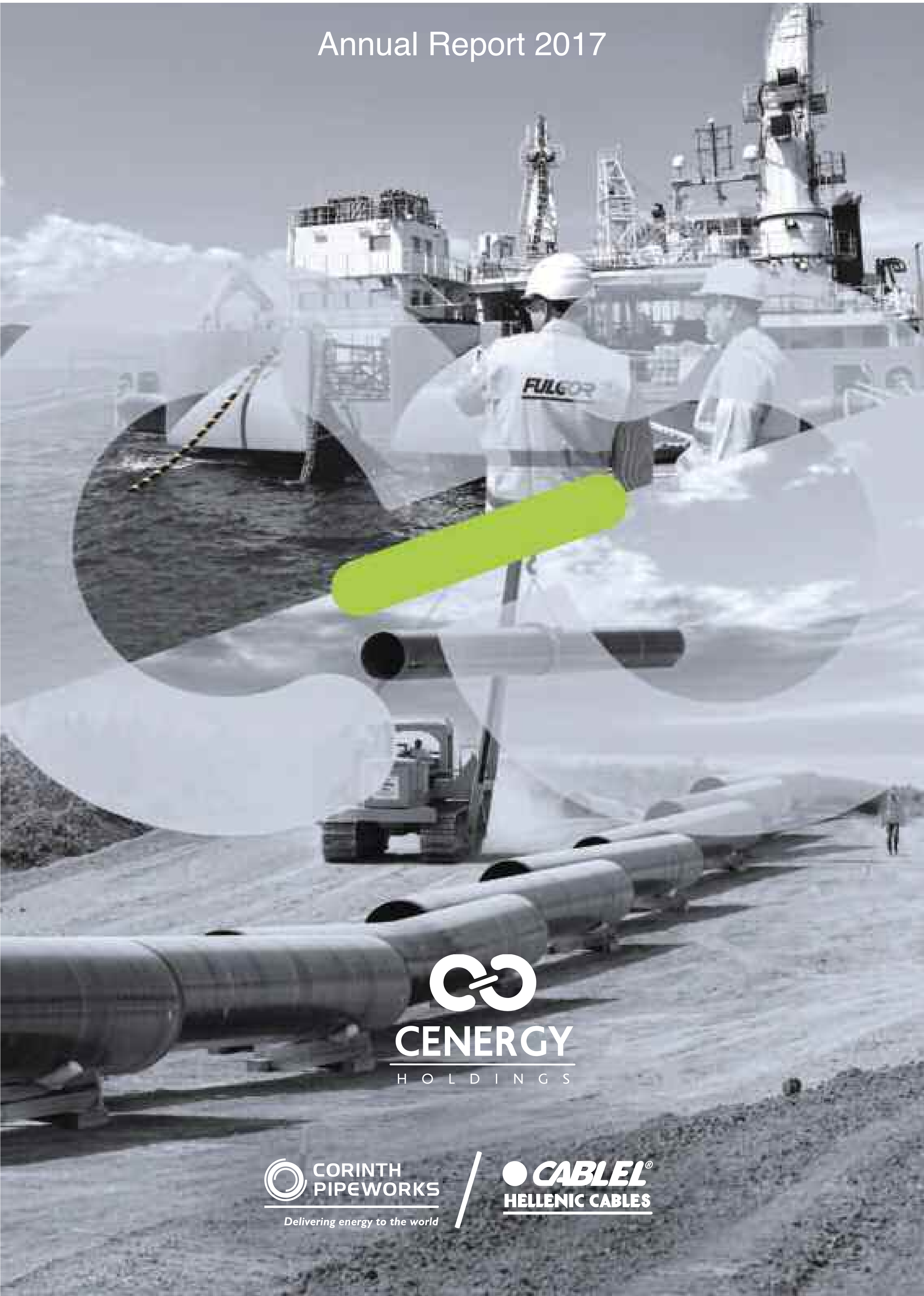
Annual Report 2017



CENERGY
HOLDINGS

CORINTH PIPEWORKS
Delivering energy to the world

CABLEL®
HELLENIC CABLES

Contents

Cenergy Holdings S.A

Cenergy Holdings S.A. (**Cenergy Holdings** or the Company) invests in industrial companies positioned at the forefront of high growth sectors, such as energy transfer, telecommunications and construction.

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 leading metal processing companies across Europe. Viohalco's subsidiaries specialise in the manufacture of aluminium, copper, cables, steel and steel pipes products and technological advancement. They have production facilities in Greece, Bulgaria, Romania, Russia, FYROM, Australia, Turkey and the United Kingdom.

The companies in Cenergy Holdings' portfolio:

have a long history of implementing large 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 **1,650** highly skilled people.

Cenergy Holdings key figures in 2017 (EUR)

Revenue*:	**Adjusted EBITDA:**	**Adjusted EBIT:**	**Loss before tax**
758 million	**57.3 million**	**35.1 million**	**10.6 million**
Loss after tax of the year:	**Equity:**	**Total assets:**	**Net debt:**
4.8 million	**200 million**	**890 million**	**379 million**

**Cenergy Holdings has early adopted IFRS 15 Revenue from Contracts with Customers with a date of initial application of 1 January 2017. Cenergy Holdings applied IFRS 15 using the cumulative effect method, i.e. by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 January 2017. Therefore the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. For the impact of the early adoption of IFRS 15, please refer to note 6 of the consolidated financial statements.*

©TAP

Message from the President of the Board of Directors

2017 was a year of notable recovery in Cenergy Holdings' operating markets, and despite uncertainties in the sector during the year, Cenergy Holdings has strengthened its position as a leading provider of energy transfer solutions and renewables.

In its first full year since being formed through a merger and listed on the Euronext and Athens Stock Exchange (Athex), Cenergy Holdings has optimised the synergies between its two subsidiaries and finds itself well positioned to tackle the challenges of the year ahead.

This past year has been marked by a number of significant projects. Among the most noteworthy is the completion of the TAP project by Corinth Pipeworks, the largest project the subsidiary had ever undertaken. Further to this, Hellenic Cables and Fulgor have progressed significant contracts with Tennet, Enel and Energinet.dk, reflecting the capacity of these subsidiaries to meet the growing demands of the European power distribution sector in an increasingly competitive market.

Recent improvements in the oil and gas market have compensated to some extent for the decline in the first half of 2017 leaving many projects delayed or on-hold. While the operating environment for Cenergy Holdings has improved markedly since 2016, concerns in certain markets linger. The UK remains an unknown quantity, with Brexit negotiations casting uncertainty over British economic activity.

With these factors in mind, consolidated revenue of EUR 758 million was recorded, improved by 10% compared to 2016. However, the operational profitability of Cenergy Holdings, in terms of adjusted EBITDA, remained at almost the same level compared to 2016, as 2017 was a year of transition and the operational efficiencies generated by the merger are expected to affect profitability in the near future.

Cenergy Holdings order backlog currently stands at EUR 480 million, comprising a number of significant new projects secured in the past few months, while several other tender procedures are still pending, and more new projects are expected to be awarded during 2018.

For 2018, there is cautious optimism that the operating environment will improve further, as European markets continue to grow and both demand and prices in our operating markets demonstrate positive trends. Global political factors will continue to weigh heavily on performance in 2018; while global population growth and urbanisation continue to ensure positive long-term prospects of our industry.

We are confident that Cenergy Holdings and its portfolio companies will be very well placed to take advantage of improving market conditions and further our ambitions to become a world leader in energy transfer solutions and data transmission.

Jacques Moulaert
President of the Board of Directors


Van Oord

Cenergy Holdings' portfolio - Business segments

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 includes two business segments:

Cables segment:

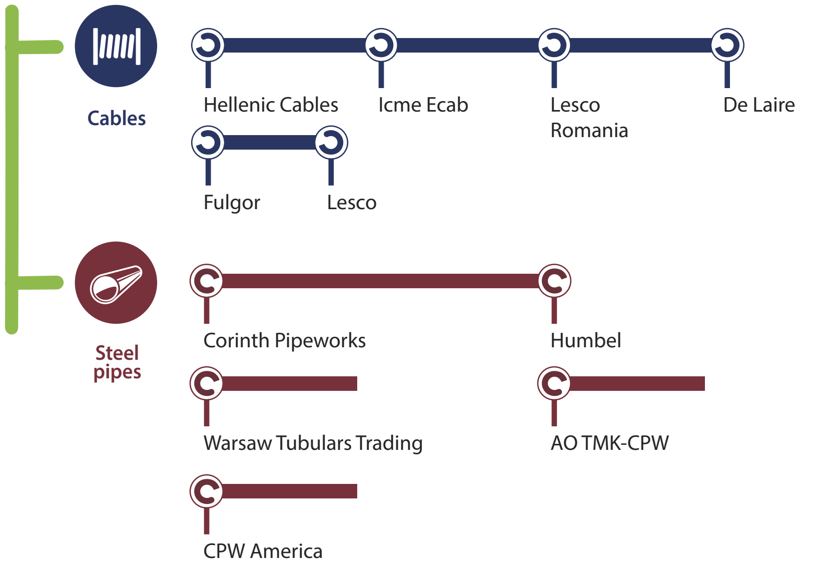
- Hellenic Cables S.A. Hellenic Cable Industry S.A. (**Hellenic Cables**), one of the largest cable producers in Europe, manufacturing power and telecom cables for various sectors such as oil and gas, renewables, energy transmission and distribution, construction and telecommunications.
- Fulgor S.A. (**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, signaling, 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 that produces wooden packaging products.

Steel pipes segment:

- Corinth Pipeworks Pipe Industry S.A. (**Corinth Pipeworks**) 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 Viohalco companies located in North and South America.
- **AO TMK-CPW** is a joint venture between Corinth Pipeworks and TMK, the largest manufacturer of steel pipes in Russia and one of the sector leaders globally. AO TMK-CPW has production facilities in Polevskoy, Russia, where pipes and hollow structural sections are manufactured.

Cenergy Holdings' companies continually invest in innovation and technology, in order to maintain state-of-the-art production facilities. These investments facilitate sustainable growth and value creation, not only through the design and development of new value added products for niche markets, but also by optimising cost efficiency and productivity.

Cenergy Holdings segments



CENERGY
HOLDINGS

History of Cenergy Holdings

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 by Cenergy Holdings S.A. of the Greek companies, formerly listed on Athens Stock Exchange (Athex), Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme.

On 21 December 2016, the trading of Cenergy Holdings' shares commenced on Euronext Brussels and the Athens Stock Exchange (Athex).

Management Report

- The Management Report prescribed by article 119 of the Belgian Companies Code which was approved by the Board of Directors on 21 March 2018 consists of this chapter (pages 8 to 48), as well as the Corporate Governance Statement (pages 54 to 71) and the section Shareholding structure (page 73). Non-financial information is included in the section "non-financial information" of the annual report (pages 49 to 53).

I. 2017 Highlights and 2018 Outlook

Key highlights

- Revenue increased by 10% driven by increased sales volume.
- Dynamic market penetration, especially in the offshore sector.
- Operational profitability, in terms of adjusted EBITDA, at almost the same level compared to 2016.
- Overall loss, mainly due to an exceptional impairment loss on long standing receivables.
- Order backlog currently stands at EUR 480 million.

Financial overview

- Consolidated revenue amounted to EUR 758 million, increased by 10%, compared to EUR 692 million in 2016, mainly due to higher sales volume;
- Adjusted EBITDA* of EUR 57.3 million compared to EUR 59.7 million in 2016;
- Significant improvement during the second semester of the year in Company's operational performance, since a-EBITDA for H2 2017 amounted to EUR 34.6 million versus EUR 22.7 million for H1 2017;
- Adjusted EBIT* of EUR 35.1 million compared to EUR 39.5 million in 2016;
- Consolidated loss before income tax of EUR 10.6 million, compared to consolidated profit before income tax of EUR 2.8 million in 2016, mainly due to an exceptional impairment loss on receivables of EUR 8.9 million; excluding this one-off item consolidated loss before income tax would have been EUR 1.7 million;
- Loss for the year of EUR 4.78 million (2016: loss of EUR 3.77 million);
- Operating cash flow of EUR 20.9 million, up EUR 26.8 million versus 2016;
- Net debt* of EUR 379 million as at 31 December 2017, slightly up (1%) compared to 31 December 2016.

** For the definitions of the APMs used, refer to Appendix A.*

Operational Overview

Several significant energy projects were executed during 2017:

- Pipe production for the Trans Adriatic Pipeline (TAP) completed, the largest project ever commissioned to the Corinth Pipeworks Pipe Industry S.A. (Corinth Pipeworks).
- Hellenic Cables S.A. (Hellenic Cables) and Fulgor S.A. (Fulgor) continued execution of significant offshore cable connections, projects on behalf of Tennet and Energinet in North Europe and begun the execution of new projects, such as the Kafireas project in Greece on behalf of Enel.
  Hellenic Cables participated in the project of the interconnection of the Cyclades islands, which was inaugurated on March 2018, by executing the part of the project concerning the interconnections of Syros-Tinos, Syros-Paros and Syros-Mykonos.

New energy projects awarded:

- Corinth Pipeworks was awarded two projects to deliver steel pipes for the construction of off-shore pipelines in the East Mediterranean area.
- Agreement signed to manufacture and supply steel pipes for the Balticconnector offshore pipeline project.
- Supply contract to provide submarine cable systems for the Modular Offshore Grid (MOG) Project in the North Sea awarded to Cablel® Hellenic Cables.

The successful execution of such projects reflects the ability of the Company to meet the growing demands of the energy transfer sector in an increasingly competitive market.

Cenergy Holdings order **backlog** currently stands at **EUR 480** million, comprising a number of significant new projects secured in the past few months, while several other tender procedures are still pending, and more new projects are expected to be awarded during 2018.

Market trends:

- Stronger than expected growth in energy projects and telecoms across European markets; positive trends in both price and demand.
- Surge in metals prices; rebound in oil and gas prices in latter portion of 2017.
- Slowdown of the commodities business in Europe, continuing a trend which emerged in the second half of 2016.
- At the beginning of 2018, the protectionist sentiment in US market expressed through the anti-dumping duty investigation of large diameter welded pipe (nominal diameter above 16.4”) against Greece and five other countries and the tariffs imposed under Section 232 on steel and aluminium products create an uncertain environment in steel pipes business. Despite the ongoing macroeconomic concerns, such as the UK’s decision to leave the EU, the aforementioned developments in USA and the unpredictable nature of metal price fluctuations, we expect that actions and initiatives undertaken in order to secure Company’s competitive and financial position will mitigate any adverse effect.

Cenergy Holdings and its companies continue to be well placed to take advantage of improving market conditions in the Energy sector and to further their ambitions to become world leaders in energy transfer solutions and data.

Outlook

Improvements in Cenergy Holdings’ operating environment are expected to continue to drive demand for new offshore projects in Europe in 2018.

Hellenic Cables has already entered into negotiations for several new projects and the cables segment will maintain its current focus on undertaking new projects and entering new markets. Although risks, such as uncertainty in the EU’s political environment remain, the recovery of the cables products market in Western Europe is encouraging and is expected to present further opportunities.

Despite persistently low oil and natural gas prices, which may continue to have an adverse effect on the implementation of large energy sector projects, Corinth Pipeworks will maintain a disciplined approach to growing its footprint and has already secured a number of significant projects for 2018.

Regarding the finance of project-based activities, the Company has secured the necessary funds through project finance facilities, while as mentioned earlier, Corinth Pipeworks and Hellenic Cables are currently in the final stage of negotiations with the banks, in order to achieve the conversion of a significant portion of its short-term borrowings to long term.

Finally, 2018 is expected to be a year of consolidation and growth for the Company. Although challenges remain, overall the operating environment is expected to gradually improve as European markets continue to grow, and positive trends in demand and price continue.


FULGOR

II. Business performance and activity report

During 2017, the following developments had an impact on Cenergy Holdings' main markets:

- **Cables projects:** The delay in the execution of various turnkey projects, along with some big offshore European projects that were put on hold led to low levels of utilization of the Fulgor plant.
- **Cables products:** A slowdown was witnessed in main European markets. As expected, the German medium voltage market slowed down in 2017, while the UK market continues to be challenging due to uncertainty associated with Brexit.
- **Steel pipes:** Further delays in steel pipes projects globally, due to low oil and natural gas prices.

Summary consolidated statement of profit or loss

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Revenue	**758,318**	**691,775**
Gross profit	**58,756**	**62,907**
Gross profit (%)	7.7%	9.1%
a-EBITDA	**57,393**	**59,676**
a-EBITDA (%)	7.6%	8.6%
EBITDA	**44,605**	**54,019**
EBITDA (%)	5.9%	7.8%
a-EBIT	**35,124**	**39,490**
a-EBIT (%)	4.6%	5.7%
EBIT	**22,336**	**33,832**
EBIT (%)	2.9%	4.9%
Net finance costs	**(32,946)**	**(31,012)**
Profit / (Loss) before income tax	**(10,610)**	**2,821**
Net margin before income tax (%)	(1.4%)	0.4%
Loss of the year	**(4,775)**	**(3,772)**
Loss attributable to owners of the Company	**(4,761)**	**(3,741)**

- *Source: Consolidated statement of profit or loss and APMs (Appendix A)*
- *All percentages are versus revenue*
- *For the impact of the early adoption of IFRS 15, please refer to note 6 of the consolidated financial statements.*

Cenergy Holdings has early adopted IFRS 15 Revenue from Contracts with Customers with a date of initial application of 1 January 2017. Cenergy Holdings applied IFRS 15 using the cumulative effect method, i.e. by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 January 2017. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. For the impact of the early adoption of IFRS 15, please refer to note 6 of the consolidated financial statements.

Consolidated revenue for 2017 amounted to EUR 758 million, an increase of 10% from the EUR 692 million recorded in 2016, reflecting strong sales of steel pipes and submarine cables for Energy projects and higher LME metals prices.

Adjusted EBITDA decreased by 4% to EUR 57.4 million in 2017 from EUR 59.7 million in 2016.

Pressure on the profit margins of the cable commodity business, together with a different project mix in the steel pipes segment, resulted in lower profitability than 2016.

Net finance costs increased by 6% to EUR 33 million as a result of increased net debt throughout the year, in order to finance working capital needs for projects executed during 2017.

Loss before income tax amounted to EUR 10.6 million in 2017 compared to profit before tax of EUR 2.8 million in 2016. This was due to the above-mentioned factors, as well as an exceptional impairment loss on receivables of EUR 8.9 million recorded by Corinth Pipeworks. This exceptional impairment loss derives from an increase in the impairment for a receivable generated in 2010 amounting to USD 24.8 million (EUR 20.8 million). The subsidiary had already booked an impairment of EUR 10.4 million for such a receivable at 31 December 2016. The subsidiary decided to book an additional impairment of EUR 8.9 million to reflect the prospected recoverability of that receivable, as of today. However, the subsidiary will continue any and all actions required to collect the full amount of that receivable.

Loss for the period amounted to EUR 4.8 million in 2017 compared to a loss of EUR 3.8 million in 2016. This was attributable to an income tax credit of EUR 5.8 million for the period, compared to a significant income tax charge of EUR 6.6 million recorded in 2016. This income tax credit for 2017 relates to the expected tax benefit of the impairment loss mentioned above, and the recognition of a deferred tax asset for previously unrecognised tax credit on the aforementioned impairment recorded in prior periods. The increased income tax expense for 2016 was mainly related to the derecognition of previously recognised deferred tax assets on tax losses incurred during the prior period.

Summary consolidated statement of financial position

Amounts in EUR thousand	As at 31 December 2017	2016
ASSETS		
Property, plant and equipment	380,610	384,601
Investment property	6,140	6,472
Other non-current assets	40,816	40,432
Non-current assets	**427,565**	**431,505**
Inventories	186,251	200,274
Trade and other receivables	138,267	183,923
Contract assets	65,166	-
Cash and cash equivalents	69,443	71,329
Other current assets	3,070	3,340
Current assets	**462,197**	**458,866**
TOTAL ASSETS	**889,763**	**890,371**
EQUITY	**200,222**	**206,462**
LIABILITIES		
Loans and borrowings	86,141	184,396
Deferred tax liabilities	21,989	27,220
Other non-current liabilities	25,794	28,730
Non-current liabilities	**133,924**	**240,345**
Loans and borrowings	362,732	262,823
Trade and other payables	186,915	178,624
Contract liabilities	4,724	-
Other current liabilities	1,246	2,117
Current liabilities	**555,617**	**443,564**
TOTAL LIABILITIES	**689,541**	**683,909**
TOTAL EQUITY & LIABILITIES	**889,763**	**890,371**

- Source: Consolidated statement of financial position

Non-current assets decreased from EUR 432 million at 31 December 2016 to EUR 428 million at 31 December 2017. **Capital expenditure** during the year amounted to EUR 17.8 million for the cables segment and EUR 3.2 million for the steel pipes segment, while consolidated depreciation and amortization for 2017 amounted to EUR 23 million.

Current assets increased by 1% to EUR 462 million at 31 December 2017, up from EUR 459 million at 31 December 2016. As of 31 December 2016, assets related to construction contracts in progress were included in trade and other receivables, while based on IFRS 15 as of 31 December 2017, contract assets are separately disclosed. Therefore, the variation in these lines should be considered in that context, with the main reason for the increase being contract assets recognised for the execution of current energy projects in progress as of 31 December 2017. Inventories decreased by EUR 14 million, mainly as a result of ongoing projects for optimization of inventory. Cash and cash equivalents held remained at the same levels (EUR 69 million) and represent 15% of current assets.

Net debt increased slightly to EUR 379 million at 31 December 2017 (31/12/2016: EUR 376 million). Cenergy Holdings companies' debt at 31 December 2017 comprised long term and short term facilities, at 23% and 77%, respectively. Short term facilities are predominately revolving credit facilities which finance working capital needs and specific ongoing projects. At the end of 2017, an amount of EUR 89 million related to the syndicated bond loans, received by Corinth Pipeworks and Hellenic Cables in 2013, was transferred to short term borrowings as based on the repayment plans is payable during 2018. Corinth Pipeworks and Hellenic Cables are currently in the final stage of negotiations with the banks in order to achieve the conversion of a significant portion of its short-term borrowings to long term. Management of both subsidiaries consider that these negotiations will be successfully concluded in 2018.

III. Subsequent events and information on circumstances which could significantly affect the development of the Group

At the beginning of 2018, an anti-dumping duty (AD) investigation of large diameter welded pipe (nominal diameter above 16.4") against Greece and five other countries (Canada, China, India, Korea and Turkey) was initiated by the U.S. Department of Commerce based on petitions filed by six U.S. producers. Subsequently as a result of the above petitions, the United States International Trade Commission (USITC) determined affirmatively that there is a reasonable indication of material injury to the domestic U.S. industry by reason of imports of large diameter welded pipe from Canada, China, India, Korea and Turkey. For imports of large diameter welded pipe from Greece, the USITC determined that there is a reasonable indication of threat of material injury to the domestic U.S. industry. Corinth Pipeworks is actively participating in and subject to the AD investigation as the sole producer of large diameter welded pipe in Greece. Furthermore, it is mentioned that in the ordinary course of things the antidumping investigations are normally lengthy, taking more than eight months to complete. Any assessment of the impact of the above investigation on Corinth Pipeworks', Cenergy Holdings' subsidiary, financial results is considered as premature.

On 8 March 2018, the US administration exercised its authority under Section 232 of the Trade Expansion Act of 1962 to impose a 25 percent tariff on steel imports and a 10 percent tariff on aluminum imports in United States of America, with exemptions for Canada and Mexico. Based on these proclamations US Customs and Border Protection will begin collecting the applicable tariffs on 23 March 2018. On 18 March 2018, the U.S. Department of Commerce (DOC) announced the process for submission of requests for products exclusion from the tariffs on steel and aluminum product imports. The DOC published the procedures in the Federal Register and started accepting exclusion requests from U.S. industry on 19 March 2018. On 22 March 2018, the Section 232 tariffs on steel and aluminum imports from certain countries including the member countries of the European Union were suspended until 1 May 2018, pending ongoing discussions regarding measures to reduce global excess capacity in steel and aluminum production. By 1 May 2018, the US administration will decide whether to continue to exempt these countries based on the status of the discussions.

