in the world. As a distributor of energy, it owns and operates Canada's largest natural gas distribution network.
Energy Transfer	Energy Transfer is a Texas-based company and one of the largest and most diversified investment grade master limited partnerships in the United States. It operates approx. 71,000 miles of natural gas, natural gas liquids (NGLs), refined products, and crude oil pipelines today, and remains dedicated to providing exceptional service to its customers and attractive returns to its investors.
EPCO	Energy Planners Company is an energy management and consultation firm. EPCO works with commercial, industrial, and non-profit clientele to aid them in better understanding how and where energy is consumed in their facility.
FSMA	Financial Services and Market Authority, which succeeded the Belgian Banking, Finance and Insurance Commission as the financial regulatory agency for Belgium on 1 April 2011
Greek Public Natural Gas Corporation (DEPA)	DEPA is the public natural gas supply corporation of Greece
GRI	Global Reporting Initiative
Gross annual return	the gross annual return is calculated on the share price it equals to (change in price from January 1 to 31 December/share price on January)

IAS	International Accounting Standards
IFRS	International Financing Reporting Standards, as adopted by the EU
IPTO S.A.	Independent Hellenic Transmission Operator
LSAW	Longitudinal Submerged Arc Welded mill for the production of high-strength offshore and onshore energy pipes
National Grid	United Kingdom-based utilities company
OGC	a leading organisation in the Sultanate's Oil and Gas sector and managing Oman's major natural gas distribution network
OMV	OMV, one of the largest listed industrial companies in Austria, produces and markets oil and gas, as well as chemical solutions in a responsible way and develops innovative solutions for a circular economy.
PDO	Petroleum Development Oman is the major exploration and production company in the Sultanate
Pioneer Pipe Inc	Pioneer is one of the largest full-service construction, maintenance, and fabrication companies in the Midwest.
Plains All American	Plains All American Pipeline is one of the largest and most admired midstream energy companies in North America. Plains All American Pipeline (Plains) is a publicly-traded master limited partnership that owns and operates midstream energy infrastructure and provides logistics services for crude oil, natural gas liquids (NGL), natural gas, and refined products.
Shell	Shell Global is a global group of energy and petrochemical companies
Snam	an Italian natural gas infrastructure company. The utility mainly operates in Italy and is one of Europe's leading regulated gas utilities
Socar	The State Oil Company of the Azerbaijan Republic (SOCAR) is involved in exploring oil and gas fields, producing, processing, and transporting oil, gas, and gas condensate, marketing petroleum and petrochemical products in domestic and international markets, and supplying natural gas to industry and the public in Azerbaijan.
Spartan	Spartan Energy Corp. is an oil and gas company based in Calgary, Alberta.
Spectra Energy	Spectra Energy Corp is a S&P500 company headquartered in Houston Texas, that operates in transmission and storage, distribution, and gathering and processing of natural gas.
STEG	Tunisian Company of Electricity and Gas is a Tunisian public company, established in 1962, with a mission to produce and distribute electricity and natural gas on the Tunisian territory.
Subsea	Subsea7 is a world-leading seabed-to-surface engineering, construction and services contractor the offshore energy industry.
Tideway	Tideway is a subsidiary of the Belgian dredging, environmental and marine engineering group DEME, an international market leader for complex marine engineering works.
TIGF	Transport et Infrastructures Gaz France offers and develops natural gas transport and storage solutions for the European market
Transparency Law	the law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market
Van Oord	Van Oord is a Dutch family-owned company with 150 years of experience as an international marine contractor.

The annual report, full versions of the statutory and consolidated annual accounts, as well as the audit reports regarding said annual accounts are available on the website (www.cenergyholdings.com).

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