Cenergy Holdings is closely monitoring the situation and the new market conditions, as it does on a regular basis, since Corinth Pipeworks is an established supplier in the US steel pipes market. It is noted that the subsidiary mainly supplies products to its US customers that cannot be manufactured in the US, such as 26-inch pipelines. Corinth Pipeworks has already initiated all actions required in cooperation with its US customers in order for them to obtain relief from the tariffs on imports of steel pipes, since the products sold in the US market by Corinth Pipeworks are customized unique products, which are not produced by local US pipe mills.

Despite the uncertainty surrounding the steel market today, based on the current assessment of available information, the above facts will have limited impact on Corinth Pipeworks', Cenergy Holdings' subsidiary, financial results, due to the actions undertaken in order to secure Company's financial position and mitigate any potential adverse effects.

There are no subsequent events affecting the consolidated financial information as of 31 December 2017.

IV. Risks and Uncertainties

Cenergy Holdings Board of Directors is responsible for assessing the risk profile of Company's subsidiaries. As Cenergy Holdings is a holding company and does not have any production operations, customers, suppliers, or personnel (except one employee), the risks affecting the Company are attributed to its subsidiaries. Each of Cenergy Holdings subsidiaries is responsible for the identification, analysis, evaluation and mitigation of its own risks. In turn, Cenergy Holdings executive management in consultation with the Board of Directors is tasked with successfully exploring business opportunities, whilst at the same time evaluating the subsidiaries' risks in order to eliminate possible business losses.
The aim of this evaluation is to enable the Company to determine whether the subsidiaries have managed in a proactive and dynamic manner to mitigate these identified risks to an acceptable level.

The risks identification process is undertaken on a subsidiary company level as all the strategic, financial and operational risks are associated with each company's operation.

After the risk identification, the list of prioritised risks is then subject to a review, in order to ensure correct and up-to-date mapping with the applicable risk response, i.e. the structures, procedures, systems and monitoring mechanisms put in place by each company's management in order to manage these risks.

A consolidated review of all the subsidiaries' financial performance including potential risks takes place at Cenergy Holdings executive management level, the outcome of which is presented to the Audit Committee and the Board of Directors. The Audit Committee monitors the effectiveness of the subsidiaries internal control and looks into specific aspects of internal control and risk management on an on-going basis.
Cenergy holdings key risks, related to its subsidiaries, are grouped into three main categories. Each of these categories is further analyzed in sub-categories.

Key risks

The risks of Cenergy Holdings subsidiaries are organised into three major categories (each category is further broken down in risk sub-categories, which are in turn disaggregated into specific risk events):

- Strategic & markets risk – External forces that could affect the viability of Cenergy Holdings' subsidiaries business model, including the fundamentals that drive the overall objectives and strategies that define that model.
- Operations risk – The risk that operations are inefficient and ineffective in executing Cenergy Holdings' subsidiaries business model, satisfying customers and achieving the subsidiaries' quality, cost and time performance objectives. Operations risk includes all the risks associated with the day-to-day operations such as health and safety and environmental issues as well as compliance with the regulatory requirements.
- Financial risk – The risk that cash flows and financials are not managed cost-effectively, in order to (a) maximise cash availability; (b) reduce uncertainty of currency, interest rate, credit, commodity and other financial risks; or (c) move cash funds quickly and without loss of value to wherever they are needed most.

1. Country risk

Adverse political actions may threaten the subsidiaries' resources and future cash flows in a country in which Cenergy Holdings' subsidiaries have invested, is dependent on for a significant volume of business or has entered into a significant agreement with a counterparty subject to the laws of that country. The subsidiaries address this exogenous risk by differentiating their manufacturing and market reach, in particular. Cenergy Holdings' subsidiaries currently have manufacturing sites in 3 countries, use the commercial network of the parent company which has currently presence in 21 countries, while their products are distributed in more than 60 countries worldwide.

2. Industry risk

Changes in opportunities and threats, capabilities of competitors, and other conditions affecting the subsidiaries may threaten the attractiveness or long-term viability of the industries it operates in. Industry risk for subsidiaries is primarily associated with the energy market.

The subsidiaries manage the former by expanding their exports to global markets, to differentiate cyclical exposure across geographical areas. The risk of substitution is addressed through the differentiation of their product mix, for example by shifting part of the production to products where the substitution rate is lower.

3. Competitor risk
The actions of competitors or new entrants to the market may impair Cenergy Holdings' subsidiaries competitive advantage or even threaten their ability to survive. Exposure to competitor risk is captured through daily review of market information. Strategic issues regarding response to competition are assessed as part of the annual budget process and the strategic markets plan by each subsidiary. Relevant mitigating actions include a strong commitment to quality throughout the production phase, a competitive pricing policy in commodity products and a targeting on high-margin products and market diversification.

4. Channel effectiveness risk
Poorly performing or positioned distribution channels may threaten Cenergy Holdings' subsidiaries capacity to effectively and efficiently access current and potential customers and end users. Both sectors (Steel pipes and Cables) have already established an extensive distribution channel where the plants are next to ports. Furthermore both segments manage the channel effectiveness risk through commercial executives per project / market. Budgets are the main tools used for the setting up and monitoring of distribution channel objectives.

5. Technological innovation risk
Cenergy Holdings' subsidiaries may not be leveraging advancements in technology in their business model to achieve or sustain competitive advantage or may be exposed to the actions of competitors or substitutes that do leverage technology to attain superior quality, cost and/or time performance in their products, services and processes.
This risk is primarily managed by Cenergy Holdings' subsidiaries through the establishment of technical assistance and knowledge transfer agreements with global leaders in various sectors where the subsidiaries are active. In addition they cooperate with scientific bodies and prominent international research centres. This strong focus on technology and innovation is additionally demonstrated through dedicated research and development departments at a number of Cenergy Holdings' subsidiaries.

6. Procurement risk
Limited sources of energy, metals and other key commodities, raw materials and component parts may threaten subsidiaries ability to produce quality products at competitive prices on a timely basis. The subsidiaries continuously aim to minimize the likelihood of such a risk occurring. Relevant measures include maintaining a wide and diverse supplier base where possible, especially geographic; the existence of alternate material lists; the establishment of Service Level Agreements with key vendors; and the reduction of exposure to the spot market through long term contracts.

7. Business continuity risk
Operations interruption stemming from the unavailability of raw materials, information technologies, skilled labour, facilities or other resources may threaten subsidiaries' capacity to continue operations.
In order to manage this risk, subsidiaries' plant equipment is maintained thoroughly by the corresponding maintenance departments, according to a planned maintenance schedule. Plant equipment and production lines are also upgraded systematically. All spare parts and consumables are gauged on criticality and safety stock levels are monitored. 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. Regarding information technology, disaster recovery plans have been defined per segment and facility.

8. Product failure risk
Faulty or non-performing products may expose Cenergy Holdings' subsidiaries to customer complaints, warranty claims, field repairs, returns, product liability claims, litigation and loss of revenues, market share and business reputation. In order to proactively mitigate the risk of arising from actual or claimed defects in its products, subsidiaries have established rigorous quality management systems at their plants, by applying fixed and formalized quality control procedures and also maintain appropriate insurance coverage against such claims. The quality control procedures include sample testing per production batch or at item level at specific phases of production; establishment of monitoring equipment at set production phases and production lines and work centers to capture defects; implementation of end-to-end traceability systems, etc.

9. Information technology risk
Cenergy Holdings' subsidiaries may not have the information technology infrastructure it needs to effectively support the current and future information requirements of the business ensuring cost effectiveness in an efficient way. Additionally, failure to adequately restrict access to information (data or programs) may result in unauthorized knowledge and use of confidential information or a compromise of its integrity.
Teka Systems, a subsidiary of Viohalco that is focused on

©Wintershall

the implementation, customization and support of information systems, is the official customer competence center for Cenergy holdings.

10. Interest rate risk
Significant fluctuations in interest rates may expose the subsidiaries to higher borrowing costs, lower investment yields or decreased asset values. Floating rate payables expose subsidiaries to a cash flow risk, while fixed rate liabilities entail assumption of the risk of a change in fair value.

Taking into account the prolonged period of low interests, Group's strategy regarding the management of interest rate risk consist of maintaining its fixed interest rate exposure between 5% to 20% and examining on a case by case basis the possibility of using interest rate swaps instruments which convert interest rates from floating into fixed.

The interest rate profile of the Group, on a consolidated basis, as at 31 December 2017 consists of EUR 34 million of fixed-rate financial instruments and EUR 410 million of variable-rate instruments. Moreover, a change of 25 basis points in interest rates would have a positive or negative effect of EUR 1.1 million after tax in consolidated statement of Profit or Loss of 2017.

11. Currency risk
Volatility in foreign exchange rates may expose subsidiaries to economic and accounting losses.

Subsidiaries offset this risk through hedging practices, such as the use of forward contracts, cross currency swaps, and also natural hedging (i.e. anticipated sales and purchases, as well as receivables and liabilities, in foreign currency).

12. Commodity risk
Fluctuations in commodity prices (particularly copper, steel and aluminium) may expose subsidiaries to lower product margins or trading losses. Subsidiaries of Cables sector are active in metals that are traded in the London Metal Exchange (LME) mitigate this risk by hedging, through trading in future contracts on the LME. Specifically, all metal price fixing sales and purchase contracts are netted daily and the change in the net open commodity is generally hedged by LME future contracts so that are not exposed to commodity price risk. Cables sectors' subsidiaries, however, does not use hedging instruments for the entire stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through inventories write-down. In Steel Pipes sector, the subsidiaries have adopted a natural hedging strategy by signing the raw materials purchase contracts simultaneously with the receipt of the customer order.

13. Liquidity risk
This risk concerns the exposure to lower returns or the necessity to borrow due to shortfalls in cash or expected cash flows (or variances in their timing). Exposure to loss due to participation in a narrow market consisting of a limited group of counterparties (i.e. financial institutions) resulting in inability to consummate transactions at reasonable prices within a reasonable timeframe.
In order to avoid liquidity risks, Cenergy Holdings' subsidiaries set up a provision for cash flows when preparing the annual budget and a monthly rolling provision of three months, so as to ensure sufficient cash on hand to meet its operating needs, including coverage of its financial obligations.

The macroeconomic and financial environment in Greece, where most of Cenergy Holdings' subsidiaries are located, is showing signs of improvement, however uncertainties still exist.

After the completion of the recapitalization of the Greek banks, at the end of 2015, and following the EUR 86 billion bailout program between the institutions and the Greek government, the Eurogroup and the institutions finalized their discussion on the second and third review of the Greek programme (between June 2017 and March 2018), which paved the way to release the third and fourth tranches of financial assistance to Greece, amounting to EUR 8.5 and 6.7 billion respectively. As a result, Moody's proceeded with the upgrade of the country's credit rating from Caa2 to B3.

It should be noted that the capital controls that are in force in Greece since June 2015 have been loosen furtherly, but still remain until the date of approval of the financial statements and they have not prevented Cenergy Holdings companies to continue their activities as before. Cash flows from operational activities have not been disrupted.

Additionally, Cenergy Holdings subsidiaries' strong customer base outside Greece (64% of revenue) along with their established facilities abroad minimize the liquidity risk which may arise from the uncertainty of the economic environment in Greece.

Cenergy Holdings follows closely and on a continuous basis the developments in both 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. For further information on developments which took place during 2018, in the international environment, refer to Note 37.
Cenergy Holdings' debt amounting to EUR 449 million comprises of 23% and 77% of long term and short term

facilities respectively. Taking into account EUR 69 million of cash & cash equivalents (19% of short term debt), Cenergy Holdings companies' Net Debt amounts to EUR 379 million. Loans and borrowings are held with banks and financial institutions, which are rated from A2 to Caa2 based on ratings of Moody's. Approximately 86% of these loans and borrowings are held with Greek banks.

At the end of 2017, an amount of EUR 89 million related to the syndicated bond loans, received by Corinth Pipeworks and Hellenic Cables in 2013, was transferred to short term borrowings as based on the repayment plans is payable during 2018. Corinth Pipeworks and Hellenic Cables are currently in the final stage of negotiations with the banks in order to achieve the conversion of a significant portion of its short-term borrowings to long term. Management of both subsidiaries consider that these negotiations will be successfully concluded in the first half of 2018.

Long term facilities have an average maturity of six years. Short term facilities are predominately revolving credit facilities, which are reviewed annually with anniversaries spread throughout the year and, within those revolving credit limits, short term loans of various maturities are drawn and when matured are renewed automatically if needed. There are sufficient credit limits in place to serve working capital requirements and refinance short term loans.

Cenergy Holdings and its 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.

14. Credit risk

Cenergy Holdings' subsidiaries customers may default on their obligations. Credit risk may be accentuated if a significant portion of business is concentrated to customers that are similarly impacted by events that may take place simultaneously.

This risk is mitigated by imposing a ceiling on each customer, so that no one could account for more than 15% of total revenue and by applying credit insurance. However, due to the fact that the business of certain Group's companies (i.e. CPW Pipe Industry, Hellenic Cable Industry and Fulgor) is project oriented, there are cases where this threshold is individually exceeded for a short period of time. In addition, Cenergy Holdings' subsidiaries mitigate credit risk through robust creditworthiness checks via banks and other credit ratings and also by setting payment terms and credit limits. They demand real or other security (e.g., letters of guarantee) in order to secure their receivables, where possible. They also record an impairment provision representing its loss estimate in terms of trade and other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated.

15. Compliance risk

In regards with the requirements arising from its stock exchange listings, Cenergy Holdings has established the 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.

Laws and regulations apply to many aspects of subsidiaries operations including but not limiting to, labour laws, health & safety and environmental regulations, building and operational permits.

Additional risks associated with labour and environmental issues are further analyzed in the Non-Financial Information Report that follows.

CENERGY HOLDINGS

Business performance and activity report – per segment

CORINTH PIPEWORKS
Delivering energy to the world

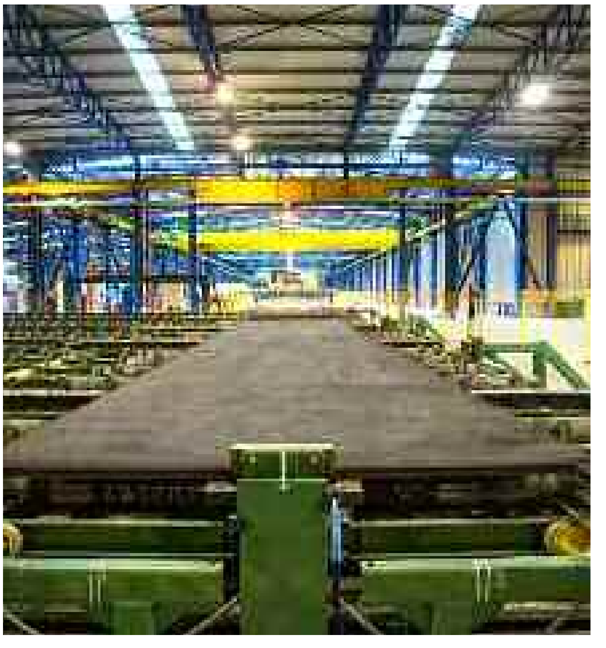
CABLEL® HELLENIC CABLES GROUP

Steel pipes

Activities

Corinth Pipeworks Group has substantial experience in the implementation of complex projects worldwide, and is a supplier of choice for both oil and gas and international contractors. Corinth Pipeworks Group is one of the world's leading manufacturers of high quality steel pipes used to safely transport oil, gas and water, as well as to carry CO_2 and slurry. The Group's key products include longitudinal and helical seam welded steel pipes (with medium and large diameters), as well as hollow structural sections.

The Group's ability to manufacture technologically advanced products and remain ahead of the latest developments in its field is rooted in its operational efficiency and commercial achievements. Corinth Pipeworks collaborates with international research organisations, such as the European Pipeline Research Group (EPRG) and the Welding Institute, and regularly participates in research projects which are linked to its core business activities.



Subsidiaries and equity accounted-investees

Cenergy Holdings' main subsidiaries and equity accounted investees in the steel pipes segment are as follows:

Corinth Pipeworks Pipe Industry is the Group's core business in steel pipes segment. With advanced facilities in Thisvi, in the Viotia province of Greece, its product portfolio includes steel pipe solutions for oil and gas transportation and hollow structural sections for the construction industry. Corinth Pipeworks is capable of offering competitive pricing and fast delivery of products thanks to its exclusive use of port facilities located approximately 1.5 km from the plant.

AO TMK-Corinth Pipeworks is a joint stock company between Corinth Pipeworks (through its fully owned subsidiary Humbel Ltd., which controls 49% of the joint stock company) and TMK, the largest manufacturer of steel pipes in Russia, and one of the steel pipes sector leaders. AO TMK-Corinth Pipeworks has its production facilities in Polevskoy, Russia, where pipes and hollow structural sections are manufactured.

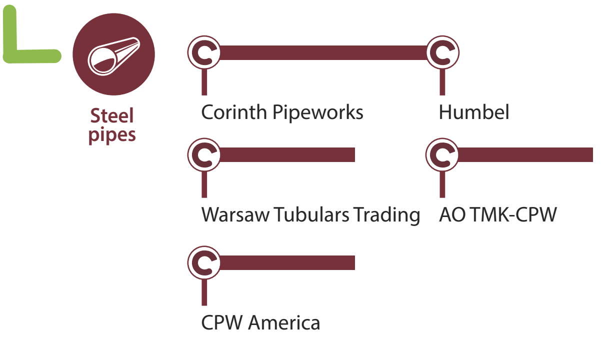
Corinth Pipeworks America Co is based in Houston, USA with the aim of promoting Corinth Pipeworks' products and providing customer services to the Group's customers, as well as to Viohalco companies located in North and South America.

Warsaw Tubular Trading's primary activity is to acquire holdings in companies engaged in similar activities.

Dia.Vi.Pe.Thi.V. S.A. is responsible for managing the Thisvi Industrial Area, where the Group's main production plant is located.

Humbel Ltd. is a company incorporated in Cyprus and holds 49% of shares in the joint stock company with TMK in Russia (AO TMK-Corinth Pipeworks).

Cenergy Holdings steel pipes segment




ΣΟΛΗΝΟΥΡ

History

1960s

Operations commence at the Corinth plant, 80Km west of Athens (1969).

1970s

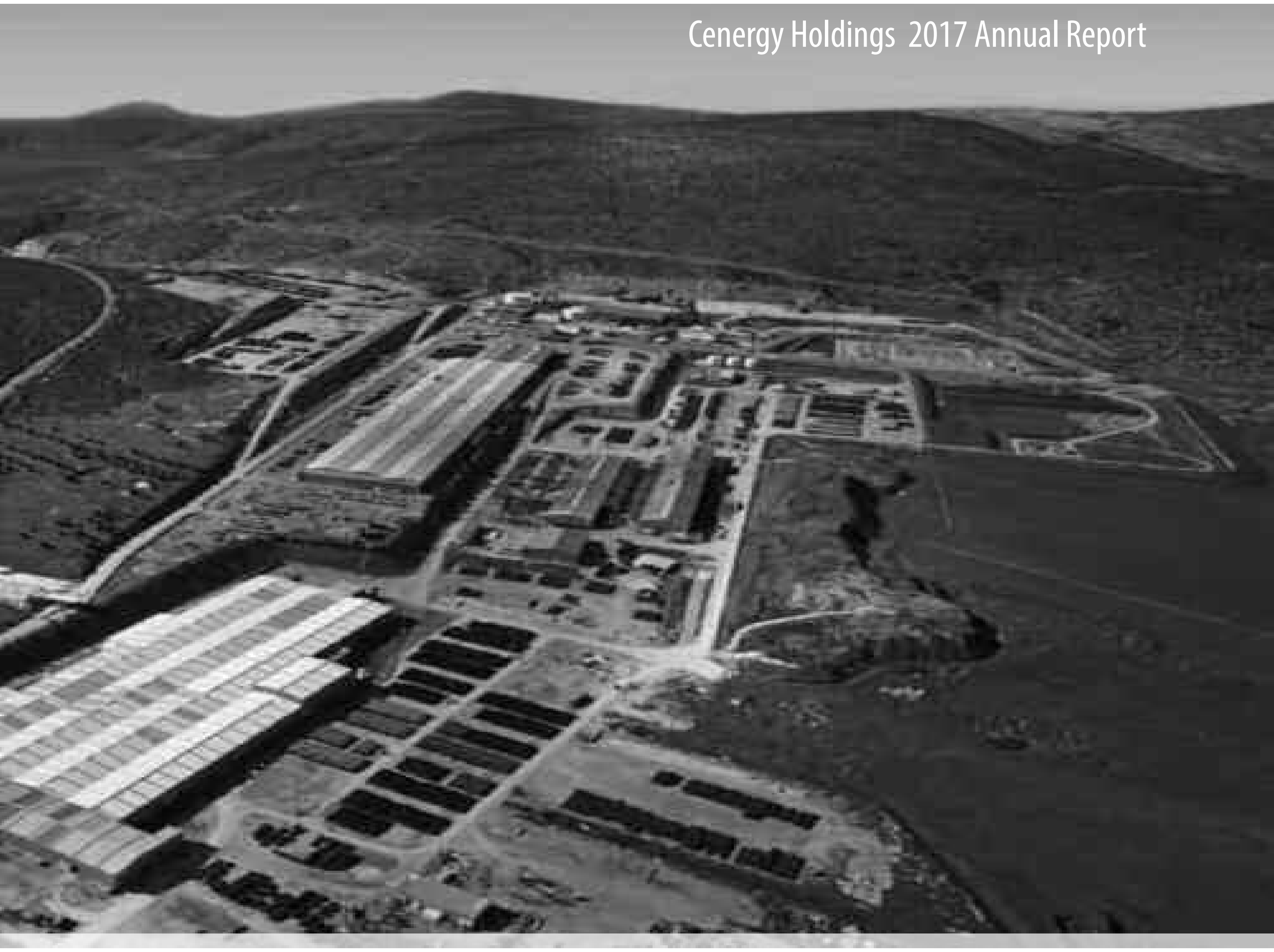
A solid production base is created through new installations and major investments, while orders from North America, Asia, Europe and the MENA region mark the start of experience in important markets.

1980s

Corinth Pipeworks establishes itself as a producer of high quality steel pipes. Important alliances with top tier raw material suppliers are formed, and product and quality management systems accredited and certified according to recognised international standards.

1990s

Corinth Pipeworks is audited and approved by many end-users and key contractors leading to the award of several prestigious project including our first offshore pipeline and sour service pipeline references.



A new plant is constructed in Thisvi, 125Km North-West of Athens and production facilities are relocated.

- Sidenor Group, the major Greek steel manufacturer acquires a majority holding and an extensive restructuring plan commences. The Thisvi plant, where all current manufacturing operations are based, begins operations.
- Corinth Pipeworks and TMK reach an agreement to establish a joint stock company for the production of medium-diameter pipes in Russia.
- Upgrade of the HFI line to produce steel pipes with an outside diameter of 26'', a world first.

With the implementation of the strategic investments, continuous improvement of the production base and successful cooperation with major oil and gas companies and EPC contractors worldwide, Corinth Pipeworks evolves into a world class pipe manufacturer, recognised for its dedication to quality and high overall performance.

- Corinth Pipeworks is awarded the first X70 HIC resistant HFI pipeline project in the U.S.A.
- The ERW/HFI pipe mill is upgraded to produce pipes with maximum length of 24m (from 18m).
- The external and internal coating mills are upgraded to coat pipes up to 24m length (from 18m).
- The new LSAW pipe mill investment is completed, enabling Corinth Pipeworks to offer one of the widest product ranges of welded pipes worldwide.
- The Trans Adriatic Pipeline AG (TAP) awards a contract to Corinth Pipeworks to supply a total length of approximately 495 km (~270,000Tn of steel pipes) of large diameter pipes
- A concrete weight coating plant is installed in the Thisvi plant for offshore pipelines.

2000s

2010s

Product Portfolio

Corinth Pipeworks produces steel pipes for oil, gas, CO_2, water and slurry pipelines, as well as casing pipes for drilling operations. The Group also manufactures a wide range of structural hollow sections for the construction sector. Its long history of innovation and integrated services have cemented its position as a major steel pipe supplier.

Corinth Pipeworks manufactures and distributes top quality products for global and domestic markets. Its products meet international standards and can be specifically tailored to customer requirements. In particular, it is well positioned to offer customers complete solutions, through a successful combination of innovative products and specialised services based on its "one-stop-shop" philosophy.

Corinth Pipeworks' products are used to transport oil, gas, water, CO_2 and slurry, and are also used in the construction sector.

Group's main product categories

- Onshore and offshore pipelines for oil and gas transportation: Manufactured with either external coatings or internal linings to ensure anti-corrosion protection and frictionless flow of the energy resources being carried. The autogenous welding process using high frequency induction (ERW/HFI), the LSAW process, and the HSAW process guarantee high production reliability and dimensional accuracy.
  Depending on their intended use, line pipes used for oil and gas transportation need to meet specific quality characteristics and standards, compliance with which is a vital prerequisite.

- Casing pipes: These high-frequency induction welded pipes (HFW), used during drilling and extraction of oil and gas, are manufactured using the high frequency induction welding process (ERW/HFI) and are manufactured at grades H 40 and J 55, in compliance with the requirements of International Standards (API 5CT / ISO 11960) or customer specifications. The ERW/HFI process guarantees reliable production and a high degree of accuracy of dimensional characteristics. Casing pipes are available either with plain ends or with weld-on connectors. An expanded product range is now offered, following the installation of the new LSAW mill.

- Hollow structural sections: Primarily used in the construction sector. They are very important structural components in various types of engineering projects and, in particular, in metal construction. The end

  products can be round, rectangular or square in shape, while their length is determined by customer specifications. Hollow structural sections are manufactured in accordance with the European Standard EN 10219-1.

- Pipelines for water transportation: Manufactured in order to transport water over long distance networks, to distribute it to the place of consumption. In accordance with customer requirements, the pipes can be externally coated or internally lined, thus ensuring corrosion protection and smooth water flow, in compliance with all hygiene and drinking water requirements.

Services

Corinth Pipeworks also provides value added services in the energy and construction sectors. These include:

- Internal lining and external coating of pipes manufactured by other pipe mills;
- Tests on raw materials and end products in line with the EN / ISO 17025 standard at Corinth Pipeworks' accredited laboratory, as well as sour service performance testing (HIC and SSCC);
- Weld-on connector units for casing pipes used in drilling/pumping facilities;
- Treating, cutting, prefabricating and affixing special markings;
- Alternative solutions for the steel pipe manufacturing method, to reduce the cost of materials without compromising on functionality or quality (such as welded pipe solutions instead of seamless pipes, which have a significantly higher cost and longer delivery time);
- Optimum packaging, transport and storage processes;
- Supply of pipes or subcontracting of pipe coating outside its own product range, as part of large projects, thus enabling offering of total solutions; and
- Multi-modal transportation of pipes, including loading and offloading on ships, carriage by sea, carriage by rail, offloading and transport by trucks.








Production Facilities and ports

Corinth Pipeworks Group's industrial plants are located in Thisvi, Viotia Greece and Polevskoy, Russia.

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

Annual production capacity: 925,000 tons

Corinth Pipeworks' production plant is located at the Thisvi Industrial Area in Viotia, where production began in 2001. Within the industrial area of Thisvi in Viotia, there are port facilities operating in accordance with ISPS regulation.

The production units in Thisvi Viotia are as follows:

26'' HFIW pipe mill
The HFIW pipe mill manufactures pipes (ranging from 8 5/8"-26" in diameter) with steel grades of up to X80 and wall thicknesses ranging from 4.78 to 25.4 mm. The HFIW pipe mill also manufactures large hollow structural sections (ranging from 180x180 to 500x500 and 600x400 mm) used widely in the metal constructions sector. The mill was built by the German firm SMS-Meer. Hot rolled steel coil is used with the high frequency welding method (HFIW). The edges are mechanically pressed together and heat is generated by resistance of the edges to the electrical current flowing through them, allowing the edges to weld.

7 5/8'' HFIW pipe mill
The HFIW pipe mill manufactures pipes (ranging from 2"-7 5/8" in diameter) with steel grades of up to S355J2H and wall thicknesses ranging from 2 to 10 mm. The HFIW 7 5/8" steel pipes are widely used in the construction sector, networks and drilling. The mill was built by SMS-Meer.

HSAW pipe mill
The Helical Submerged Arc-Welded (HSAW) pipe mill manufactures large diameter steel pipes from high quality hot rolled steel coils. Welding is achieved by joining the ends of the metal together using submerged arc welding (SAW) techniques. The HSAW mill manufactures pipes (ranging from 24"-100" in diameter) with steel grades of up to X80 and wall thicknesses ranging from 6.00 to 25.4 mm. The mill was built by MEG / SMS-Meer.

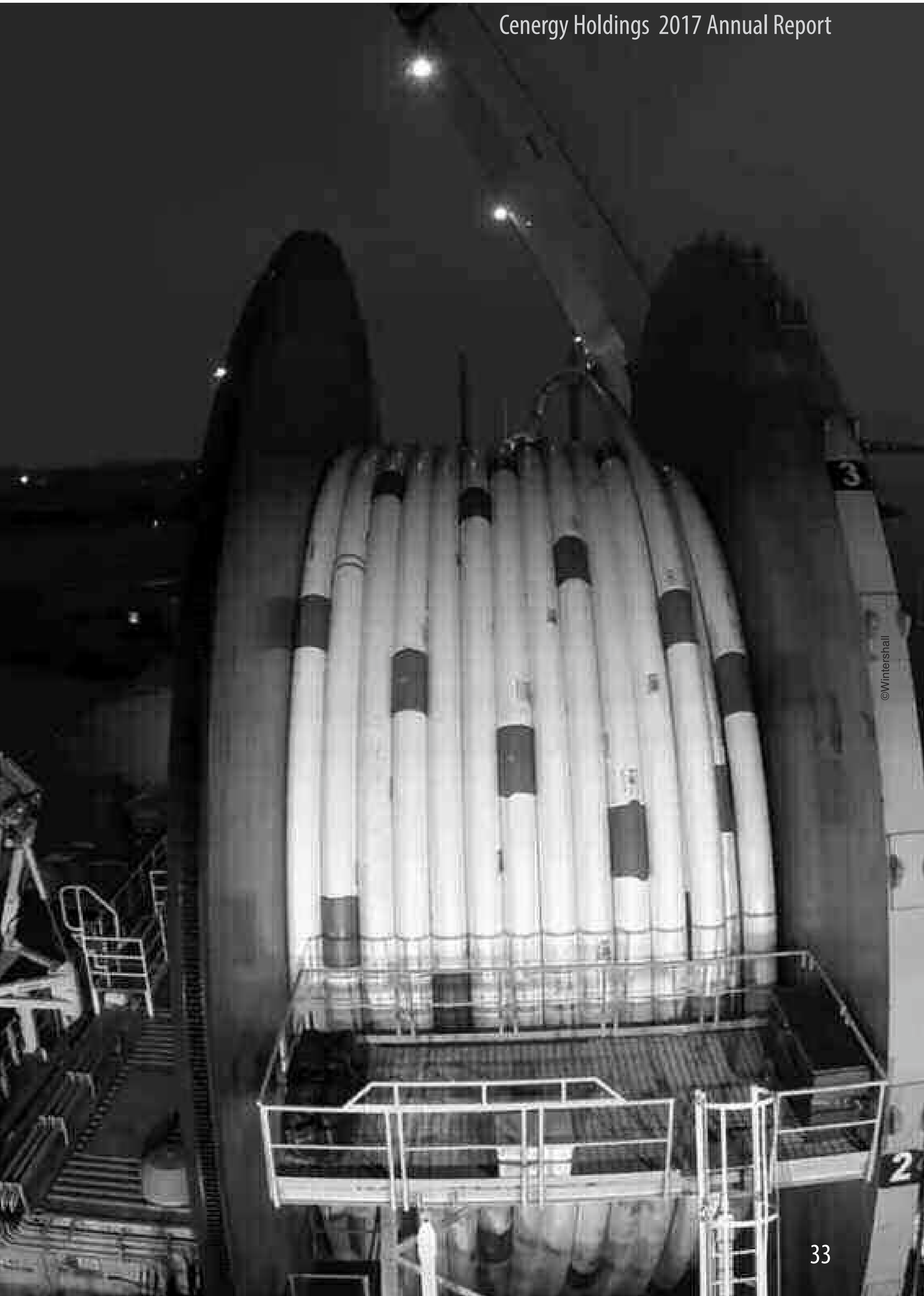
LSAW/JCOE pipe mill
In 2015, a new pipe manufacturing mill which uses the LSAW/JCOE method was completed. LSAW large diameter and thick wall pipes are primarily used in oil & gas pipelines and are produced using submerged arc welding technology. The raw material used is hot rolled steel plate of a specific width and length per final product, depending on the specifications. The new mill is able to manufacture pipes with an external diameter ranging from 16" to 56", wall thickness of up to 40 mm, lengths of up to 18.3 m and steel grades of up to X100.

Weld-on connectors' mill
This mill manufactures weld-on connectors for casing pipes, offering customers a comprehensive end product. The mill is run in partnership with MITE and OSI, offering services to the wider Mediterranean market. The weld-on connectors' mill can handle pipes with a diameter from 6 5/8" to 42", steel grades of up to X100 and wall thicknesses of up to 25.4 mm. The mill was built by Corinth Pipeworks and OSI.

External coating mills
The TCP 48 coating mill provides steel pipe coatings consisting of a triple layer of polyethylene (3LPE), polypropylene (3LPP) and a single or dual layer fusion bond epoxy (FBE). The TCP 48 mill can coat pipes with an external diameter of up to 48". The TCP 100 provides similar external coatings for pipes with an external diameter of up to 100". This mill can externally coat pipes with lengths of up to 24 metres.

Internal coating mill TLP 56
The TLP 56 mill internally lines steel pipes with an epoxy material. It can process pipes with an external diameter of up to 56". This mill can internally coat pipes with lengths of up to 24 metres.

Concrete weight coating (CWC) facility
Corinth Pipeworks in cooperation with Wasco, provides concrete weight coating solutions for offshore applications. The facility, owned by Wasco Energy, is installed in the plant in Thisvi, Greece and provides coating solutions for pipes with an external diameter up to 40" and pipe length up to 13 metres.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Accredited quality control lab
Corinth Pipeworks' quality control lab is accredited by the Hellenic Accreditation System in line with the ELOT EN ISO/IEC 17025 standard, which confers both National and International recognition of its technical competence and ensures high quality services to internal and external customers. The laboratory cooperates with accredited certification bodies for the verification of its technical equipment and actively participates in international schemes for conducting bi-laboratory tests, continuously checking the quality of testing through certified reference reports. Staff is well-trained and can support a wide range of tests based on international regulations and standards such as ISO, ASTM, NACE, API etc. The laboratory is also equipped to perform sour service performance testing (HIC & SSCC).

Port facilities
Fully-functioning port facilities are available at the Thisvi Industrial Area, some of them 1.5 km from the Thisvi plant. These facilities ensure Corinth Pipeworks' competitive transportation costs, while also allowing for shorter raw material delivery times and improved end product delivery times.

Storage facilities
Both direct and indirect raw materials and end products (before being shipped off to customers) are stored in suitable facilities.

AO TMK-Corinth Pipeworks plant | Polevskoy (Russia)

Annual production capacity: 200,000 tons

Corinth Pipeworks' first production facilities beyond the borders of Greece were opened for business in 2007 by the joint stock company AO TMK-Corinth Pipeworks. The facilities of AO TMK-Corinth Pipeworks are in the city of Polevskoy in the Seversky Region of Russia, located within the Seversky Tube Works (SWT), which is a subsidiary of TMK. The plant's primary activity is to manufacture longitudinal ERW pipes with a diameter of up to 21". The equipment used meets high technical specifications and allows pipes with diameters from 168mm to 530mm, wall thicknesses from 4.8 to 12.7 mm and lengths of up to 18 m, as well as hollow steel sections to be produced in line with international quality standards. The plant sells the Company's products in Russia and the CIS.

Investments

The growth strategy of Corinth Pipeworks Group implemented through its main company, Corinth Pipeworks, has led to the creation of a strong production base, which enables the manufacturing of high quality pipes that can meet the most challenging specifications of its international customers. To maintain this competitive advantage, Corinth Pipeworks continues to make significant investments aimed at upgrading and expanding its industrial plants. In 2015, Corinth Pipeworks concluded its major investment plan with the completion of its new LSAW/JCOE pipe mill. The new mill manufactures pipes with external diameters ranging from 16" to 56", wall thicknesses of up to 40mm, pipe lengths up to 18.3m and steel grades up to X100, using the LSAW/JCOE production technique. This investment has allowed Corinth Pipeworks to expand its product portfolio and meet the increasing demand for high-strength and heavy-duty pipes for the construction of offshore and onshore natural gas and oil transportation pipelines. In 2016, Corinth Pipeworks concluded the upgrade of the ERW/HFI 26" line to produce 24m long pipes and the upgrade of TCP 100 and TLP 56 to coat externally and internally the 24m pipes. With the ability to offer 24 meter pipes, Corinth Pipeworks reinforced its competitive position, as the longer pipes contribute to the reduction of installation costs when a pipeline is constructed and thus create a cost benefit for customers. In 2017, investments amounted to EUR 3.2 million.

Corinth Pipeworks has also installed a concrete weight coating facility to offer all pipe manufacturing and pipe coating operations required to supply a complete offshore pipeline package in a single location.

Innovation & Technology

Corinth Pipeworks focuses on continuous technological innovation, Research & Development and the highest quality of customer service, in order to remain a leading supplier to the oil and gas sector.

Offshore Reel-lay method
Pipe reeling is a fast and efficient method of laying offshore pipelines. Pipes are welded, tested and coated onshore and then spooled in one continuous length on a reeling vessel. The vessel sails to site, the spool is unwound and the pipe is laid. The major advantages of reel-lay are the high production rate, as well as the controlled welding and inspection conditions onshore.

Corinth Pipeworks is one of the very few companies worldwide to offer pipes up to 24m in length for reel lay purposes, compared to the common 12m.
Longer pipes mean less girth welds, decreased time of preparation and lower total cost.

Corinth Pipeworks is one of the very few companies worldwide to offer pipes up to 24m in length for reel lay purposes, compared to the common 12m. Longer pipes mean less girth welds, decreased time of preparation and lower total cost.

Deep offshore
The deep offshore is assumed to harbour a significant percentage of the world's oil and gas resources.

The latest technological developments have rendered deep water exploration and production possible and cost efficient. Most of the new discoveries and high potential exploration fields are offshore in deep and ultra-deep waters, while E&P spending is expected to rise significantly in the next decade. The main challenges relate to the extreme conditions of the abyssal environment. Corinth Pipeworks has the unique capability to offer LSAW pipes from 16" (406.4mm) external diameter and above in high strength and wall thickness to cover the increasing demand for deep offshore applications.

Cost efficiency solutions

End product uniformity strategy
In close cooperation with end users and installation contractors, Corinth Pipeworks' modern manufacturing plant and sophisticated forming methods are promoting the "end product uniformity" strategy which aims to tighten dimensional tolerances on critical dimensional pipe characteristics such as:
- pipe diameter and roundness (both ends and body);
- wall thickness; and
- straightness.

Pipe tracking and laser measuring systems generate detailed reports on pipe dimensional characteristics, offering a clear advantage with reduced sorting and handling costs during installation.

Longer pipes = Less welding = Lower cost
Corinth Pipeworks has the unique capability to manufacture and coat up to 24m long pipes in HFI and SAW pipe mills.

Mill upgrades and scheduled double joining facility installation offer customers the time and cost benefits of on-site welding and field joint coating during onshore pipeline installation and offshore lay-barge operations.

Integrated Services
- Downstream operations

Corinth Pipeworks offers a full range of external and internal coatings on pipe sections up to 24m long, applied at the same location as our pipe manufacturing operations. To offer an equally attractive range of coatings for offshore pipeline projects, Corinth Pipeworks installed a Concrete Weight Coating facility.

Corinth Pipeworks produces a wide range of high quality casing and conductor pipe, completed with forged and threaded end-connectors for use in oil and gas drilling at significant cost savings.

Corinth Pipeworks' independently accredited test laboratory performs the tests required to support a major pipe production and coating facility, including NACE corrosion tests under sour service conditions.

To remain up-to-date with the latest technical and technological developments, Corinth Pipeworks undertakes a wide range of Research & Development activities:
- Implementation of process optimisation techniques in cooperation with leading suppliers of technological equipment, and extensive internal trial production to narrow the optimum working range for all variables and allow higher product uniformity.
- Collaboration with well-known steel manufacturers to further develop steel grades and production procedures for complex projects, including sour service conditions, deep offshore applications and high strain applications such as reeling.
- Development of advanced tracking, process control systems and advanced non-destructive inspection techniques and controls.
- Collaboration with international research organizations and institutes (EPRG, TWI, Elkeme).
- Participation in major European and International projects aiming at the development of pipe properties and pipeline integrity (JIP and RFCS projects).

Customers and sales network

Corinth Pipeworks supplies its products for both energy and construction sectors through sales offices and an extensive network of representatives and agents across the globe. Corporate headquarters are located in Greece and sales offices are active in the USA, the UK, Germany and other countries.

Corinth Pipework's clients include Chevron, BP, BG, Shell, Depa, Desfa, OMV, GRTGAZ, Snam, ENI, Socar, National Grid, RWE, Spectra Energy, Plains All American, Energy Transfer, Denbury, DCP Midstream, MRC, Spartan, EPCO, Total, Enbridge, Cheniere Energy, DNOW, Talisman, STEG, Sonatrach, PDO, OGC, Saudi Aramco, Exxon Mobil,

Trans Adriatic Pipeline (TAP)
28,600 pipes to be laid along 495km were manufactured and coated at Corinth Pipeworks facilities, both at the HSAW and LSAW pipe mills.

ABB, EDF, TIGF, Saipem, Subsea 7, Noble Energy, Technip, Genesis, Allseas, Gaz System, Subsea 7, Wintershall, Qatar Petroleum, KPO, Gasco, Pemex etc.

Recent projects

On 17 October 2017, Corinth Pipeworks announced that it had completed production of the Trans Adriatic Pipeline (TAP). The completion of TAP pipe production was celebrated in the plant in Thisvi. 28,600 pipes to be laid along 495km were manufactured and coated at Corinth Pipeworks facilities, both at the HSAW and LSAW pipe mills. Despite the large scale of the task at hand, the demanding technical specifications, and the multi-logistic deliveries that created a tight and complex delivery schedule (including vessels, trains and trucks), the production was successfully carried out and on schedule, reaffirming Corinth Pipeworks' position as one of the leading pipe suppliers for the energy sector worldwide

Corinth Pipeworks successfully manufactured and delivered its first LSAW offshore project in 2017. The TANAP offshore 37Km gas pipeline connects the Asian and European parts of the Trans Anatolian pipeline. DNV 450 36" steel pipes were delivered to the laying contractor SapuraKencana and included concrete weight coating applied at the new coating facility in Thisvi, Greece.

In 2017 Corinth Pipeworks also delivered steel pipes to Technip for the Norwegian Sea Dvalin offshore project of DEA Norge AS. The reel lay project of 15Km was a gas pipeline of 16" 17.5mm DNV HFW 450 pipes, and was produced at the state of the art 26" HFI pipe mill in Thisvi, Greece.

Notable features of the project include:

- enhanced dimensional tolerances for better fit-up; and
- pipe length of up to 24m compared to the 12m used up to now.

Corinth Pipeworks is one of the few firms in the world that offers pipes up to 24m length for reel lay purposes compared to the common 12m. Longer pipes mean less girth welds, decreased time of preparation and lower total cost.

In 2017, Corinth Pipeworks was a major supplier to projects in the US, including:

- MRC Global - Columbia pipeline, a 36 km gas pipeline of 20" pipes.
- Plains All American, Colorado city to Wichita falls, a 286 km oil pipeline of 24" pipes. Deliveries continue during 2018

Corinth Pipeworks has acquired significant experience in the manufacture of steel pipes and has a long track record of implementing complex projects in the demanding markets of Europe, America, Africa and the Middle East.

Oil & Gas projects

Customer	Description	Year
TANAP	37 km of “Trans Anatolian offshore pipeline” in Turkey	2017
Gaz System	125 km of onshore projects in Poland	2017
TECHNIP	15 km of offshore pipeline (Dvalin) in Norway	2017
TAP A.G.	495 km of “Trans Adriatic pipeline” in Greece	2016-2017
Wintershall	50 km reel-lay offshore project “Maria” in Norway	2016
Plains All American	1.1001 km of oil pipelines (Diamond & Red River) in the U.S.A.	2015-2017
Energy Transfer	550 km of gas pipeline projects (DAPL & Rover) in the U.S.A.	2015
GRT GAZ, TIGF, GDF	560 km of gas pipelines in France	2003-2016
Snam Rete Gas	240 km of gas pipeline projects in Italy	2011-2016
BP	184 km “In Amenas” onshore gas pipeline project in Algeria	2006, 2009, 2012
Denbury	385 km “Greencore CO_2 pipeline” in the U.S.A.	2011-2012
OMV	395 km “Nawara” gas project in Tunisia and 62Km “WAG EXPANSION 3” project in Austria	2011-2013
BG	107 km “Knarr field development” offshore gas pipeline project in Norway and 120Km “Hasdrubal” offshore gas pipeline in Tunisia	2012, 2007
Chevron	128 km (in total) of offshore projects in Netherlands, Angola and Thailand	2002 - 2010
Sonatrach	915 km of gas pipelines in Algeria (El Merk Lot 2, MEDGAZ etc.)	2005 - 2010
Spectra Energy	443 km “South East Supply Header” gas pipeline in the U.S.A.	2007
Chevron	490 km “WAGP-West African Gas pipeline” offshore project in Ghana	2005
Shell	204 km of offshore oil projects awarded by SHELL Deepwater in Gulf of Mexico, SHELL UK in the North Sea and SHELL Nigeria in West Africa	2002

Construction projects

Project	Country	Year
Al Wakrah Stadium	Qatar	2017
Museo Fondazione Prada	Italy	2017
Stadium in Hungary	Hungary	2017
Macedonia Airport	Greece	2017
Bergen Airport	Norway	2014
Queen Alia International Airport	Jordan	2014
Stavros Niarchos Foundation Cultural Center	Greece	2014
Gare de Nanterre	France	2013
Stade de Bordeaux	France	2013
Stade Allianz Riviera	France	2013
Mall of Scandinavia	Sweden	2013
Cairo International Airport	Egypt	2013
Hilton Amsterdam Schiphol Airport	Netherlands	2013
Ayazaga Culture & Convention Center	Turkey	2012
Harilaos Trikoupis Bridge	Greece	2000

Oil & Gas pipeline projects worldwide

* Length of oil & gas projects 2002-2017

Corporate Strategy

Corinth Pipeworks has extensive experience in carrying out demanding offshore and onshore projects for the energy sector globally and is an approved supplier to major oil and gas companies and EPC contractors. It offers full services to its customers, from initial analysis of a project through to completion and delivery to the final location. The Company seeks to meet the needs of the international energy market by focusing on the following strategic priorities:

- Growing presence across Europe, Middle East, North Africa and North America, as well as the emerging markets of East and West Africa and the CIS;
- Leveraging the Group's LSAW investment to offer one of the world's most diverse welded product ranges (HFW, HSAW, LSAW), which meets the highest international standards. Corinth Pipeworks acts as an integrated "one-stop-shop" for energy steel pipe products and related services;
- Continuous operational efficiency improvements of production plants to strengthen the Group's competitive and financial position; and
- Cultivating long-term cooperation with top quality raw material manufacturers for the steel industry worldwide.

Striving for excellence is a key pillar of the Company's corporate culture, which is reflected in the responsible way in which it operates and in the relationships it cultivates with stakeholders.

2017 Financial Performance

Revenue amounted to EUR 336 million in 2017, an 11% increase year-on-year (2016: EUR 302 million).

Gross profit amounted to EUR 27 million in 2017, a 19% decrease compared to 2016 (EUR 33 million), mainly driven by a different mix of energy projects and the severe change in the USD – EUR exchange rate which put significant pressure on profit margins in markets dominated by the US Dollar. The decrease in gross profit resulted in a 10% decrease in **adjusted EBITDA**, which amounted to EUR 25.5 million in 2017, down from EUR 28.2 million in 2016. A **loss before income tax** of EUR 3.7 million was recorded for 2017, compared to a profit of EUR 8.5 million in 2016. This decline is attributable to the above-mentioned factors, the increased finance costs and the exceptional impairment loss on receivables of EUR 8.9 million, as mentioned in page 10. The impact of this impairment loss on the annual results was partially offset by the recognition of a deferred tax asset on the total amount of impairment booked for the certain receivable, which amounted to EUR 5.6 million. **Net debt** decreased by EUR 12 million to EUR 125 million at the year's end, driven by increased cash inflows from operating activities.

During 2017, long-term planning and strategic investments were completed at Corinth Pipeworks, with the aim of providing high added value products. Within only two years of completing the new LSAW pipe mill investment, an intensive qualification programme by a number of large Oil and Gas companies commenced and is still ongoing. Over a short period of time, these qualifications have enabled the segment to effectively compete for important projects globally in an intensely competitive environment.

Pipe production for the Trans Adriatic Pipeline (TAP), the biggest project ever commissioned to Corinth Pipeworks, was completed during the year, with the 28,600 pipes to be laid along 495 km manufactured and coated at Corinth Pipeworks' facilities at both the HSAW and LSAW pipe mills.
An investment in a concrete weight coating facility, which provides a competitive advantage in the offshore pipeline market, was completed in 2017, and its first project has already concluded.

Corinth Pipeworks' project to provide LSAW pipes to connect the Bosporus Straits, part of the TANAP pipeline to supply Europe with natural gas, was completed. A second LSAW offshore project, as part of the Leviathan pipeline in the Southeastern Mediterranean, was also completed, further strengthening the subsidiary's position as a supplier of high quality pipes for offshore projects.

The Baltic region will be an area of increased focus for the subsidiary going forward. This was demonstrated by the signing of an agreement with Baltic Connector and Elering to manufacture and supply steel pipes for the Balticconnector offshore pipeline project. The project, which includes the supply of pipe material for the 77km offshore pipeline from Finland to Estonia, is one of the biggest within the Balticconnector project. The pipes for the offshore pipeline will be manufactured in 2018 at Corinth Pipeworks' plant in Greece with installation work expected to commence in 2019.

Recently, Corinth Pipeworks was awarded two offshore projects by Subsea 7 for the manufacture and supply of steel pipes for 39km pipelines in the North Sea area. The pipes will be manufactured during 2018 at Corinth Pipeworks' plant in Greece with installation scheduled in 2019-2020.

Summary consolidated statement of profit or loss of the steel pipes segment

	For the year ended 31 December	
Amounts in EUR thousand	**2017**	**2016**
Revenue	335,792	302,215
Gross profit	26,870	33,046
Gross profit (%)	8.0%	10.9%
a-EBITDA	25,475	28,247
a-EBITDA (%)	7.6%	9.3%
EBITDA	16,376	27,309
EBITDA (%)	4.9%	9.0%
a-EBIT	16,326	19,627
a-EBIT (%)	4.9%	6.5%
EBIT	7,228	18,689
EBIT (%)	2.2%	6.2%
Net finance costs	(10,884)	(10,213)
Profit / (Loss) before income tax	(3,656)	8,476
Net margin before income tax (%)	(1.1%)	2.8%
Profit of the year	1,594	4,589
Profit attributable to owners of the Company	1,594	4,589

- Source: Consolidated statement of profit or loss and APM (Appendix A)
- All percentages are versus revenue

The global economic environment remains volatile and low oil and natural gas prices, although higher than 2016 levels, do not support the implementation of significant projects in the energy sector. However, in 2018 Corinth Pipeworks will continue its focus on achieving growth through the penetration of new geographical and product markets.

Corinth Pipeworks is now a significant supplier for offshore pipelines, and projects are expected in regions such as the North Sea and Norwegian Sea, as well as the SE Mediterranean area, in the year ahead.

Projects secured for 2018 signal a positive outlook for the year. The TAP pipeline to transport Azeri gas to Europe and its interconnections to various countries is expected to present further opportunities throughout the year. Although the protectionist sentiment expressed in some markets may present uncertainty, the subsidiary is monitoring this closely and is prepared to meet this challenge positively. Raw materials prices remain high, which may negatively affect profit margins.

Corinth Pipeworks is well positioned to utilise its significant production capacity and focus on product diversification to enter new markets.

Further information on the Corinth Pipeworks' Group is available on the corporate website:

www.cpw.gr

Cables

HELLENIC CABLES S.A. HELLENIC CABLE INDUSTRY S.A. FULGOR HELLENIC CABLE INDUSTRY S.A. ICME ECAB S.A. CABLE INDUSTRY

Activities

Hellenic Cables, together with its subsidiaries and Icme Ecab, constitute the largest cable producer in Greece, and one of the major producers in South-Eastern Europe. Hellenic Cables Group owns six production plants; four in Greece, one in Romania, and one in Bulgaria. The Group is export-oriented and has a wide commercial presence in international markets, having established a strong position among the few global high-voltage submarine cable manufacturers, exporting to more than 50 countries.

Since its establishment, Hellenic Cables Group has adopted modern technologies to develop a wide range of innovative cable solutions and aims to provide competitive, cutting-edge products and services targeting international markets. Its plants manufacture a variety of products including underground and submarine power cables (from low to high and extra high voltage), telecommunications cables, enamelled wires, copper wires and compounds.

Technical knowledge and continuous investment in modern machinery and product development ensures efficiency and quality, whilst a strong commitment to sustainable development remains a key factor in maintaining a solid position in the global market. Over the last years, cables segment has heavily invested in the manufacture of high and extra high voltage submarine cables at the Fulgor plant.

Cablel® Hellenic Cables Group responds swiftly to changes in customer requirements around the world by offering reliable and safe products, manufactured using environmentally-friendly technologies. At the same time, the Group places a strong emphasis on the development of its people and value creation for its shareholders, partners and the communities in which it operates. Looking ahead, the Group plans additional investments in technology and innovative cable solutions, in order to secure a sustainable future for its stakeholders.

Subsidiaries

Hellenic Cables has more than 60 years of experience in the manufacture of power and telecom cables. It manufactures submarine and land power cables (ranging from low to extra high voltage), telecom cables, enamelled wires and plastic, as well as rubber compounds, all individually tailored to customers' specifications. Hellenic Cables deploys cutting-edge technologies for the development of a wide range of technologically innovative cable solutions and aims to provide competitive products and services across its key international markets. Hellenic Cables owns three plants in Greece, located in Thiva, Livadia and Oinofyta.

Fulgor was established in 1957 and relocated to its current 210,000 m^2 facilities in Soussaki, Corinth in 1972. In 1973, it carried out the first submarine cable links for PPC, while in 1986 it constructed and installed the first optical fibre cable in Greece for the Hellenic Telecommunications Organisation. Fulgor started producing high voltage cables in 1993. Over the past forty years, the Company has installed a large proportion of all power and telecommunications networks and most submarine cable links in Greece. Fulgor was acquired by Hellenic Cables in 2011.

In the Fulgor plant, Hellenic Cables 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. Since 1972, Fulgor has installed more than 1,000km of power submarine cables (of up to 33 kV) and over 2,200km of submarine optical-fibre cables. Fulgor also manufactures composite submarine cables, which involves combining power submarine and optical-fibre cables. Between 2012 and 2015, investments in excess of EUR 65 million were carried out to install an ultra-modern production line for high and extra high voltage submarine cables. Following this installation, Fulgor became one of the few global producers of high voltage submarine cables. Production of the first orders on the new line commences in 2014. The new equipment enables Fulgor to produce submarine cables of up to 500 kV in continuous lengths. Fulgor has its own dock and premises at its Soussaki-based plant which enables the direct loading of cables on to cable-laying vessels. It also offers cable sinking and protection services on the seabed and delivery of submarine links to end customers in the form of "turnkey" projects. For instance, in 2014, Fulgor connected Bell Island to the continental network of Newfoundland and Labrador, Canada. In 2015, it started the interconnection of the islands Syros-Tinos, Syros-Mykonos and Syros-Paros and the connection of the wind park on the islet of Agios Georgios. Both of these projects are ongoing.

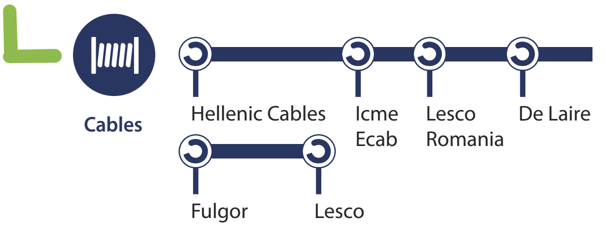
Icme Ecab has over 50 years' experience in the Romanian and international cable markets. Hellenic Cables became the major shareholder of Icme Ecab in 1999. Icme Ecab is located in a 102,000 m^2 industrial complex on a 268,000 m^2 plot of land in Bucharest and employs approximately 520 members of staff. It has a diverse product portfolio including 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. The plant operates a well-equipped research and development unit which is responsible for the ongoing improvement of product quality. In the domestic Romanian market, products of Icme Ecab are sold and distributed from its facilities in Bucharest and its warehouses in Cluj, Bacau and Timisoara. In the international market, they are sold through the Hellenic Cables network or directly to end customers.

Hellenic Cables controls 100% of Lesco O.o.d., a company located in Bulgaria which operates a wooden packaging products plant. The continuous investment in new technologically advanced infrastructures, together with the abundance of raw materials, has allowed for the manufacturing of specialised, wooden packaging materials with a variety of applications in industry.

Lesco Romania is based in Bucharest, Romania and 65% of its share capital is held by Hellenic Cables. It assembles, repairs and recycles wooden packaging products.

De Laire Ltd is a company incorporated in Cyprus and its primary activity is to acquire holdings in companies engaged in similar activities.

Cenergy Holdings cables segment



History

- Viohalco begins cable production.
- Cable manufacturing company, Icme Ecab S.A. (Icme Ecab), is founded under the name of “Electrocablu”.
- Fulgor S.A. (Fulgor) in Agios Ioannis Rentis, Athens, Attica is established.

1950s

- Cable production plant relocation to Oinofyta, 57Km north of Athens.

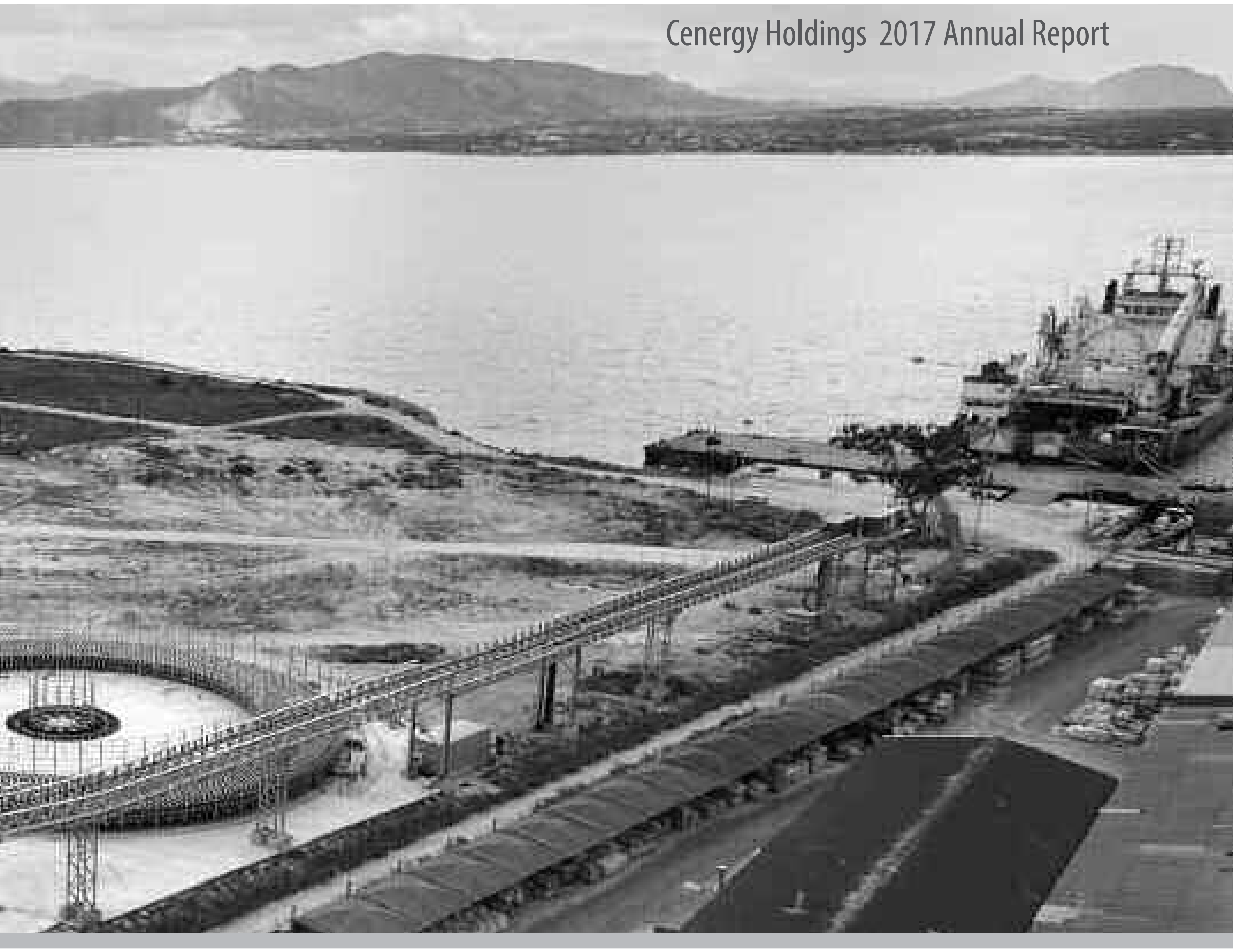
1960s

- Hellenic Cables S.A is established.
- Completion of the first submarine cable linking Kos - Kalymnos (25.4 Km) and Paros.-Naxos (15 Km) by Fulgor on behalf of DEI (Public Power Co).

1970s

- Production of XLPE Insulated medium voltage cables.

1980s



1990s

- Fulgor constructs the first H.V. (High Voltage) 150KV cables, on behalf of DEI (PPC).
- Share capital majority acquisition of Icme Ecab from Hellenic Cables S.A.

2000s

- The new Thiva cable production plant is completed and the High Voltage cable production line begins operations.
- Operation of 2nd HV/EHV line up to 500kV.

2010s

- Hellenic Cables S.A. acquires 100% of Fulgor's share capital and invests approx. EUR 65 million into the plant.
- The Company is awarded a new contract for the Cyclades Islands interconnection worth approximately EUR 93 million, including underwater 150KV cable connections.
- A new contract, worth approximately EUR 36.4 million, is awarded for the design, supply, installation and commissioning of the 150kV submarine interconnection of the island of Aghios Georgios to the Greek mainland.
- Three contracts for the planning, design and supply of both submarine and underground cables are also awarded by the Danish national electricity transmission system operator, Energinet.dk.
- Two turnkey projects for offshore wind farm export cable systems are awarded by the German electricity transmission system operator TenneT. Fulgor is awarded a turnkey contract by Enel Green Power Hellas to provide a submarine cable interconnection to the Greek National Grid of the Kafireas wind complex located in Karystos, Evia, Greece. Hellenic Cables will supply significant quantities of high and medium voltage land cables for the onshore part of the project.
- Cablel® Hellenic Cables S.A. is awarded a contract to provide DEME Group with submarine cable systems intended for Belgian utility's Elia Modular Offshore Grid (MOG) Project in North Sea.

Product portfolio

Cable products are sold under the patented trademark Cablel® and Hellenic Cables is well-regarded in both Greek and foreign markets, with its strategic focus on exports reflected in the large quantities of cables and enamelled wires sold abroad.

Hellenic Cables Group offers a wide range of medium, high and extra high voltage submarine and land cables, overhead conductors and turnkey installation services for:

- Interconnection of islands to the mainland grid;
- Grid connection between different countries;
- Land cables and overhead conductors for transmission systems;
- Offshore/Onshore wind farms;
- Solar energy projects;
- Oil and gas platforms;
- Short distance crossings (i.e. rivers, channels, fjords); and
- Power supply of heavy industries.

Hellenic Cables also manufactures low and medium voltage power cables and overhead conductors for electric power distribution networks for:

- Electric Power Operators;
- Utilities;
- Industries;
- Renewable energy applications;
- Railway transportation networks; and
- Buildings.

The key product categories are as follows:

Power cables: Low, medium, high and extra high voltage submarine cables, indoor installation cables, control cables, industrial-purpose and outdoor installation cables, fire-retardant, fire-resistant, halogen-free cables, medium, high and extra high voltage cables (up to 500kV), cu (grounding) wires, al, acsr/ acss conductors, marine cables.

Telecommunication and data transmission cables: Gauging and control cables, conventional telephone cables, telephone exchange cables, data transmission tables, high-frequency telephone cables, optical fibre cables (single-mode and multi-mode), underground dielectric cables in tubes, underground direct burial cables (steel reinforcement), indoor installation lszh cables, underground dielectric anti-rodent cables, aerial installation cables (8-shaped or adss), submarine optical fibre cables, signalling and railway signalling cables.

Enamelled wires: Enamelled wires for electric motors and transformers, copper wires for grounding and box can manufacture. Hellenic Cables is the sole manufacturer of enamelled wires in Greece.

Plastic and rubber compounds: PVC-based plastics, polyolefin-based plastics, rubbers.

Turnkey solutions

Since 1972, Hellenic Cables Group has undertaken a large number of "turnkey" projects for the supply and installation of submarine power cables as well as high voltage underground cables. Where appropriate, the Group uses its own specialised assets, trained personnel and experienced subcontractors to complete "turnkey" projects in Greece and abroad.

These projects include the supply and installation of:

- Medium voltage power submarine cable systems;
- Repeaterless optical fibre submarine cable systems;
- Composite power - optical fibre submarine cables;
- Underground power and composite power - optical fibre cable systems with rated voltage up to 400kV; and
- Optical fibre underground systems.

The Group's submarine cable project capabilities include the following:

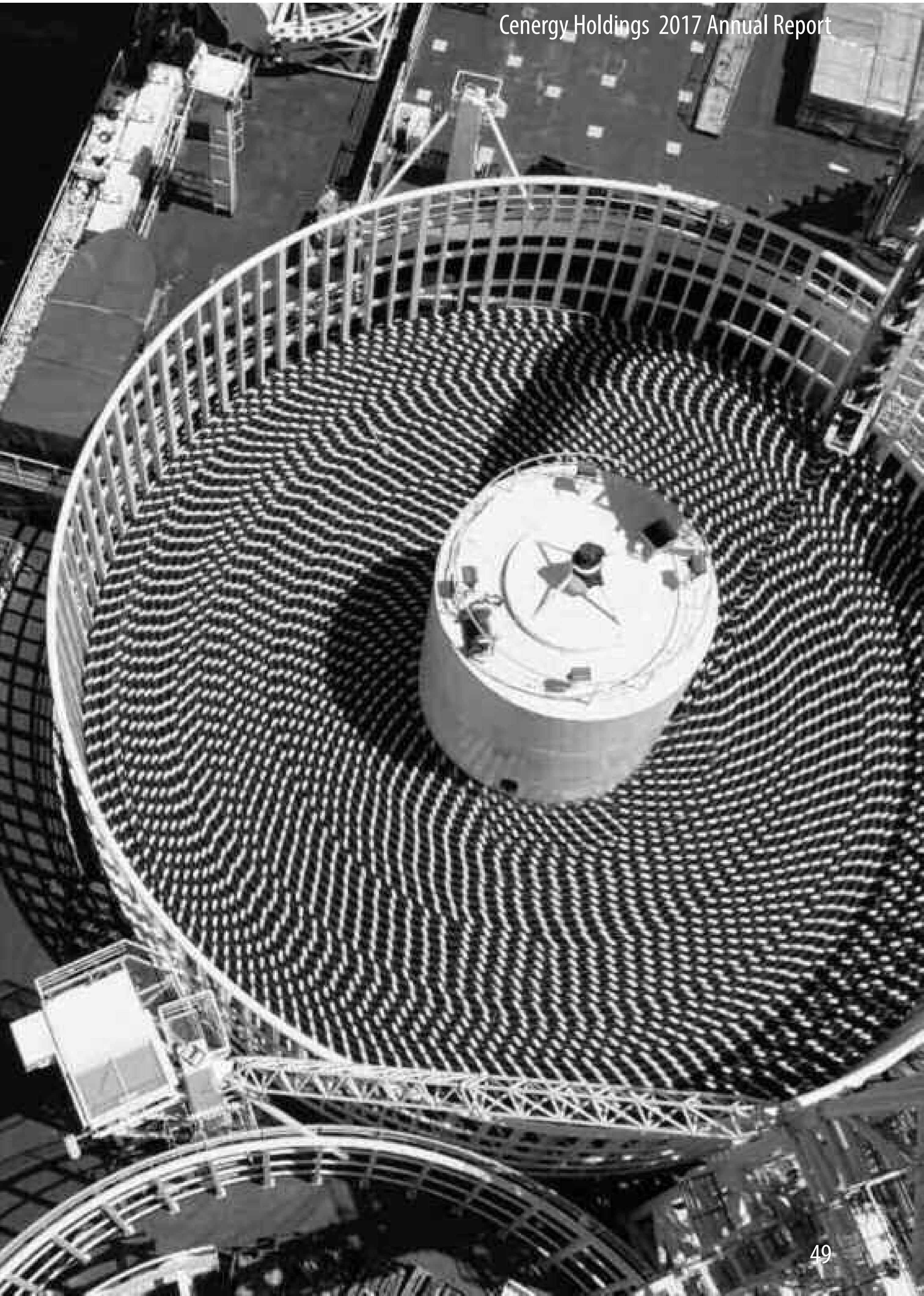
- System engineering according to specifications and/or in consultation with the customer;
- Cable route surveys at shore ends and the open sea as well as in underground segments;
- Design and manufacture of suitable cable types according to route survey results and specified requirements;
- Transportation of the cables onto site;
- Installation of cables using specialised cable laying vessels with precise navigation equipment, dynamic positioning and sophisticated cable laying machinery. Cable laying can include the simultaneous plough burial of the cables under the sea bed [in] the open sea segments (as in the case of repeaterless optical fibre cable links);
- Installation of land cables as extensions to submarine cables from the landing points to the terminal stations or termination points;
- Supply of repair-joints, passive branching units (repeaterless optical fibre links), transition joints between submarine and land cables and cable terminations;
- Construction of transition joints, terminations and repair joints;
- Protection of cables by burial at the shore ends, on land segments, and the construction of beach manholes and


CABLEL
CABLEL

other related civil works;
- Supply and installation of the transmission equipment at terminal stations including special optical amplification equipment (in the case of repeaterless optical fibre cable systems);
- Commissioning systems;
- Project management; and
- Training customer personnel in operation and maintenance of the system.

The capabilities of Hellenic Cables in underground cable projects include:

- Engineering links according to specifications and/or in consultation with the customer;
- Design and manufacture of cables;
- Transportation and installation of cables along the route with the use of specialised equipment;
- Civil works including excavations, back-filling and reinstatement of ground to its initial condition (prior to installation of cables);
- Supply required accessories including the relevant joints and terminations;
- Construction of joints and terminations required for the realisation of the link;
- Supply and installation of temperature monitoring systems using optical fibres to monitor the loading of the installed cables (in the case of high voltage underground cables);
- Commissioning systems;
- Project management; and
- Training customer personnel in operation and maintenance of systems.



Production facilities and port

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

Hellenic Cable Industry Power and Optical Fibres Cable plant | Thiva (Greece)

Annual production capacity: 60,000 tons

The Thiva plant, owned by Hellenic Cables, covers a total surface area of 175,082 m^2, including 50,181 m^2 of building facilities. It specialises in the production of energy and telecommunications cables.

Cables are manufactured in accordance with national or international standards and certified by various public or private organizations.

The plant is currently certified by: VDE (Germany), BASEC (UK), LCIE (France), IMQ (Italy), DNV (Norway) for ship cables, and CTL (USA) for wind turbine cables, etc. The plant is also certified according to ELOT EN ISO 9001:2008 and ELOT EN ISO 14001:2004.

Fulgor Cable plant and port | Soussaki, Corinth (Greece)

Annual production capacity: 50,000 tons of cables and 120,000 tons of 8mm diameter copper wire rod

The plant, owned by Fulgor, is located in Soussaki, Corinth, on a 218,247 m^2 plot, which includes 80,048 m^2 of building facilities. Fulgor was integrated into Hellenic Cables Group in June 2011. It is one of the most innovative companies in the industry, and provides high quality technologically advanced products and turnkey projects. Fulgor is one of only handful global companies specialising in submarine cable interconnections.

The Fulgor plant has been certified under ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007 standards. Its fully operational port facility enables the direct loading of products onto cable ships, which is a distinct competitive advantage.

Icme Ecab Cable plant | Bucharest (Romania)

Annual production capacity: 50,000 tons

The plant, owned by Icme Ecab, is located in Bucharest, Romania on a plot with a total surface area of 268,000 m^2 including buildings of 102,137 m^2. It manufactures low and medium voltage energy cables and copper telephone cables.

The plant includes a well-equipped research and development unit responsible for the ongoing improvement of product quality. Its facilities have been certified under ISO 9001:2008 and ISO 14001:2004.

Hellenic Cable Industry enamelled wires plant | Livadia (Greece)

Annual production capacity: 12,000 tons

The Livadia plant, which is owned by Hellenic Cables, specialises in wire manufacturing and has a total surface area of 121,818 m^2 including 13,939 m^2 of building facilities.

Specifically, it produces soft and hard wires which are used as raw materials for the manufacture of enamelled wires. Its production units have been certified under ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007.


LESCO LTD

Hellenic Cable Industry plastic and rubber compounds plant | Oinofyta (Greece)

Annual production capacity: 24,000 tons

The Oinofyta plant, owned by Hellenic Cables, covers a total surface area of 21,263 m^2, including 9,072 m^2 of building facilities. It specialises in the manufacture of elastic and plastic compounds. Part of its production facilities are used by Halcor for the manufacture of ECUTHERM® and CUSMART® products. The facilities have been certified under ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007.

Lesco Ltd. | Blagoevgrad (Bulgaria)

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

The plant, owned by Lesco O.o.d., is a modern timber company founded in 1998, and is located in Blagoevgrad, Bulgaria. It is exclusively involved in the manufacturing of wooden packaging products (pads, reels, pallets, packing cases), including wooden spools used for the reeling of various cables. The plant is located on a plot with a total surface area of 25,000 m^2 including buildings of 3,398 m^2. Lesco O.o.d is a 100% subsidiary of Hellenic Cables. Its continued investment in new, technologically advanced infrastructure, as well as the availability of raw materials have facilitated the manufacturing of specialised, wooden packaging materials with a variety of industrial applications.

Investments

Hellenic Cables' strong presence in the international cable products markets is primarily due to a dynamic production base that enables its companies to successfully meet the needs of their customers with high-added value innovative solutions. In order to maintain and expand this competitive advantage, the Cables segment's companies will continue to implement major investment plans to improve the productivity of plants, expand production capacity, continue to develop of research and technology and broaden of the product portfolio.

Following a comprehensive investment program amounting EUR 108 million during 2013-2016, the Cables segment invested approximately EUR 17.8 million in 2017.

The most notable investment of the period 2013-2017 was the upgrade of Fulgor's facilities for the production of high-voltage submarine cables, an investment which exceeded EUR 65 million. Fulgor extended its production capacity in order to manufacture high and extra high voltage submarine cables. This equipment enabled Hellenic Cables to produce submarine cables of up to 500 kV in long continuous lengths. Fulgor is now better positioned to undertake "turnkey" projects such as the connection of Bell Island to the continental network of Newfoundland and Labrador, Canada in 2014, the interconnection of islands Syros-Tinos, Syros-Mykonos, Syros-Paros in 2015, the wind park on the islet of Agios Georgios the same year, the interconnection of the Kafireas wind complex located at Karystos, Evia, Greece to the Greek National Grid and the interconnection of several wind farms in North Europe awarded by major European utilities.

Innovation & Technology

For cables segment, R&D activities vitally underpin ability to design products that meet customer needs today and in the future. The total research and development expenditure for 2017 for cables segment amounted to EUR 5 million, out of which EUR 0.7 million concerned research activities. The R&D department pursues core research focusing on product development, innovation, redesign-optimization of existing products and technical support in four business units, three in Greece and one in Romania.

In particular,

- Product development responds to new regulations, international standards and specific customers' requirements
- Innovation constitutes of the development of new materials, new design and new manufacturing processes
- Redesign and optimization of products in order to improve competitiveness that will advance Group's financial factors
- Technical support to manufacturing process that aims to improve productivity and quality

For cables segment, R&D activities vitally underpin ability to design products that meet customer needs today and in the future.

The core focus of the Research and Development is to support the market share growth strategy of the cables segment by developing added value and reliable products for different applications such as Oil and Gas, submarine AC/DC cables for high depths, long distances and telecom/data cables.

Towards these challenges, cables segment supported the Research and Development dynamic in 2017 by investing in a new high voltage laboratory, a special laboratory with respect to the new Construction Products Regulation (CPR) and in recruiting the right people.

The introduction of new technologies into the production process to develop innovative, high quality, environmentally friendly products and provide services of high added value, is an integral element of Cablel® Hellenic Cables Group's business.

At Cablel® Hellenic Cables Group, R&D processes play a key role in creating and maintaining the competitive advantage. For this reason, the companies implement significant Group-wide investments directly connected to R&D every year.

As part of this commitment, the Group invests in its people, recognizing that the quality and expertise of human resources is what essentially leads to the success of any research effort. The Group's R&D department is staffed by highly educated and specialized scientific personnel. The staff's participation in educational and lifelong learning programmes is an integral part of the department's operation.

Collaboration at the national and the international level with internationally acclaimed educational institutions, distinguished research centres and certified laboratories with international prestige are also an integral part of daily R&D activity.

Cablel® Hellenic Cables Group ensures that it is able to leverage any opportunity for participation in expertise transfer groups. A notable example is the Group's participation in the two-year Tanocomp European Programme. This is an EU funded project within the Life Long Learning Programme, implemented through a Joint Venture of the following Partners:

- Steinbeis – Europa – Zentrum
- Aitiip Centro Tecnologico
- Marketmentoro LTD
- Glonatech Global Nanotechnologies

Participation in the project's activities have enhanced knowledge among the Group's executives about nanotechnology issues and the preparation of nano synthetic materials for various applications, and have driven a recognition of the benefits of this particular technology.

The Group's focus on R&D has led to the creation of a state-of-the-art, advanced polymer laboratory at the Inofyta plant. The laboratory, among other things, conducts specialized chemical tests related to quality control and insulation analysis (XLPE) for high and extra-high voltage cables (raw materials, production process and evaluation of produced materials), as well as other polymers.

Cablel® Hellenic Cables Group has successfully developed high-value added products that offer strong growth potential, such as high and extra-high voltage AC submarine cables, umbilicals for oil & gas, extra high voltage land cables and submarine water pipes. Moreover, it plans to further increase its high-value added product portfolio with submarine gas pipes and high/ extra-high voltage DC submarine cables.

Customers and sales network

Hellenic Cables sells its products in the domestic market through its central distribution centres in Athens and Thessaloniki and its agent in Crete, where it has well-organised warehouses. The Company participates directly in tenders held in Greece (e.g. Hellenic Electricity Distribution Network Operator S.A./Independent Power Transmission Operator) and internationally. It exports its products both directly and through agents.

Hellenic Cables' Group clients include E.ON, Vattenfall, Tennet, Energinet.dk, Enel, Deme, SSE, Iberdrola, Electricity Northwest, Terna, DEWA, HEDNO S.A., IPTO S.A., 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, 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).

Recent projects

In 2014, Hellenic Cables was awarded a contract by the Greek Independent Power Transmission Operator (ADMIE) for the supply and installation of 150 kV submarine cables for the Cyclades interconnection. The project involved the supply of 150 kV underground and submarine cable links for Syros - Tinos, Syros – Mykonos and Syros –Paros islands, and a 150 kV cable

termination on Tinos Island. In addition to cable supply, the project included cable laying, cable protection near coastal areas and the implementation of necessary connections to the existing network of the Independent Power Transmission Operator. Once completed, the interconnection of the Cyclades to the Hellenic Power Transmission System will play an important role in the development of the Cyclades. Local communities will benefit from improved environmental and financial conditions, whilst Greek electricity consumers will enjoy lower energy costs. In 2016, power testing was successfully carried out and all of the submarine elements of the project were completed. The necessary land connections were installed in 2017, with overall project completion due in 2018.

In 2014, Fulgor (subsidiary of Hellenic Cables) was awarded a contract by Terna Energy for the cable interconnection of the 73.2 MW wind park on the island of St. George, which is located in the sea area, south of Cape Sounio. The project, which was completed in 2016, included the supply of 37.4 km of high voltage 150 kV 3x300 mm^2 copper/XLPE and 2x24 optical-fibre submarine cables, cable laying at a depth of up to 230 metres, cable protection on the seabed along the route, as well as the implementation of the necessary terminations and connections to the existing high voltage network at Lavrio. This investment has resulted in an increased supply of energy to the island and will generate significant environmental benefits going forward. The power generated by the wind park each year will meet the energy needs of more than 40,000 households per annum. The island will also benefit from petroleum savings estimated at more than 60,000 tons and a decline in pollutant emissions per annum of over 180,000 tons.

In January 2016, Hellenic Cables was awarded two turnkey projects by the German electricity transmission system operator, TenneT. The projects require the design, manufacture, installation and protection of export cable systems connecting substations at the Borkum Riffgrund II and Trianel Borkum Windpark offshore wind farms in the North Sea (under the seabed). More specifically, it involves the turnkey design, supply, installation, protection and commissioning of three export cable systems with submarine cables insulated with XLPE that will operate at an AC voltage level of 155 kV. The contracts comprise the supply and installation of 24 km of 155 kV high-voltage submarine cables. The submarine cables incorporate two interstitial armoured optical fibre units of 24 fibres each, which were produced by Hellenic Cables at the plant of its subsidiary Fulgor, in Corinth, Greece. Installation is scheduled to take place in 2018.

In June 2016, Hellenic Cables was awarded three contracts by the Danish national electricity transmission system operator, Energinet.dk. Two contracts are for the planning, design and supply of both submarine and underground cables, and the supply and installation of accessories connecting the substations "Teglstrupgård" in Denmark and "Laröd" in Sweden. The third contract is for the planning, design and supply of underground cables for the replacement of the old overhead line between the substations "Ejby" and "Vejleå" in Denmark. More specifically, the contracts involve the planning, design and supply of 150 kV three core and 132 kV single core submarine cables, 132 kV and 150 kV single core underground cables as well as the supply, delivery, and installation of joints and terminations. The contracts comprise the supply of approximately 18 km of submarine cables and 75 km of underground cables. The 132 kV XLPE insulated, single core unarmoured submarine cables as well as the 150 kV XLPE insulated, and three-core composite submarine cables will be produced by Hellenic Cables at Fulgor's plant in Corinth, Greece. The single core 132 kV and 150 kV high-voltage underground cables meanwhile, will be produced at its plant in Thiva, Greece. The production of the cables was completed by the end of 2017, while all three contracts are due for completion during 2018.

In July 2017, Fulgor S.A. was awarded a turnkey contract to provide Enel Green Power Hellas, subsidiary of the Italian utility Enel, with the supply and installation of a high voltage submarine power link, which will transfer the electrical power produced by the Kafireas wind complex to the National Grid (Pallini, Attica substation). Upon its completion, the Kafireas wind project will have an aggregate installed power capacity of 154 MW and will be the largest wind farm in Greece.

Fulgor's contract includes the design, supply, installation and protection under the seabed as well as termination, testing and jointing of an interconnection between Karystos (Evia) and Rafina (Attica) with a 150 kV composite AC three-core, XLPE insulated, submarine cable which includes an optical cable with 24 fibres. The submarine cable for the interconnection will be of approximately 45 km in one continuous length, and will be installed in water depths of up to 105 metres. Project execution will commence in 2017, while installation is scheduled to commence within the first quarter of 2018.

The submarine cable for the interconnection was produced at Fulgor's plant during 2017. The underground cables for the interconnection will be produced at Hellenic Cables' plant located at Thiva, Viotia, Greece. Installation is scheduled to take place in 2018.

In October 2017, Hellenic Cables, entered into a contract of approximately EUR 70 million with Dredging International NV, a member of DEME Group, for the supply of high voltage submarine systems intended to progressively connect the planned offshore windfarms in the Belgian section of the North Sea with the onshore high voltage grid on the mainland at Zeebrugge (the "MOG" project).

The contract comprises the design, engineering, manufacturing, jointing, termination and testing of approx. 90 Km of 220kV composite AC three-core, XLPE insulated, submarine cables which include three optical cables with 48 fibres each. The execution of the project is due to commence in 2017, while installation operations by Dredging International NV are scheduled to take place within the second quarter of 2019. The submarine cables will be manufactured at Fulgor's plant. The award of this high-profile project underlines the leading position of Cablel® Hellenic Cables in the submarine cable manufacturing market and in the global offshore energy industry. Moreover, it indicates the firm's capacity to succeed in achieving cost-effective, reliable and innovative solutions for clients, and to successfully execute complex turnkey projects.

Hellenic Cables Group has undertaken other significant projects during the last few years, such as:

Customer	**Description**	**Year**
IPTO S.A.	41.1 km, 400kV single-core land cable in Greece	2011
Société Algérienne de Production de l'Electricité	10 km, 220kV single core cable in Algeria	2013
Dewa	101 km, 132kV single core land cable in UAE	2013
Newfoundland Power Inc.	Turnkey Project, 11.3 km 25kV three-core submarine cables in Canada	2014
EON	26 km, 132kV single core land cable in Germany	2015
Vattenfall	85 km, 132kV single core land cable in Sweden	2016

Recent cable projects worldwide

Corporate Strategy

The strategic objectives guiding the operational activities of Hellenic Cables and its subsidiaries are the following:

- Capitalise on Hellenic Cables Group's investments by focusing on added value products, such as high voltage submarine cables and extra high voltage underground cables;
- Promote Hellenic Cables Group's activities in markets outside Europe, with emphasis on those investing heavily in power and telecommunications network development, as well as in renewable energy projects;
- Further enhance the Group's cost competiveness;
- Improve the Group's liquidity through optimisation of the working capital management;
- Maintain focus on the Group's human assets and on the sustainable development of its companies.

2017 Financial performance

During 2017, the cables project-based business performed better than in 2016 despite delays in the award of certain already scheduled projects, which are currently still in the tendering phase. The commodities business was affected by low sales volumes in its main markets. The profitability of the segment, in terms of adjusted EBITDA, saw a 4% increase year-on-year.

The execution of new projects, including the Kafireas project and several other submarine projects during the second half of 2017, led to a notable improvement in results from the first half of the year (H2 2017 adjusted EBITDA: EUR 22 million while in H1 2017 a-EBITDA: EUR 11 million). However, a significant contraction in the sales volumes of medium and low voltage power cables in Germany, the UK, Austria, Italy and Romania, continued to affect the performance for the period.

Despite improved profitability in the second half of the year, and the commencement of various onshore and offshore projects, Fulgor's plant operated at low utilization capacity during 2017, which adversely affected the full year results. However, the recent award to Hellenic Cables of a contract to supply 220kV submarine cables for the Modular Offshore Grid (MOG) in the Belgian part of the North Sea on behalf of the Belgian transmission system operator Elia, indicates the segment's ability to provide cost-effective, reliable

and innovative solutions to meet the changing needs of the offshore sector and take advantage of the marked shift in submarine power transmission requirements from 150kV to 220kV.

Finally, strong market demand for telecom and signalling cables in Europe had a positive effect on the segment's margins.

Revenue for the period increased by 8.4% year-on-year to EUR 422 million, (2016: EUR 390 million), whilst **adjusted EBITDA** EBITDA amounted to EUR 33.2 million versus EUR 32 million in 2016. **Net finance costs** increased by EUR 1.2 million compared to 2016 amounting to EUR 22 million. As a result, **loss before income tax** for 2017 was EUR 5.3 million, compared to loss before income tax of EUR 4.2 million recorded in 2016.

Throughout this period, Hellenic Cables and Fulgor continued the execution of significant contracts on behalf of TenneT for the supply of offshore wind farm export cable connections, and Energinet.dk. for a cable connection between Denmark and Sweden and the replacement of overhead lines within Denmark. In addition to this, the cable interconnection of an offshore wind farm in the UK was concluded in April 2017, and in November 2017 a second contract for the supply of an additional cable for this project was signed. Fulgor was awarded a turnkey contract by Enel Green Power Hellas to provide a submarine cable interconnection to the Greek National Grid from the Kafireas wind complex located at Karystos, Evia, Greece. Hellenic Cables will also supply significant quantities of high and medium voltage land cables for the onshore part of this project.

Investments in 2017 reached EUR 17.8 million in the cables segment, largely attributable to capacity improvements at Fulgor's plant in order to meet the expected future needs and productivity improvement projects at the Hellenic Cables, and Icme Ecab plants.

Net debt increased by EUR 15 million to EUR 255 million as at 31 December 2017, driven by increased working capital requirements for ongoing energy projects.

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

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Revenue	**422,371**	**389,560**
Gross profit	**31,881**	**29,861**
Gross profit (%)	7.5%	7.7%
a-EBITDA	**33,195**	**31,992**
a-EBITDA (%)	7.9%	8.2%
EBITDA	**29,456**	**28,187**
EBITDA (%)	7.0%	7.2%
a-EBIT	**20,424**	**20,426**
a-EBIT (%)	4.8%	5.2%
EBIT	**16,684**	**16,621**
EBIT (%)	4.0%	4.3%
Net finance costs	**(22,045)**	**(20,797)**
Loss before income tax	**(5,361)**	**(4,176)**
Net margin before income tax (%)	(1.3%)	(1.1%)
Loss of the year	**(4,839)**	**(6,977)**
Loss attributable to owners of the Company	**(4,825)**	**(6,947)**

- Source: Consolidated statement of profit or loss and APM (Appendix A)
All percentages are versus revenue

Looking forward, high demand for new offshore projects in Europe, primarily in the North Sea and Southern Europe, is expected to drive growth in the cables segment. This projection is supported by Hellenic Cables' aforementioned contract win for the supply of submarine cables for the Modular Offshore Grid (MOG) project in the Belgian part of the North Sea. The assignment of new projects (for which Hellenic Cables has already entered negotiations) and the successful completion of ongoing projects (the Kafireas project for Enel, BR2 & Trianel for Tennet and Oresund project for Energinet) remain key areas of focus for the cables segment.

In the cables products' business, there are signs of recovery in the low and medium voltage cables markets in Western Europe, which were constrained by competitive challenges in 2017. However, risks to recovery, such as uncertainty in the EU's political environment and potential major changes in trade policies, as well as the broader impact of Brexit, persist. To counterbalance challenges in the cables segment's main markets, initiatives have been undertaken in order to enter into new geographical markets and improve the product portfolio, through the development of high added value projects.

Further information is available on the Hellenic Cables Cablel® website:

www.cablel.com

Non-financial information

I. Description of business segment activities

Management report presents a thorough description of each business segment activity on pages 21-48.

II. Cenergy Holdings' principles

Cenergy Holdings as a holding company of an industrial portfolio strongly believes that its subsidiaries must demonstrate the same responsibility and share the same principles and commitment in sustainability issues in order to preserve long term value for its shareholders. Cenergy Holdings has outlined its principles that the subsidiaries are required to incorporate, at a minimum, in their own policies regarding these matters. Provided Cenergy Holdings does not have an industrial activity, it requires its subsidiaries to develop their own policies based on these principles and the subsidiaries are exclusively responsible for the compliance with these policies.

The principles reflecting Cenergy Holdings' core values are the following:

- "Health and Safety principles" and "Labor and Human Rights principles" reflecting the principles of Cenergy Holdings in labour matters as well as human rights issues,
- "Sustainability principles" reflecting the company's responsibility in social matters
- "Environmental principles" reflecting the company's principles in environmental matters
- "Business Ethics and Anti-corruption principles" is covering anti-corruption and bribery matters

Due diligence is performed by an affiliate of Cenergy Holdings (Viohalco's subsidiary), Steelmet, which has been appointed by Cenergy Holdings to monitor and report back to its Executive Management the performance of the subsidiaries in these issues. In addition, due diligence in the issues of environment and health and safety is also performed by external auditors during periodic management system certification reviews. Steelmet employs properly trained personnel to perform external audits and has developed assessment tools, both quantitative and qualitative, to assess whether the Company principles are properly implemented.

In addition to audits by Steelmet personnel, 100% of the Cenergy Holdings subsidiaries' production installations are certified with the environmental Management System ISO 14001 and the Occupational Health and Safety Management System OHSAS 18001. The certification of these management systems requires that on an annual basis, representatives from an independent certifying body audits the subsidiaries' installations and verifies regulatory compliance as well as the existence of a systematic approach in managing the risks and challenges of these issues in an efficient and effective way. During these audits, any possible non-conformances with the system standards are identified and corrective actions with an action plan are forwarded to the certifying body.

III. Principles' implementation and outcome

The implementation of the abovementioned principles is first and foremost the responsibility of each subsidiary's top management. Steelmet personnel on an annual basis confirm that the subsidiaries' policies embody, at a minimum, all of Cenergy Holdings principles. Steelmet personnel then use assessment tools as well as the metrics that are used to evaluate performance and consistency with Cenergy Holdings principles.

Furthermore, the audit reports by the external auditors in the environmental and health and safety management systems produced during certification reviews of the management systems are reviewed by Steelmet personnel to ascertain that corrective actions, if any, are properly carried out by the subsidiaries.

IV. Risk management

Cenergy Holdings is a holding company without any industrial operation and all non-financial risks are associated with the operation of its subsidiaries. The financial risks are discussed in the section "Risks and Uncertainties" of the management report. The main non-financial risks associated with the operation of the subsidiaries are the environmental risks and risks related to occupational Health and Safety. Managing these risks is considered a very critical task by the subsidiaries' management because these risks have the potential to create a direct or indirect impact on the subsidiaries continuous operation as well as to create future liabilities.

More specifically, the risk associated with environmental issues is mainly the possibility of pollution due to chemical leaks or improper storage of waste.

The subsidiaries have their own skilled personnel and consultants managing these issues and they are implementing the certified management systems ISO 140001 and OHSAS 18001 which provide 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.

V. Key performance indicators

The key performance indicators (KPIs) presented are based exclusively on the subsidiaries' performance as Cenergy Holdings does not have any industrial activity. The information presented is based on the two major industrial Cenergy Holdings segments: Cables and Steel Pipes.

The subsidiaries selected for each particular segment represent at least 5% of the segment's total revenue. For matters related to manufacturing activity such as environmental and labor (health and safety performance) matters, commercial companies are not included due to non-material contributions in these matters.

The KPI's used in this report have been defined by the Global Reporting Initiative (GRI-Standards Sustainability Reporting Guidelines).

1. Social matters
Cenergy Holdings subsidiaries support and contribute to the prosperity of local communities and society as a whole. The subsidiaries underline their commitment to cooperate and support local society aiming to contribute to the sustainable development of the local communities in which they operate.

The subsidiaries contribute to the local communities' growth by supporting local employment and entrepreneurship, through the creation of jobs and cooperation with local suppliers and contractors. The subsidiaries also support initiatives that strengthen local community sustainability (by supporting NGOs, school community and local bodies). The subsidiaries' people are encouraged to contribute and volunteer to support social actions and programs.

Cenergy Holdings subsidiaries seek to create value for all their stakeholder groups. The subsidiaries' operations generate important direct and indirect benefits for society as a whole. In addition to paying salaries and other benefits to employees, the subsidiaries also pay the relevant local property taxes, continuously support local suppliers for materials and services procured. In doing so, the subsidiaries have an overall positive impact on the local communities and society in general. **Table 1** presents the percentage of employees from local communities.

Table 1	**Cables**		**Steel pipes**	
	2016	**2017**	**2016**	**2017**
% of employees from local communities	76	78	84	85

2. Labour matters
Cenergy Holdings subsidiaries recognise the decisive contribution of their people in their successful business performance and future growth. In line with this approach, the subsidiaries are committed to implementing responsible working practices.

With a sense of responsibility, all Cenergy Holdings subsidiaries seek to offer their employees a workplace of equal opportunities that respects the personality of each employee, by investing materially and systematically, in their training and development. Steadily oriented to human values, the subsidiaries strive to implement responsible management practices with regard to human resources. The subsidiaries focus on material issues such as:

- ensuring of the health and safety of their employees and associates
- creating a work environment of fair reward, respecting human rights and diversity
- providing equal opportunities for all employees
- safeguarding of jobs
- applying objective evaluation systems

• ensuring ongoing training and education
• providing additional benefits.

Table 2 presents two fundamental KPIs for labour matters, the turnover ratio of employees and the percentage of women in total workforce.

Table 2	Cables 2016	Cables 2017	Steel pipes 2016	Steel pipes 2017
Turnover rate	5,9	4,6	8,7	5,6
% of women in total workforce	8	9,5	8,5	8,7

**Turnover rate: Percentage of employees who left the company (due to resignation, dismissal, retirement, etc.) in total company's workforce.*

Cenergy Holdings subsidiaries are spread over two segments of operations where each segment has a different occupational health and safety risk profile. The difference is attributed to many factors, namely technology of production, infrastructure, manufacturing processes and materials used. Irrespective of the different nature of the business segment, the health and safety of the subsidiaries' personnel is of the utmost priority.

The Cenergy Holdings subsidiaries' commitment to health and safety is founded on risk management, leadership qualities and stakeholders engagement and is reflected on the implementation of management systems that regulate the safe execution of daily operations. This commitment is emphatically implemented by the challenges and opportunities the subsidiaries managed over the years 2016-2017 depicted on the respective performance indicators listed below.

Table 3	Cables 2016	Cables 2017	Steel pipes 2016	Steel pipes 2017
TLTIR*	6.69	9.24	6.04	1.82
SR**	105	163	140	95

**LTIR: Lost time incident rate (number of LTI incidents per million working hours)*
***SR: Severity rate (number of lost work days per million working hours)*

Taking advantage of the lessons learned, several programs have been implemented by the subsidiaries, such as:

- risk mitigation and safety performance improvement plans
- incident reporting and analysis process enhancement,
- risk assessment reevaluation by multidisciplinary teams,
- additional training sessions delivery based on risk assessment results,
- safety meetings performance with targeted and risk mitigation focused agendas,
- safety culture development initiatives.

3. Environmental matters

Cenergy Holdings subsidiaries have different environmental profiles due to the varying nature of their activities. The difference is attributed to many factors, namely infrastructure, manufacturing processes, materials used and emissions emitted. Irrespective of the different nature of the business segment, environmental protection is of the utmost priority for all the subsidiaries.

The subsidiaries' commitment to sound environmental management is founded on risk management and the minimization of environmental footprint and is reflected on the implementation of management systems that regulate the environmental protection during daily operations. This commitment is emphatically implemented by the challenges and opportunities the subsidiaries managed over the years 2016-2017 depicted on the respective performance indicators listed below. The common biggest challenges the subsidiaries face is the minimization of water consumption and carbon emissions, presented below in Table 4. It is noted that the carbon footprint is inclusive of the direct and indirect emissions (generated from the electricity supplier).

Table 4	Cables		Steel pipes	
	2016	2017	2016	2017
Total Carbon Emissions*	0,55	0,58	0,08	0,07
Water consumption**	4.65	4.64	0.22	0.22

**Total Carbon Emissions: the sum of direct and indirect CO_2 emissions (tn CO_2/ tn core products)*
*** Water consumption: m^3/ tn core products*

4. Human Rights

Cenergy Holdings subsidiaries respect and acknowledge the internationally accepted human rights. The subsidiaries' policies regarding labour and human rights ensure equal opportunities free of discrimination. Cenergy Holdings subsidiaries do not accept any kind of racial, gender, age group, minority, religion, social status, disabilities or sexual orientation discrimination.

The subsidiaries are fully opposed to any type of forced or voluntary child labour. Furthermore, the companies condemn and do not allow forms of behavior that could lead to discrimination, intimidation, gesturing or verbal and physical threats. The subsidiaries also recognise the importance of diversity and implement practises for its protection.

The subsidiaries' top management and all employees are encouraged to report any potential misconduct and human rights abuse irrespective of its origin and whom it may affect. During 2017, as in previous years, no incident of discrimination was recorded or reported and there has been no incident of forced or voluntary child labour.

5. Anti-corruption and bribery matters

Cenergy Holdings subsidiaries implement an integrated Corporate Governance framework, which ensures transparency in all activities, as well as two-way cooperation relationships with shareholders, customers, human resources and any other group of stakeholders. Their Integrity and transparency policy against corruption and bribery ensure the combating of corruption cases, acting with integrity and ethics at all times.

Cenergy Holdings subsidiaries are fully opposed to any type of corruption; they do not accept any form of bribery or corruption among employees, business partners or any business practice that could create the impression of improper influence. To this effect, they are committed to the prevention of bribery and corruption and implement procedures and controls in order to ensure the combating of corruption cases. Furthermore, Cenergy Holdings subsidiaries are committed to operating in an ethical and responsible manner, acting professionally, fairly and with integrity in all their business dealings and relationships. They also adopt mechanisms that promote transparent and responsible business conduct.

The top management and employees of Cenergy Holdings subsidiaries are encouraged to report any suspicion of potential misconduct or any case of corruption or any suspect for bribery incidents.

During 2017, as in previous years, no incident of corruption or bribery was recorded or reported.

Corporate governance statement

Introduction

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 2009 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 (www.corporategovernance-committee.be).

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.

The internal organisation of Cenergy Holdings deviates from the following principle of the Corporate Governance Code:

- **Principle 7.11** "For the interests of an executive manager to be aligned with those of the Company and its shareholders, an adequate part of an executive manager's remuneration package is structured in such a way as to be linked to both the individual and corporate performance".

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 at providing a comprehensive and transparent disclosure of the Company's governance and is reviewed and updated as needed. The Corporate Governance Charter (the ***Corporate Governance Charter***) is available on the Company's website (www.cenergyholdings.com).

IIn 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 Belgian Companies Code (the ***BCC***).

As a company secondary listed 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

1. Role

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 the Executive Management and reviewing its implementation;
- monitoring the quality of the services provided by the external auditor and the internal audit, taking into account the Audit Committee's review;
- 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 the Executive Management.

2. Composition of the Board

In accordance with article 8 of the articles of association, the Board is composed of 8 members as follows:

Name	Position	Term started	Term expires
Jacques Moulaert	President - Non-Executive member of the Board	2017	2018
Dimitrios Kyriakopoulos	Vice-President – Executive member of the Board	2017	2018
Xavier Bedoret	Non-Executive member of the Board	2017	2018
Simon Macvicker	Non-Executive member of the Board	2017	2018
Manuel Iraola	Non-Executive member of the Board	2017	2018
Joseph Rutkowski	Independent, Non-executive member of the Board	2017	2018
Margaret Zakos	Independent, Non-executive member of the Board	2017	2018
William Gallagher	Independent, Non-executive member of the Board	2017	2018

On June 15, 2017, Mr. Efstratios Thomadakis resigned from his position as member of the Board of Cenergy Holdings. Following the recommendation of the Nomination and Remuneration Committee, Mr. Dimitrios Kyriakopoulos was co-opted as executive member and Vice-President of the Board.

On September 5, 2017, the Shareholders' Meeting ratified the appointment by co-optation of Mr. Dimitrios Kyriakopoulos and decided the appointment of Mr. Manuel Iraola as a non-executive member of the Board following a Board proposal upon recommendation of the Nomination and Remuneration Committee.

3. 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, president and non-executive member of the Board. Mr. Moulaert holds a Ph.D. in Law from Ghent University and a Master in Public Administration from Harvard University. He serves as Honorary Managing Director at Groupe Bruxelles Lambert S.A. and as Honorary President of the Board of ING Belgium. He is 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-president and executive member of the Board. Mr. Kyriakopoulos is a graduate in Business Administration of 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. He 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 of the Board. Mr. Bedoret holds a master's degree in law and psychology from the Catholic University of Louvain (UCL) and is a certified public accountant. Before joining Cenergy Holdings, he served as senior audit manager at KPMG and member of the Audit and Risk Management Division at ENGIE S.A.

Simon Macvicker, non-executive member of the Board. . Mr. Macvicker holds an MBA from Warwick Business School and a Bachelor in Modern Languages from the University of Leeds. He has been working at Bridgnorth Aluminium, an affiliate company of Viohalco, for 19 years, as Managing Director since 2004. In the past, he held various commercial positions at British Steel for 10 years. He served as President of the Aluminium Federation in the UK from 2014 to 2015, and is the current Chair of the UK Metals Council. He is a director of the Shropshire Chamber of Commerce.

Manuel J. Iraola, non-executive member of the Board. Mr. Iraola is the 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 (PDI), 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 boards of directors of NYSE traded companies, including Phelps Dodge

Corporation, Central Hudson Energy Group, Schweitzer Mauduit International Inc. and Southern Peru Copper. He holds a MBA from Sacred Heart University in Fairfield, Ct, 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 of the Board. 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, SC. and Hertford County, NC. He joined Nucor in 1989 as Manager of Nucor Cold Finish and also served as Manager of Melting and Casting at Nucor Steel-Utah. He 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.

Margaret Zakos, independent, non-executive member of the Board. Ms. Zakos holds a BNSc 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; on the Board of Directors of the Community Foundation for Kingston and on the Faculty of Health Sciences Initiative Campaign Cabinet (Queens University).

William Gallagher, independent, non-executive member of the Board. . Mr. Gallagher is an independent advisor and investor. Most recently, Mr. Gallagher was an advisor to Credit Suisse in London, working in Capital Markets, from July 2015 until September 2017. From 2000 to 2014, he was at UBS in London, heading EMEA Emerging Markets Lending for five years from 2010. At UBS, he also chaired globally UBS's Debt Capital Markets commitments committee. From 1998 to 2000, he was 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. He 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).

The mandate of all members of the Board will expire at the Annual Ordinary Shareholders' Meeting to be held in 2018.

4. Appointment of the members 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 case a seat of member of the Board becomes vacant, such vacancy may be filled temporarily by virtue of a unanimous vote of the remaining members of the Board until the next Shareholders' 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 article 526ter of the BCC. Any independent member of the Board who no longer fulfils the above criteria of independence shall immediately inform the Board.

The Board of Cenergy Holdings, having reviewed the independence criteria pursuant to the BCC and the Corporate Governance Code, has decided that Mr. Joseph Rutkowski, Ms. Margaret Zakos, and Mr. William Gallagher fulfil the criteria and are independent non-executive members.

Pursuant to article 518bis §1 of the BCC, at least one third of the Company Board members must be of a different gender as of the financial year starting on January 1, 2022. Currently, the Board is composed of seven male and one female members. The Board has entrusted the Nomination & 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 the Company comply with this legal requirement.

The nature of the business of the Company's subsidiaries limits the possibility of gender diversification in production units. It is common worldwide in an industrial environment in metals processing the vast majority of personnel to consist of males. Nevertheless, for the domains supporting the production units, Cenergy Holdings companies employ skilled and experienced personnel without any discrimination which leads to the following percentages of female personnel per segment. Cenergy Holdings companies make efforts to ensure diversity in terms of nationality, age, religion and ethnic origin. Currently, there is no formal documented diversity policy but Cenergy Holdings as a holding company, requires its subsidiaries to incorporate into policies Labour and Human Rights principles referred to in the Non-financial Information Report.

	Cables		Steel pipes	
	2016	2017	2016	2017
% of women in total workforce	8,0	9,5	8,5	8,7
% of women in workforce excl. production facilities	17,0	18,8	13,4	14,0

5. Functioning

The Board has elected among its members, Mr. Jacques Moulaert as President of the Board (the **President**).

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

The Board has appointed a company secretary, Mr. Jacques Moulaert, 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 three times a year. The majority of the Board meetings in any year take place at the Company's registered office.

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 to a meeting through the above-mentioned means of communication is considered as physical presence to such meeting.

In exceptional circumstances, duly justified by the urgency of the matter and the corporate interest, the Board can adopt unanimous written decisions, expressing its consent in a written document, a facsimile or an e-mail or by any other similar means of communication. However, this procedure shall not be used for the approval of the annual accounts.

The following table provides an overview of the Board meetings held in 2017:

Date & Place	Attendance
March 29, 2017 (Brussels)	Present: 6 Represented: 1 Absent: -
May 30, 2017 (Brussels)	Present: 7 Represented: - Absent: -
June 15, 2017 (conference call)	Present: 6 Represented: 1 Absent: -
July 12, 2017 (conference call)	Present: 7 Represented: - Absent: -
September 27, 2017 (Athens)	Present: 8 Represented: - Absent: -
November 30, 2017 (Brussels)	Present: 7 Represented: 1 Absent: -
December 22, 2017 (circular resolution)	Present: 8 Represented: - Absent: -

Committees of the Board

The Board has set up 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 primarily set out in the Corporate Governance Charter.

1. The Audit Committee

The Board has established an Audit Committee in accordance with Article 526bis of the BCC (the ***Audit Committee***). Such Audit Committee consists of the following members:

- Xavier Bedoret, acting as President of the Audit Committee;
- 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 at least twice a year meets with the Company's statutory auditors.

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

- monitor the financial reporting process;
- monitor the effectiveness of the Company's system of internal control ,risk management systems as well as the internal audit function;
- monitor the conducting of the performance of the statutory audit of the annual and the consolidated accounts, including the follow-up on questions and recommendations made by the statutory auditor;
- present recommendations to the Board with respect to the appointment of the statutory auditors; and
- review and monitor the independence of the statutory auditors, 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 sets up the annual and the consolidated accounts, intended for publication.

In 2017, the Audit Committee met four times: on March 29, in Brussels with all members present; on May 29, in Brussels with all members present; on September 27, in Athens with all members present; and on November 30, in Brussels, with all members present.

2. Nomination and Remuneration Committee

The Board has established a Nomination and Remuneration Committee in accordance with article 526ter of the BCC (the ***Nomination and Remuneration Committee***). Such Nomination and Remuneration Committee consists of the following members:

- Jacques Moulaert, acting as President of the Nomination and Remuneration Committee;
- Joseph Rutkowski; and
- Margaret Zakos.

The Nomination and Remuneration Committee meets 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 the Executive Management and shall in particular:

- make recommendations to the Board with regard to the appointment and the remuneration of the members of the Board and the Executive Management;
- identify and nominate, for the approval of the Board, candidates to fill vacancies as they arise;
- advise on proposals for appointment originating from shareholders;
- periodically assess the composition and size of the Board and make recommendations to the Board with regard to any changes;
- make proposals to the Board regarding the remuneration policy; and
- draft and submit a remuneration report to the Board on its findings and recommendations after each committee meeting.

In 2017, the Nomination and Remuneration met three times: on March 29, in Brussels with two members present, on June 15, and on July 12, by conference call with all its members present.

Evaluation of the Board and its Committees

The Board assesses regularly (at least every two or three years) its size, composition, performance and those of its committees, as well as its interaction with the Executive Management.

The non-executive members of the Board meet at least once a year to assess their interaction with the Executive Management. In 2017, the non-executive members met twice, on September 27, in Athens and on November 30, in Brussels.

The performance of the Executive Management is also assessed on an unformal basis within the framework of the meetings of the Board and its committees.

Although the self-evaluation is a Board responsibility, the Board is assisted in this evaluation by the Nomination and Remuneration Committee. On the initiative of the Nomination and Remuneration Committee, the Board assesses the performance of the Executive Management through a formal procedure during its triennial review.

Executive management

The Executive Management of the Company comprises an executive vice-president, Mr. *Dimitrios Kyriakopoulos;* the two co - chief executive officers (co-CEOs); Mr. *Alexios Alexiou* and Mr. *Apostolos Papavasileiou*; and the chief financial officer (CFO), Mr. *Theodoros Panagopoulos*.

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

Mr. *Dimitrios Kyriakopoulos*, executive vice-president of the Board. Please see above section no. 3, Information on the members of the Board, 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 member of Viohalco. He has been working for Viohalco as of 1996. He holds a BSc in Economics from the University of Piraeus and a MSc. in Finance from the Strathclyde University. With more than 16 years of experience in the finance and cables technology sectors, he joined Viohalco as internal auditor in 1996. Since then, he has held the positions of Financial Manager of Hellenic Cables from 2002-2003, General Manager of Icme Ecab from 2003–2008 and as of 2009, holds the position of CEO for Hellenic Cables.

Apostolos Papavasileiou, co-chief executive officer. Mr. Papavasileiou has been CEO of CPW since November 2010. He holds a License in Chemical Engineering from the School of Engineering at the University of Patras and an MBA from the University of Salford-Manchester. He worked at Viohalco Hellenic as Head of Financial Planning, Budgeting and Reporting and served as Strategy and Investment Planning Manager at Sidenor Group. Previously, he served in several managerial positions at the Nestlé Group, both in Greece and Switzerland, where he oversaw the supply chain, technical and industrial performance and operations strategies in projects around the world.

Theodoros Panagopoulos, chief financial officer. Mr. Panagopoulos holds a BSc. in Economics from the Athens University of Economics and Business and an MPhil. in International Finance from the University of Glasgow. He joined Viohalco Group in 2001, and since then he has held various managerial positions, including Deputy Finance Manager of Halcor S.A. from 2004-2007, Group Financial Controller of Halcor S.A. from 2007-2014 and as of 2015, he holds the position of Group Business Controlling Manager at Hellenic Cables Group.

On June 15, 2017, Mr. Efstratios Thomadakis, CFO and member of the Executive Management of the Company, submitted his resignation. Following the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. Theodoros Panagopoulos as new CFO and member of the Executive Management of Cenergy Holdings.

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 missions to the Executive Management:

- preparing strategic proposals for the Board;
- preparing annual and strategic plans;
- putting internal controls in place;
- 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 of 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 report

1. Remuneration policy

The policy regarding the remuneration of executive and non-executive members of the Board is determined by the Board, based on a proposal made by the Nomination and Remuneration Committee. It leads to proposals that must be approved by the shareholders during the Annual Ordinary Shareholders' Meeting as far as the members of the Board are concerned. The Nomination and Remuneration Committee bases its proposals on a review of the prevailing market conditions for comparable companies.

Cenergy Holdings does not foresee any significant change in the actual remuneration policy for the years 2018 and 2019.

2. Board of Directors

The remuneration of the members of the Board for the year 2017-2018 foresees a fixed fee for each member of the Board amounting to EUR 25,000 for each member, plus an equal sum in case they are members of a committee.

The remuneration of the Board's President is equal to that of the other non-executive members of the Board.

These fees are allocated on a "pro rata temporis" basis for the period extending from the Annual Shareholders' Meeting until the Annual Shareholders' Meeting of the following year, and are due at the end of such period. No variable remuneration is foreseen.

The following table provides an overview of the amounts to be paid to the Board for the term of office (2017-2018):

Name for members (amounts in EUR)	Fixed amount for members of the Board	Fixed amount for members of the Audit Committee	Fixed amount for the members of the Nomination and Remuneration Committee	Total
Jacques Moulaert	25,000	0	25,000	50,000
Dimitrios Kyriakopoulos*	24,000	0	0	24,000
Xavier Bedoret	25,000	25,000	0	50,000
Simon Macvicker	25,000	25,000	0	50,000
Manuel Iraola**	18,800	0	0	18,800
Joseph Rutkowski	25,000	0	25,000	50,000
Margaret Zakos	25,000	0	25,000	50,000
William Gallagher	25,000	25,000	0	50,000
Total Remuneration	**192,800**	**75,000**	**75,000**	**342,800**

** Mr. Kyriakopoulos was appointed as member of the Board of Directors on 15 June 2017*
*** Mr. Iraola was appointed as member of the Board of Directors on 5 September 2017*

Executive members of the Board and Executive Management

The remuneration policy for the Executive Management of Cenergy Holdings does not foresee a fixed fee. They are entitled to neither stock options nor a supplementary pension scheme. No contingent or deferred compensation has been paid by the Company to the Executive Management. They do not have any contract with the Company which would entitle them to benefits by the end of their term of office.

The remuneration scheme for the two co-CEOs and the CFO is not determined by the Company but by its subsidiaries or affiliated companies of the Company.

The members of the Executive Management who hold functions within subsidiaries or affiliated companies of the Company do not receive any additional remuneration for such executive functions.

The total remuneration for executive management for the fiscal year 2017 amounted to EUR 525 thousand. This amount includes the remuneration of the two co-CEOs for 2017, amounting to EUR 210 thousand for Mr. Alexios Alexiou and EUR 230 thousand for Mr. Apostolos Papavasileiou (total EUR 440 thousand). The total remuneration of the non-executive members of the Board amounted to EUR 319 thousand.

The total amount of the above mentioned remuneration (EUR 844 thousand) has been paid by Cenergy Holdings and its subsidiaries during 2017.

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 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 March 16, 2016, the Company appointed KPMG Bedrijfsrevisoren/Réviseurs d'Entreprises SCRL ("KPMG"), represented by Mr Benoît Van Roost, as statutory auditor for a three-year period. KPMG has been appointed to audit the Company's consolidated financial statements.

Company's Risk Management and Internal Audit Function
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 mentioned in the chapter "Risks and Uncertainties" of this annual report, the Executive Management is responsible for the risk management and the system of internal control. Under the high supervision of the Executive Management, the management team of each Company's subsidiary is in charge of 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 system of internal control and its internal audit function.

- Company's Risk Management
Risk management covering the Market Risk and the 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 the 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. The internal audit function is provided to the subsidiaries by its affiliate company, Steelmet S.A. pursuant to a subcontracting agreement entered into between the companies.

The internal audit function is responsible for performing audit engagements in accordance with their annual audit plan. The audit engagements follow the audit methodology that is described in the internal audit charter and the internal audit manual. At the end of each audit engagement, the internal auditors issue an audit report containing their findings and recommendations. The managers of the subsidiaries must take action for implementing the audit recommendations in due time.

The internal audit team reports at least twice a year to the Audit Committee. In the beginning of each calendar year, the internal auditors provide the Audit Committee with their audit plan for review and approval. The Audit Committee ensures that the internal audit work is focused on the Company's activities and the risk areas it deems critical. It ensures that the internal audit function reduces the probability of error and fraud.

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 optimize coordination throughout the network of the Company's subsidiaries, the Board sets out corporate policies, aimed at providing the local Management 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 covering each business segment is presented to the Board. The review includes 'actual versus budget', financial and non-financial information, the highlights of the semester, the business segment perspectives, and is a key component of Cenergy Holdings' decision-making process.

Conflicts of interests
Pursuant to Article 8 of the Corporate Governance Charter, in the event a conflict of interests with a

member of the Board, a shareholder or another Cenergy Holdings' company may arise, the Board is required to implement the specific procedures of conflict resolution set forth in articles 523 and 524 of the BCC.

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

All members of the Board are required to inform the Board on conflicts of interests once they arise. If the conflict of interests is of proprietary nature, they will abstain also from participating in the discussions and deliberations on the matter involved in accordance with article 523 of the BCC. If the conflict of interests is not covered by the provisions of the BCC 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 the Executive Management (or a company or entity with which such member of the Board or the Executive Management has a close relationship) on the other hand, such member will inform the Board on 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 interests not covered by article 523 of the BCC, the member of the Board affected by the conflict of interests 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 caused a conflict of interests within the meaning of articles 523 and 524 of the BCC.

Shareholders

1. Capital Structure

On December 31, 2017, 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.

All shares of the Company belong to the same class of securities and are in registered or dematerialised form. Shareholders may elect, 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 Company's shares are freely transferable. Each share entitles the holder to one voting right.

2. 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 Company's shares are indivisible and that it 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.

3. 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 all 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 (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;
- 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;
- crossing 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 so notified 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 on March 30, 2016 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.

Shareholders' Meeting

1. 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 one fifth of the Company's share capital.

2. 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.

Sharholder information and market data

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	2017	2016
At the end of the year	1.18	0.62
Maximum	1.29	0.64
Minimum	0.69	0.62
Dividends	0	0
Gross annual return in %	68.57%	n/a
Share price ATHENS EXCHANGE in EUR	**2017**	**2016**
At the end of the year	1.23	0.63
Maximum	1.30	0.63
Minimum	0.70	0.61
Dividends	0	0
Gross annual return in %	75.51%	n/a

Investor relations contact details

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Cenergy Holdings remains committed to high-quality and transparent financial reporting. Cenergy Holdings' consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs as adopted by the EU").

Shareholding structure

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.

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.

Content of the notification

The notification dated 22 December 2016 contains the following information:
1. Reason for the notification: Acquisition or disposal of securities or voting rights
2. Notification by: A parent undertaking or a controlling person
3. Person subject to the notification requirement:
   Viohalco S.A. Avenue Marnix 30, 1000 Brussels
4. Date on which the threshold is crossed: 20 December 2016
5. Threshold that is crossed: 85%
6. Denominator: 190,162,681 shares
7. Notified details:

A) Voting rights	Previous notification # of voting rights	After the transaction # of voting rights		% of voting rights	
Holders of voting rights		Linked to securities	Not linked to the securities	Linked to securities	Not linked to the securities
Viohalco S.A.	27,060	107,960,701		56.77%	
Halcor S.A.		47,847,093		25.16%	
Subtotal	27,060	155,807,794		81.93%	
Total		155,807,794	0	81.93%	0.00%

Distribution and dividend policy

Cenergy Holdings does not have any dividend distribution history. For the last three financial years, no dividends were distributed to the shareholders of Corinth Pipeworks and Hellenic Cables.

The Company intends to reinvest its profits into the business. This 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 BCC, the Company's Articles of Association also require that the Company allocates each year at least 5% of its annual net profits to its legal reserve, 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.

Financial calendar

Date	Publication / Event
2 May 2018	Presentation of 2017 financial results to the analysts (Athens Stock Exchange)
29 May 2018	Annual General Meeting 2018
27 September 2018	Half Yearly 2018 results

Consolidated Financial Statements 2017

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1. Consolidated Statement of Financial Position

Amounts in EUR thousand	Note	As at 31 December 2017	2016*
ASSETS			
Property, plant and equipment	19	380,610	384,601
Intangible assets and goodwill	20	16,757	15,416
Investment property	21	6,140	6,472
Equity - accounted investees	22	13,012	13,292
Other investments	23	4,662	4,662
Trade and other receivables	17	6,238	6,834
Deferred tax assets	15	147	229
Non-current assets		**427,565**	**431,505**
Inventories	16	186,251	200,274
Trade and other receivables	17	138,267	183,923
Contract assets	9	65,166	-
Contract costs	9	1,211	-
Income tax receivables		126	-
Derivatives	24	1,733	3,340
Cash and cash equivalents	18	69,443	71,329
Current assets		**462,197**	**458,866**
Total assets		**889,763**	**890,371**
EQUITY			
Share capital		117,892	117,892
Share premium		58,600	58,600
Reserves	25	35,591	36,613
Retained earnings/(losses)		(12,150)	(7,144)
Equity attributable to owners of the Company		**199,933**	**205,961**
Non-controlling interests		289	501
Total equity		**200,222**	**206,462**
LIABILITIES			
Loans and borrowings	27	86,141	184,396
Employee benefits	13	4,273	3,908
Grants	29	15,436	16,215
Trade and other payables	28	6,086	8,607
Deferred tax liabilities	15	21,989	27,220
Non-current liabilities		**133,924**	**240,345**
Loans and borrowings	27	362,732	262,823
Trade and other payables	28	186,915	178,624
Contract liabilities	9	4,724	-
Current tax liabilities		13	835
Derivatives	24	1,233	1,282
Current liabilities		**555,617**	**443,564**
Total liabilities		**689,541**	**683,909**
Total equity and liabilities		**889,763**	**890,371**

** Cenergy Holdings has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 6.*

The notes on pages a8 to a62 are an integral part of these Consolidated Financial Statements.

2. Consolidated Statement of Profit or Loss

Amounts in EUR thousand	Note	For the year ended 31 December 2017	2016*
Continuing operations			
Revenue	9	758,318	691,775
Cost of sales	10	(699,562)	(628,868)
Gross profit		**58,756**	**62,907**
Other income	10	5,347	6,725
Selling and distribution expenses	10	(12,901)	(13,586)
Administrative expenses	10	(18,635)	(16,908)
Other expenses	10	(10,771)	(4,621)
Operating profit		**21,796**	**34,517**
Finance income	11	749	499
Finance costs	11	(33,694)	(31,511)
Net finance costs		**(32,946)**	**(31,012)**
Share of profit/loss (-) of equity-accounted investees, net of tax	22	541	(685)
Profit/Loss (-) before tax		**(10,610)**	**2,821**
Income tax expense	15	5,834	(6,592)
Profit/Loss (-) from continuing operations		**(4,775)**	**(3,772)**
Profit/Loss (-) attributable to:			
Owners of the Company		(4,761)	(3,741)
Non-controlling interests		(14)	(31)
		(4,775)	**(3,772)**
Earnings per share (in EUR per share)			
Basic and diluted	11	(0.02504)	(0.01967)

**Cenergy Holdings has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 6.*
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3. Consolidated Statement of Profit or Loss and Other Comprehensive Income

Amounts in EUR thousand	Note	For the year ended 31 December 2017	2016*
Profit/Loss (-) from continuing operations		**(4,775)**	**(3,772)**
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit liability	13	(187)	(447)
Related tax		56	128
		(130)	**(319)**
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences		(2,017)	2,970
Cash flow hedges – effective portion of changes in fair value		544	(552)
Cash flow hedges – reclassified to profit or loss		552	665
Related tax		(299)	(79)
		(1,220)	**3,004**
Total comprehensive income / (expense) after tax		**(6,125)**	**(1,087)**
Total comprehensive income attributable to:			
Owners of the Company		(5,913)	(1,050)
Non-controlling interests		(212)	(37)
		(6,125)	**(1,087)**

** Cenergy Holdings has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 6.*
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4. Consolidated Statement of Changes in Equity

2017

Amounts in EUR thousand	Note	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total Equity
Balance at 1 January 2017		**117,892**	**58,600**	**(15,708)**	**52,321**	**(7,144)**	**205,961**	**501**	**206,462**
Impact of change in accounting policy	6	-	-	-	-	(115)	(115)	-	(115)
Adjusted balance at 1 January 2017		**117,892**	**58,600**	**(15,708)**	**52,321**	**(7,259)**	**205,846**	**501**	**206,347**
Total comprehensive income									
Loss for the period		-	-	-	-	(4,761)	(4,761)	(14)	(4,775)
Other comprehensive income		-	-	(1,817)	795	(130)	(1,152)	(198)	(1,350)
Total comprehensive income		**-**	**-**	**(1,817)**	**795**	**(4,891)**	**(5,913)**	**(212)**	**(6,125)**
Balance at 31 December 2017		**117,892**	**58,600**	**(17,525)**	**53,117**	**(12,150)**	**199,933**	**289**	**200,222**

2016

Amounts in EUR thousand	Note	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Total	Non-controlling Interests	Total equity
Balance at 1 January 2016*		**117,831**	**58,600**	**(18,690)**	**51,575**	**(754)**	**208,561**	**538**	**209,099**
Total comprehensive income									
Loss for the period		-	-	-	-	(3,741)	(3,741)	(31)	(3,772)
Other comprehensive income		-	-	2,981	41	(331)	2,691	(7)	2,685
Total comprehensive income		**-**	**-**	**2,981**	**41**	**(4,073)**	**(1,050)**	**(37)**	**(1,087)**
Transactions with owners of the company									
Contributions and distributions									
Issue of ordinary shares		62	-	-	-	-	62	-	62
Taxes on share capital increase of subsidiaries		-	-	-	-	(1,612)	(1,612)	-	(1,612)
Transfer of reserves		-	-	-	705	(705)	-	-	-
Total contributions and distributions		**62**	**-**	**-**	**705**	**(2,317)**	**(1,550)**	**-**	**(1,550)**
Total transactions with owners of the Company		**62**	**-**	**-**	**705**	**(2,317)**	**(1,550)**	**-**	**(1,550)**
Balance at 31 December 2016		**117,892**	**58,600**	**(15,708)**	**52,321**	**(7,144)**	**205,961**	**501**	**206,462**

**Cenergy Holdings has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 6.*
The notes on pages a8 to a62 are an integral part of these Consolidated Financial Statements.

5. Consolidated Statement of Cash Flows

Cash Flows from operating activities

Amounts in EUR thousand	Note	For the year ended 31 December 2017	2016*£
Loss of the period		(4,775)	(3,772)
Adjustments for:			
- Income tax		(5,834)	6,592
- Depreciation	19	21,909	20,049
- Amortization	20	1,185	931
- Amortization of grants	29	(775)	(794)
- (Reversal of) impairment losses on property, plant & equipment and investment property	10	(149)	31
- Net finance costs	11	32,946	31,012
- Share of profit of equity-accounted investees, net of tax	22	(541)	685
- (Gain) / loss from sale of property, plant & equipment	10	196	1
- (Profit)/loss from sale of financial assets	10	-	(1,792)
- Unrealised (Gain) / Loss from valuation of derivatives		2,658	(2,464)
- Impairment loss on trade receivables	30	9,214	349
- Taxes paid for share capital increase of subsidiaries		-	(1,611)
		56,033	**49,217**
Changes in:			
- Inventories		14,022	(42,579)
- Trade and other receivables		23,922	(3,529)
- Trade and other payables		12,696	23,057
- Contract assets	9.D	(52,041)	-
- Contract liabilities	9.D	(2,346)	-
- Contract costs		(1,211)	-
- Employee benefits		(178)	(2,204)
Cash generated from operating activities		**50,898**	**23,963**
Interest charges & related expenses paid		(29,489)	(27,603)
Income tax paid		(506)	(2,297)
Net Cash from / (used in) operating activities		**20,903**	**(5,937)**
Cash flows from investing activities			
Acquisition of property, plant and equipment	19	(18,754)	(22,572)
Acquisition of intangible assets	20	(1,920)	(352)
Acquisition of investment property	21	-	(19)
Proceeds from sale of property, plant & equipment		28	10
Proceeds from sale of investment property		80	-
Dividends received	22	238	447
Interest received		98	60
Acquisition of financial assets		-	(1)
Acquisition of subsidiary, net of cash acquired		-	(6,099)
Net Cash flows used in investing activities		**(20,231)**	**(28,525)**
Cash flows from financing activities			
Proceeds from share capital increase		-	62
Proceeds from new borrowings	27	44,791	124,994
Repayment of borrowings	27	(45,935)	(57,593)
Payment of finance lease liabilities	27	(347)	(74)
Net cash flows from financing activities		**(1,491)**	**67,389**
Net (decrease)/ increase in cash and cash equivalents		**(818)**	**32,926**
Cash and cash equivalents at 1 January		71,329	37,672
Effect of movement in exchange rates on cash held		(1,068)	730
Cash and cash equivalents at 31 December	**18**	**69,443**	**71,329**

** Cenergy Holdings has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 6.*

£ The comparative amounts under "Proceeds from new borrowings" and "Repayment of borrowings" have been re-presented in order to be comparable with the presentation applied for the current year's figures. See Note 5.21.

The notes on pages a8 to a62 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" or "Cenergy Holdings") is a Belgian Limited Liability Company. The Company's registered office is located at 30 Avenue Marnix, 1000 Brussels Belgium. The Company's Consolidated Financial Statements include those of the Company and its subsidiaries (together referred to as "Cenergy Holdings Group" or the "Group"), and Cenergy Holdings' interest in associates accounted for using the equity method.

Cenergy Holdings is a holding company and holds participations in 11 subsidiaries. With production facilities in Greece, Bulgaria and Romania, Cenergy Holdings' subsidiaries specialise in manufacturing steel pipes and cables products. Its shares are traded on Euronext Brussels since December 2016 and has its secondary listing on the Athens Stock exchange (trading ticker "CENER").

Cenergy Holdings is a subsidiary of Viohalco S.A. (81.93% of voting rights). Viohalco S.A. ("Viohalco") is the Belgium-based holding company 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 up to 31 December 2017.

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 (fair value);
- Available-for-sale financial assets (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.

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.

Information about judgements, assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended 31 December 2017 is included in the following notes:
- Note 9 – Revenue recognition;
- Note 13 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 15 – Recognition of deferred tax assets, availability of future taxable profits against which carryforward tax losses can be used;
- Note 17 – Recoverability of overdue receivable from a former customer in the Middle-East ;
- Notes 19, 20 and 21 – Impairment test: key assumptions underlying recoverable amounts;
- Note 34 – Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

5. Significant accounting policies
The accounting principles described below have been consistently applied to all periods presented in these Financial Statements and have also been consistently applied by Cenergy Holdings and its subsidiaries and its equity accounted investees, except for the changes mentioned in Note 6.

Cenergy Holdings has early adopted IFRS 15 Revenue from Contracts with Customers with 1 January 2017 as the date of initial application. As a result, the Group has changed its accounting policy for revenue recognition as detailed in Note 6.

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.

(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) Interests in equity-accounted investees

Cenergy Holdings' interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which Cenergy Holdings has significant influence, but not control or joint control, over the financial and operating policies. 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 associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequently to initial recognition, the Consolidated Financial Statements include Cenergy Holdings' share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

(g) 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 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.

When a foreign operation is disposed of in its entirety or partially such that the control, significant influence or joint control is lost, the cumulative amount in the translation reserve related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If Cenergy Holdings disposes of parts of its interest in the subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When Cenergy Holdings disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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
- Rental income

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. In most cases, Cenergy Holdings uses the "most likely amount" method in order to estimate and deduct the amount of such variable consideration by identifying the single most likely amount from a range of possible outcomes.

Sale of products

Cenergy Holdings sells hollow structural sections for the construction sector, power cables, telecom cables, enameled 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 usually 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 cables sector, Cenergy Holdings' subsidiairies also produces and sells "turnkey" cable systems, i.e. supplies and installs 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, since the production of such products normally last for significant period of time and as a result the related performance obligations are satisfied as production time elapses.
  - 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.

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 Statements 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.

Rental income

Rental income is recognised as revenue 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.

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 "iBoxx AA-rated Euro corporate bond 10+ year" Index.

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 they recognise costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

In the case of employment termination in which Cenergy Holdings are not able to determine the number of employees who will take advantage of this incentive, these benefits are not accounted for, but are recorded as a contingent liability.

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 income statement 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;
- impairment losses recognised on financial assets (other than trade receivables);
- Foreign currency gains and losses.

(a) Income from interest

Income from interest is recognised on the time proportion basis using the effective interest rate method.

Interest expense is recognized using the effective interest method.

(b) Income from dividends

Dividends are accounted for as income when a right to collect them has been established.

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.

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 or losses 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 operating 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 groups 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 and goodwill

A. Recognition and measurement

Goodwill: Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

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 5 years. Expenses that are associated with the software's maintenance are recognised as expenses in the year in which they are incurred.

Other intangible assets: Other intangible assets, including customer relationships, 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. 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 generally 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 – 5 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 an 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.

Management exercises judgement to determine whether a property qualifies as investment property or not. The criteria related to this judgement are as follows:

- Whether a property generates cash flows derived from rentals and capital appreciation largely independently of the other assets held by the Group;
- Whether a property does not generate cash flows from the production or supply of goods or services or the use of property for administrative purposes that are attributable not only to property, but also to other assets used in the production or supply process;
- Whether a building that is vacant will be held to be leased out or for capital appreciation;
- Whether a property that is being constructed or developed for future use as investment property;
- Whether the Group holds land for a currently undetermined future use.

5.12 Assets held for sale
Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or employee benefits which continue to be measured in accordance Cenergy Holdings' other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

5.13 Impairment
A. Non-derivative financial assets
Available-for-sale financial assets and financial asset interests in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;

- restructuring of an amount due to Cenergy Holdings on terms that they would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payments status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

Financial assets measured at amortized cost (Trade and other Receivables)
An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets
Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through OCI.

Equity-accounted investees
An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. The above information will supplement the forthcoming financial statements.

B. Non-financial assets
At each reporting date, Cenergy Holdings reviews 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 and 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
Leases of property, plant and equipment, in which Cenergy Holdings substantially maintains all the risks and benefits of ownership, are classified as finance leases. The leased asset is recognized from the moment the lease begins at the lower of their fair value and the present value of the minimum lease payments. The lease liability is initially recognized at the same amount. The reduction of the lease liability is recognized under the effective interest method.

Items of property, plant and equipment under finance lease are depreciated over the shorter period between the useful lives thereof and the term of their lease. However, if at inception of the lease it is reasonably certain that the lessee will obtain ownership of the asset by the end of the lease term, then the asset is depreciated over its expected useful life.

Leases, in which the lessor substantially maintains all the risks and benefits of ownership, are classified as operating leases. The rental expense with regard to operating leases are recognized on a straight-line basis over the lease term.

5.15 Financial instruments

Cenergy Holdings classifies non-derivative financial assets into the following categories: "Financial assets at fair value through profit or loss", "Cash and receivables", "Available-for-sale financial assets".

(a) Non-derivative financial assets and financial liabilities – recognition and derecognition

Cenergy Holdings initially recognises Cash and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

Cenergy Holdings derecognises a financial asset when the contractual rights to the cash flows from the 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 it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Cenergy Holdings derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, Cenergy Holdings has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(b) Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Trade and other receivables less impairment losses

These assets are initially recognised at fair value and subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash on hand and equivalent cash accounts include cash on hand, sight deposits, short-term (up to 3 months) high-liquid and low-risk investments.

Available-for-sale financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in OCI and accumulated in the "Fair value" reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

(c) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities include loans and borrowings and are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

5.16 Derivatives and hedge accounting

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 the Group's 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 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 proportion of change in the fair value of derivatives designated as cash flow change hedges are 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 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, 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, the profits or losses accrued to Equity are reclassified to profit and loss.

Cenergy Holdings on a regular basis, examines the effectiveness of the cash flow hedge.

5.17 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 for in accordance with IAS 12 (see Note 5.7).

5.18 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:

(a) There is a present legal or constructive obligation as a result of past events.
(b) Payment is probable to settle the obligation.
(c) 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 according to third party assessment.

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.

5.19 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.

5.20. New standards, amendments to standards and interpretations
Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. Cenergy Holdings' evaluation of the effect of these new standards, amendments to standards and interpretations is set out below.

Standards and Interpretations effective for the current financial year:

• *IAS 7 (Amendments) "Disclosure initiative"*
This amendment requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. Additional disclosures have been made to address the amendments. Cenergy Holdings added a movement table for loans and finance leases, which are the main line items included in financing activities (see Note 27).

• *IAS 12 (Amendment) "Recognition of Deferred Tax Assets for Unrealised Losses"*
This amendment clarifies the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The adoption of this amendment did not have significant impact for the Consolidated Financial Statements of Cenergy Holdings.

• *Annual Improvements to IFRSs 2014 – 2016 cycle*
The improvements includes the following amendment:
IFRS 12 "Disclosure of Interests in Other Entities". Clarification of the scope of the disclosure requirements in IFRS 12.
The adoption of this amendment did not have significant impact for the Consolidated Financial Statements of Cenergy Holdings.

Standards and Interpretations effective for subsequent periods:

• ***IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7***
(effective for annual periods beginning on or after 1 January 2018)
In July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments.
IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Cenergy Holdings will apply IFRS 9 initially on 1 January 2018.

a. ***Classification – Financial assets:***
IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.
IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.
Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.
Based on its assessment, Cenergy Holdings does not expect the new classification requirements to have material impact on its accounting for trade receivables, loans, investments in debt securities and investments in equity securities that are managed on a fair value basis. At 31 December 2017, Cenergy Holdings had equity investments classified as available-for-sale with a fair value of EUR 4.7 million, which under IFRS 9 will be designated as investments measured at FVOCI. Consequently, all fair value gains and losses will be reported in other comprehensive income, no impairment losses would be recognised in profit or loss and no gains or losses would be reclassified to profit or loss on disposal.

b. ***Impairment – Financial assets and contract assets:***
IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement as to how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.
Under IFRS 9, loss allowances will be measured on either of the following bases:
- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date.

However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component; Cenergy Holdings has chosen to apply this policy also for trade receivables and contract assets with a significant financing component.

c. ***Classification – Financial liabilities:***
There will be no impact on the Cenergy Holdings' accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

d. ***Hedge Accounting:***
IFRS 9 will require Cenergy Holdings to ensure that hedge accounting relationships are aligned with Cenergy Holdings' risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. IFRS 9 also introduces new requirements regarding rebalancing of hedge relationships and prohibiting voluntary discontinuation of hedge accounting. Under the new model, it is possible that more risk management strategies, particularly those involving hedging a risk component (other than foreign currency risk) of a non-financial item, will be likely to qualify for hedge accounting.
Cenergy Holdings uses forward foreign exchange contracts to hedge the variability in cash flows arising from changes in foreign exchange rates relating to foreign currency payables, receivables, sales and inventory purchases.
Under IAS 39, for all cash flow hedges, the amounts accumulated in the cash flow hedge reserve are reclassified to profit or loss as a reclassification adjustment in the same period as the hedged expected cash flows affect profit or loss. However, under IFRS 9, for cash flow hedges of foreign currency risk associated with forecast non-financial asset purchases, the amounts accumulated in the cash flow hedge reserve and the cost of hedging reserve will instead be included directly in the initial cost of the non-financial asset when it is recognised.
Cenergy Holdings has elected not to adopt the provisions of IFRS 9 regarding the hedge accounting and will continue applying IAS 39. Further information on the current accounting policy is provided in the relevant paragraph 5.16.

e. ***Disclosures:***
IFRS 9 will require extensive new disclosures, in particular about hedge accounting, credit risk and expected credit losses. Cenergy Holdings' preliminary assessment included an analysis to identify data gaps against current processes and Cenergy Holdings is in the process of implementing the system and controls changes that it believes will be necessary to capture the required data.

f. ***Transition:***
Changes in accounting policies resulting from the adoption of IFRS 9 will generally be applied retrospectively, except as described below.
- Cenergy Holdings is considering to use the exemption allowing not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 generally will be recognized in retained earnings and reserves as at 1 January 2018.
- The following assessments have to be made on the basis of the facts and circumstances that exist at the date of initial application.
    - The determination of the business model within which a financial asset is held.
    - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
    - The designation of certain investments in equity instruments not held for trading as at FVOCI.

Estimated impact of the adoption of IFRS 9 Cenergy Holdings evaluated the effects of IFRS 9, determining that these would not be material. In particular, in 2018, Cenergy Holdings will have to adjust the opening equity upon adopting IFRS 9, as the amount of retained earnings at 1 January 2018 will be decreased by EUR 0.9 million, mainly due to the impact of application of the 'expected credit loss' (ECL) model for the calculation of impairment for financial assets and contract assets.
There will be no effects on either debt or cash flow provided by operating activities.
The estimated impact of the adoption of these standards on Cenergy Holdings' equity as at 1 January 2018 is based on the assessment undertaken to date and is summarized above.

The actual impacts of adopting the standards at 1 January 2018 may change because:

- Cenergy Holdings has not finalized the testing of controls over its new IT systems; and
- the new accounting policies are subject to change until Cenergy Holdings presents its first financial statements that include the date of initial application.

IFRS 16 "Leases"

(effective for annual periods beginning on or after 1 January 2019).

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

IFRS 16 introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Cenergy Holdings is currently assessing the potential impact on its Consolidated Financial Statements. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including Cenergy Holdings' borrowing rate at 1 January 2019, the composition of Cenergy Holdings' lease portfolio at that date, Cenergy Holdings' latest assessment of whether it will exercise any lease renewal options and the extend to which Cenergy Holdings will choose to use practical expedients and recognition exemptions.

So far the most significant impact identified is that Cenergy Holdings will recognize new assets and liabilities (currently operating leases). In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Cenergy Holdings is evaluating the implementation and impact of adopting this new standard. No significant impact is expected for Cenergy Holdings finance leases. For an overview of the operating leases, see Note 32.

The following amendments are not expected to have significant impact on the Consolidated Financial Statements of Cenergy Holdings, according to an initial assessment which has been based on current conditions:

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions"

(effective for annual periods beginning on or after 1 January 2018).

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

Annual Improvements to IFRSs 2014 – 2016 cycle

(effective for annual periods beginning on or after 1 January 2018)

The improvements includes the following amendments:

- IFRS 1 "First-time Adoption of International Financial Reporting Standards". Deletion of short-term exemptions for first time adopters.
- IAS 28 "Investments in Associates and Joint Ventures". Measuring associates and joint ventures at fair value through profit or loss (FVTPL) on an investment-by-investment basis.

IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"

(effective for annual periods beginning on or after 1 January 2018)

The interpretation clarifies the accounting for transactions that include the receipt of payment of advance consideration in a foreign currency.

IAS 40 (Amendments) "Transfers to Investment Property"

(effective for annual periods beginning on or after 1 January 2018)

The amendment clarifies the application of paragraph 57 of IAS 40 Investment Property, and which provides guidance on transfers to, or from, investment properties.

IFRIC 23 — "Uncertainty over Income Tax Treatments"
(effective for annual periods beginning on or after 1 January 2019)
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation".
(effective for annual periods beginning on or after 1 January 2019)
The amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income.

IAS 28 (Amendments) "Long-term Interests in Associates and Joint Ventures"
(effective for annual periods beginning on or after 1 January 2019)
The amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU.

IAS 19 (Amendment) "Plan Amendment, Curtailment or Settlement"
(effective for annual periods beginning on or after 1 January 2019)
The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These Amendments have not yet been endorsed by the EU.

IFRS 10 (Amendment) "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
(In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting)
The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or jointventure. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments have not yet been endorsed by the EU.

Annual Improvements to IFRS Standards 2015-2017 Cycle:
(effective for annual periods beginning on or after 1 January 2019)
These improvements have not been yet endorsed by the EU.

IFRS 3 "Business Combinations and IFRS 11 Joint Arrangements":
The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 "Income Taxes":
The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.

IAS 23 "Borrowing Costs":
The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale,

and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

The IASB has issued Amendments to References to the Conceptual Framework in IFRS Standards on 29 March 2018. These amendments are still to be addressed.

5.21. Re-presentation of comparative figures

The comparative amounts in the lines "Proceeds from new borrowings" and "Repayment of borrowings" in the Consolidated Statement of Cash Flows have been re-presented, in order to be directly comparable with current year's figures and to apply the requirements of IAS 7.22 and IAS 7.23. The net effect of this re-presentation in Net cash flows from financing activities is zero.

6. Change in accounting policy

Cenergy Holdings has early adopted IFRS 15 "Revenue from Contracts with Customers" with a date of initial application of 1 January 2017. As a result, Cenergy Holdings has changed its accounting policy for revenue recognition as detailed below.

Cenergy Holdings has applied IFRS 15 using the cumulative effect method – i.e. by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 January 2017. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. The details of the significant changes and quantitative impact of the changes are set out below.

A. Production of customised products

Previously, Cenergy Holdings's subsidiaries recognised revenue for all those contracts which did not meet the definition of a construction contract under IAS 11, when the significant risks and rewards of ownership had been transferred to the customer. The timing of the transfer of risks and rewards varied according to the terms of each sales agreement. The recognition generally occured when the product was delivered to the customer; however for some international shipments the transfer of risks and rewards occurred - based on the incoterms - when the goods were loaded onto the ship, or other delivery vehicle, at the port of the seller. According to IFRS 15, the Group recognises revenue when a customer obtains control over the product. Under contracts for customised steel pipes & cables products produced for the exclusive use of certain customers, the client controls all of the work in progress, as the steel pipe or cable is being produced, 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 subsidiaries' failure to perform as promised.

Therefore, for such contracts revenue is now recognised progressively based either on the quantity of manufactured and tested products compared to the total quantity to be produced according to the contract or based on appraisal of results achieved.

Under other contracts with customers not related to customised products, customers do not take control of the product until they are completed, since such products are considered commodities. Thus, the Group continues to recognise revenue for such contracts, in the same manner, as under IAS 18, since the timing of transfer of control is substantially at the same point of time with the tranfer of the risks and rewards.

The adoption of IFRS 15 did not have impact on the revenue recognition of turnkey projects of the cables segment, which were previously meeting the definition of a construction contract under IAS 11. The accounting treatment for revenue recognition based on IAS 11 for such contracts was already substantially compliant with the new standard.

B. Contract costs

Based on IFRS 15, the incremental costs of obtaining contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract are recognised as an asset, if those costs are expected to be recoverable. 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. 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.

Contract costs may include commission fees paid to intermediaries for obtaining contracts, materials used for tests necessary for the production or other qualifying costs. Previously, such costs were recognised either when incurred or on an accrual basis.

C. Identification of performance obligations

Based on the guidance and requirements of IFRS 15, transportation of products for certain contracts was identified as separate performance obligation.

D. Impacts on financial statements

The following tables summarise the impacts of adopting IFRS 15 on the Consolidated Financial Statements for the year ended 31 December 2017:

i. Consolidated Statement of Financial Position

31 December 2017		Impact of changes in accounting policies	
Amounts in EUR thousand	**As reported**	**Adjustments**	**Balances without adoption of IFRS 15**
ASSETS			
Non-current assets			
Deferred tax assets	147	181	328
Other	427,418	-	427,418
	427,565	**181**	**427,747**
Current Assets			
Inventories	186,251	33,558	219,809
Trade and other receivables	138,267	26,758	165,024
Contract assets	65,166	(65,166)	-
Contract costs	1,211	(1,211)	-
Other	71,303	-	71,303
	462,197	**(6,061)**	**456,137**
Total assets	**889,763**	**(5,880)**	**883,883**
EQUITY			
Reserves	35,591	43	35,634
Retained earnings/(losses)	(12,150)	(3,664)	(15,814)
Other	176,780	-	176,780
Total equity	**200,222**	**(3,621)**	**196,601**
Non-current liabilities			
Deferred tax liabilities	21,989	(1,135)	20,854
Other	111,935	-	111,935
	133,924	**(1,135)**	**132,789**
Current liabilities			
Trade and other payables	186,915	3,600	190,516
Contract liabilities	4,724	(4,724)	-
Other	363,978	-	363,978
	555,617	**(1,124)**	**554,494**
Total equity and liabilities	**889,763**	**(5,880)**	**883,883**

ii. Consolidated Statement of Profit or Loss and OCI

For the year ended 31 December 2017		Impact of changes in accounting policies	
Amounts in EUR thousand	**As reported**	**Adjustments**	**Balances without adoption of IFRS 15**
Revenue	**758,318**	**(38,722)**	**719,596**
Cost of sales	(699,562)	33,581	(665,982)
Gross profit	**58,756**	**(5,142)**	**53,614**
Other income	5,347	-	5,347
Selling and distribution expenses	(12,901)	-	(12,901)
Administrative expenses	(18,635)	-	(18,635)
Other Expenses	(10,771)	-	(10,771)
Operating profit / (loss)	**21,796**	**(5,142)**	**16,654**
Net finance cost	(32,946)	-	(32,946)
Share of profitof equity-accounted investees, net of tax	541	-	541
Profit/(Loss) before income tax	**(10,610)**	**(5,142)**	**(15,751)**
Income tax expense	5,834	1,363	7,198
Profit/(Loss) for the year	**(4,775)**	**(3,778)**	**(8,554)**
Other comprehensive income / (expense) after tax	(1,350)	43	(1,307)
Total comprehensive income / (expense) after tax	**(6,125)**	**(3,736)**	**(9,861)**

iii. Consolidated Statement of Cash Flows

For the year ended 31 December 2017		Impact of changes in accounting policies	
Amounts in EUR thousand	**As reported**	**Adjustments**	**Balances without adoption of IFRS 15**
Cash flows from operating activities			
Loss of the period	(4,775)	(3,778)	(8,554)
Adjustments for:			
- Income tax	(5,834)	(1,363)	(7,198)
- Other	66,643	-	66,643
	56,033	**(5,142)**	**50,891**
Changes in:			
- Inventories	14,022	(33,558)	(19,536)
- Trade and other receivables	23,922	(13,633)	10,289
- Trade and other payables	12,696	(3,265)	9,431
- Contract assets	(52,041)	52,041	-
- Contract liabilities	(2,346)	2,346	-
- Contract costs	(1,211)	1,211	-
- Other	(30,173)	-	(30,173)
Net Cash from / (used in) operating activities	**20,903**	**-**	**20,903**
Net Cash flows used in investing activities	**(20,231)**	**-**	**(20,231)**
Net cash flows from financing activities	**(1,491)**	**-**	**(1,491)**
Net (decrease)/ increase in cash and cash equivalents	**(818)**	**-**	**(818)**
Cash and cash equivalents at 1 January	71,329	-	71,329
Effect of movement in exchange rates on cash held	(1,068)	-	(1,068)
Cash and cash equivalents at 31 December	**69,443**	**-**	**69,443**

7. Common control transaction

On 14 December 2016, Cenergy Holdings announced the completion of the cross-border merger by absorption by Cenergy Holdings S.A. of the formerly Greek listed companies, Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme (together referred as the "absorbed companies").

The transaction was approved by the Company's shareholders on 7 December 2016 and those of Hellenic Cables S.A. Holdings Société Anonyme and Corinth Pipeworks Holdings S.A. on 8 December 2016. On 14 December 2016, the cross-border merger became effective from a legal perspective, both in Belgium and in Greece. As a result, as from 8 December 2016, the Company has assumed the control of the subsidiaries of the absorbed companies.On 21 December 2016, the trading of its shares commenced on Euronext Brussels and the Athens Stock Exchange.

The business combination between Cenergy Holdings, Hellenic Cables S.A. Holdings Société Anonyme and Corinth Pipeworks Holdings S.A. qualifies as a common control transaction, since all of the combining entities are ultimately controlled by the same party (Viohalco) both before and after the business combination and that control is not transitory.

Before the business combination, Viohalco controled all the combining entities since it controled 99.84% of voting rights of the Company, 74.48% of voting rights of Hellenic Cables S.A. Holdings Société Anonyme (1.95% directly and 72.53% through its subsidiary Halcor S.A.) and 85.89% of voting rights of Corinth Pipeworks Holdings S.A.. Upon the completion of the business combination Viohalco controls 81.93% (56.77% directly and 25.16% through its subsidiary Halcor S.A.).

All assets and liabilities of the absorbed companies have been recorded at their carrying amount and therefore the share capital increase resulting from the merger amounted to the addition of the share capital of Cenergy Holdings and the absorbed companies and there was no difference to recognize within equity.

Due to the above and in order to provide financial information which is relevant, meaningful and reliable, the Company's Consolidated Financial Statements as of and for the period ended 31 December 2016 are presented as if the cross-border merger had occurred before the start of the earliest period presented (i.e. 1st January 2016). Thus, results of operations comprise the results of previously separate entities as presented in 2016 annual report. By eliminating the effects of intercompany transactions in determining the results of operations for the period before the combination, those results are substantially on the same basis as the results of operations for the period after the date of the merger. The effects of intercompany transactions on current assets, current liabilities, revenue, and cost of sales for periods presented and on retained earnings at the beginning of the comparative period presented are also eliminated.

The election of the policy described above has been done on the basis of pronouncements of other standard-setting bodies that use a conceptual framework to develop accounting standards similar to IFRS (especially SFAS 141, D.12), other accounting literature and accepted industry practices.

8. 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.

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. constitute one of the largest cable producers in Europe, manufacturing power, telecommunication and submarine cables, as well as enamelled 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 both the holding company and subsidiary VET S.A. - which only holds investment property - that do not apply to either the steel pipes or cables segment.

Cenergy Holdings has revised the composition of its reportable segments and the activities of the subsidiary VET S.A., previously reported under the steel pipes segment, are now presented in "Other activities" since the subsidiary is now inactive. Accordingly, Cenergy Holdings has restated the operating segment information for the year ended 31 December 2016.

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 2017 and 2016, and for the years then ended.

2017		**Reportable segments**		
Amounts in EUR thousand	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment revenue	617,879	407,168	155	**1,025,201**
Inter-segment revenue	(195,508)	(71,376)	-	**(266,883)**
External revenues	**422,371**	**335,792**	**155**	**758,318**
Gross profit	**31,881**	**26,870**	**5**	**58,756**
Operating profit / (loss)	**16,684**	**6,803**	**(1,691)**	**21,796**
Finance income	655	94		**749**
Finance costs	(22,700)	(10,977)	(17)	**(33,694)**
Share of profit/(loss) of equity accounted investees, net of tax	-	425	116	**541**
Profit / (Loss) before tax	**(5,361)**	**(3,656)**	**(1,592)**	**(10,610)**
Income tax expense	522	5,250	63	**5,834**
Profit/Loss (-) from continuing operations	**(4,839)**	**1,594**	**(1,530)**	**(4,775)**
Depreciation and amortization	(13,642)	(9,148)	(303)	**(23,094)**
Segment assets	441,276	432,635	15,852	**889,763**
Equity-accounted investees	-	12,723	289	**13,012**
Segment liabilities	402,937	285,386	1,219	**689,541**
Capital expenditure	17,762	3,191	-	**20,954**

2016	Reportable segments			
Amounts in EUR thousand	Cables	Steel Pipes	Other activities	Total
Segment revenue	557,978	388,717	-	**946,694**
Inter-segment revenue	(168,417)	(86,502)	-	**(254,919)**
External revenues	**389,560**	**302,215**	**-**	**691,775**
Gross profit	**29,861**	**33,046**	**-**	**62,907**
Operating profit	**16,621**	**19,286**	**(1,389)**	**34,517**
Finance income	46	453		**499**
Finance costs	(20,843)	(10,666)	(2)	**(31,511)**
Share of profit/(loss) of equity accounted investees, net of tax	-	(597)	(88)	**(685)**
Profit before tax	**(4,176)**	**8,476**	**(1,479)**	**2,821**
Income tax expense	(2,801)	(3,887)	96	**(6,592)**
Profit/Loss (-) from continuing operations	**(6,977)**	**4,589**	**(1,383)**	**(3,772)**
Depreciation and amortization	(12,360)	(8,620)	-	**(20,980)**
Segment assets	418,363	452,861	19,148	**890,371**
Equity-accounted investees	-	13,088	204	**13,292**
Segment liabilities	375,222	305,170	3,517	**683,909**
Capital expenditure	12,162	6,887	19	**19,068**

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.

Revenue

	For the year ended 31 December	
Amounts in EUR thousand	2017	2016
Belgium	1,707	1,750
Greece	276,424	259,996
Other European Union countries	330,477	294,578
Other European countries	10,831	6,989
Asia	51,051	10,159
Americas	84,014	111,297
Africa	3,787	6,935
Oceania	27	70
Total	**758,318**	**691,775**

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.

Property, Plant & Equipment

	As at 31 December	
Amounts in EUR thousand	2017	2016
Belgium	-	-
Greece	355,335	359,276
Other	25,274	25,325
Total	**380,610**	**384,601**

Intangible assets and goodwill

	As at 31 December	
Amounts in EUR thousand	2017	2016
Belgium	-	-
Greece	15,569	15,181
Other	1,188	235
Total	**16,757**	**15,416**

Investment property

Amounts in EUR thousand	As at 31 December 2017	2016
Belgium	-	-
Greece	6,140	6,472
Other	-	-
Total	**6,140**	**6,472**

Capital expenditure

Amounts in EUR thousand	As at 31 December 2017	2016
Belgium	-	-
Greece	17,322	15,586
Other	3,632	3,481
Total	**20,954**	**19,068**

9. Revenue

Cenergy Holdings has adopted IFRS 15 in 2017 and elected to use the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. The details of accounting policies under IAS 18 and IAS 11 are disclosed separately if they are different from those under IFRS 15 and the impact of changes is disclosed in Note 6.

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.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably.

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 & wires
Cenergy Holdings' subsidiaries in the cables segment produces and sells enamelled wires 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.

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.

The table includes a reconciliation with the Group's reportable segments (see Note 8):

Primary geographical markets

Segment	Steel Pipes		Cables		Other activities		Total	
Amounts in EUR thousand	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Greece	137,487	136,087	138,782	123,909	155	-	276,424	259,996
Other European Union countries	76,080	49,995	256,103	246,334	-	-	332,184	296,329
Other European countries	4,625	4,867	6,207	2,122	-	-	10,831	6,989
America	81,050	105,472	2,964	5,825	-	-	84,014	111,297
Rest of the world	36,551	5,794	18,314	11,371	-	-	54,865	17,164
	335,792	**302,215**	**422,371**	**389,560**	**155**	**-**	**758,318**	**691,775**

Major products and service lines

Segment	Steel Pipes		Cables		Other activities		Total	
Amounts in EUR thousand	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Steel pipes projects	294,976	270,013	-	-	-	-	294,976	270,013
Hollow structural sections	35,744	29,427	-	-	-	-	35,744	29,427
Cables projects	-	-	71,474	58,106	-	-	71,474	58,106
Power & telecom cables	-	-	277,911	246,704	-	-	277,911	246,704
Enameled cables & wires	-	-	34,698	24,919	-	-	34,698	24,919
Other (raw materials, scrap etc.)	5,072	2,775	38,288	59,832	155	-	43,514	62,607
	335,792	**302,215**	**422,371**	**389,560**	**155**	**-**	**758,318**	**691,775**

Timing of revenue recognition for revenue recognised during 2017 upon the adoption of IFRS 15.

	Steel Pipes	Cables	Other activities	Total
Products transferred at a point in time	40,816	350,897	155	391,868
Products transferred over time	294,976	71,474	-	366,450
	335,792	**422,371**	**155**	**758,318**

Consolidated revenue for 2017 amounted to EUR 758 million, an increase of 10% from the EUR 692 million recorded in 2016, reflecting strong sales of steel pipes and submarine cables for Energy projects and higher LME metals prices. It is noted that the shift from revenue recognition 'at a point in time' to 'over-time' for all Energy projects, upon the early adoption of IFRS 15, had also a positive effect in current year's revenue as described in Note 6.

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 40.4 million. This amount is expected to be recognised during 2018 based on the time schedules included in the open contracts as of 31 December 2017, which have original expected durations of more than one year.

Cenergy Holdings applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Cenergy Holdings applies the practical expedient in paragraph C5(c) of IFRS 15 and does not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognise that amount as revenue for the year ended 31 December 2017.

D. Contract balances

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

Amounts in EUR thousand	31 December 2017	1 January 2017 Restated
Receivables which are included in Trade and other receivables	104,878	128,658
Contract assets	65,166	13,125
Contract liabilities	4,724	7,070

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 separately in the Consolidated Statement of Financial Position.

For products & services for which revenue is recognised over time, such as turnkey projects in the cables segments and customized steel pipes & cables products, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either upon achievement of contractual milestones, or at the final delivery and acceptance of the manufactured items.

Generally, billing occurs subsequent to revenue recognition for customized products & services performed over time resulting in contract assets. However, advances are sometimes received from customers before revenue is recognized, resulting in contract liabilities. These assets and liabilities are reported on a contract-by-contract basis at the end of each reporting period.

Revenue recognised at a point in time is invoiced either simultaneously with its recognition or within a short time period from its recognition.

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

2017*

Amounts in EUR thousand	Contract assets	Contract liabilities
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	7,070
Increases due to cash received, excluding amounts recognised as revenue during the period	-	4,724
Transfers from contract assets recognised at the beginning of the period to receivables	(10,314)	-
Increases as a result of changes in the measure of progress	62,356	-

**Cenergy Holdings recognised the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance at 1 January 2017.*

E. Contract costs

Management expects that fees and commissions associated with contracts for energy projects obtained during the year are recoverable. Cenergy Holdings therefore capitalised them as contract costs in the amount of EUR 1,210 thousand at 31 December 2017.

Capitalised fees are expensed to cost of sales when the related revenue is recognised. In 2017 the amount recognised in profit or loss was EUR 1,990 thousand and there was no impairment loss in relation to the costs capitalised.

Costs to fulfill a contract include materials used for tests necessary for the production, labor costs, insurance fees and are capitalised if they are directly associated with the asset and are recoverable. As at 31 December 2017, no such costs were capitalised.

Applying the practical expedient of IFRS 15 paragraph 94, Cenergy Holdings recognises incremental costs of obtaining and fullfiling contracts as an expense when incurred if the amortisation period of the assets would be one year or less.

F. Significant judgments in revenue recognition

In recognizing revenue the Group makes judgements regarding the timing of satisfaction of 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 involving the supply of a product of the performance of a single task or a set of significant integrated tasks are viewed as being a single performance obligation.
- 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 9B 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.
- Some contracts with customers involve a variable transaction cost as they include a volume or trade discount based on the total purchases from the customer within a time period. In such case revenue is recognised based on the anticipated purchases from the customer throughout the year, as these purchases 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.

10. Income and expenses

A. Other income

		For the year ended 31 December	
Amounts in EUR thousand	**Note**	**2017**	**2016**
Government grants		111	84
Rental income		738	646
Income from fees, commissions & costs recharged		2,058	919
Indemnities and income from claims		455	1,070
Gain from sale of property, plant & equipment		16	1
Amortization of grants	29	775	794
Profit from sale of financial assets		-	1,792
Income from legal cases		250	902
Reversal of impairment loss on trade receivables	30	8	308
Reversal of impairment losses on investment property		149	-
Income from write-offs of balances owed to suppliers		205	-
Other		581	210
Other Income		**5,347**	**6,725**

During 2016, a final court decision related to a legal claim introduced by Fulgor S.A. against a customer was issued. The legal actions were initiated before the acquisition of Fulgor S.A. by Hellenic Cables (i.e. 2011) and following the final court decision an amount of EUR 902 thousand was recorded as income for the period. The amount was collected during 2017.

During 2017, a final court decision related to a legal claim introduced by Fulgor S.A. against Greek State was issued and an amount of EUR 250 thousand was recorded as income for the period.

During the first semester of 2016, the Company participated in the share capital increase of International Trade S.A., a related party and an affiliate of Viohalco, through the contribution of its interests in Metal Agencies S.A., Tepro Metal A.G. and Genecos S.A. (all affiliates of Viohalco). Following this transaction, the Company holds 12.21% of International Trade S.A. for an amount of EUR 4,354 thousand, which was determined by an independent appraiser based on the fair value of the interests contributed. As a result of the above, a gain of EUR 1,792 thousand was recorded.

B. Other expenses

Amounts in EUR thousand	Note	For the year ended 31 December 2017	2016
Impairment loss on investment property		-	(29)
Impairment loss on property, plant and equipment		-	(2)
Loss from disposal of property, plant & equipment		(115)	(2)
Loss from disposal of investment property		(98)	-
Indemnities and claims		(415)	(732)
Other taxes		(274)	(303)
Impairment loss on trade receivables	17, 30	(9,214)	(349)
Other penalties		(221)	(133)
Restructuring costs		-	(1,882)
Employee benefits	13	(105)	(138)
Other		(329)	(1,050))
Other expense		**(10,771)**	**(4,621)**

Restructuring costs occurred during prior year were related to the cross-border merger and the spin-offs that took place in 2016.

C. Expenses by nature

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Cost of inventories recognized as an expense	(553,339)	(487,402)
Employee benefits	(51,652)	(52,852)
Energy	(10,722)	(11,647)
Depreciation and amortisation	(23,044)	(20,980)
Taxes - duties	(1,489)	(1,505)
Insurance premiums	(5,677)	(6,879)
Rental fees	(2,744)	(2,336)
Transportation	(25,414)	(24,661)
Promotion & advertising	(382)	(510)
Third party fees and benefits	(34,251)	(33,510)
Gains/(losses) from derivatives	(5,118)	77
Maintenance expenses	(3,521)	(3,425)
Packing	(2,668)	(2,417)
Commissions	(6,297)	(2,694)
Foreign exchange gains/(losses)	3,886	(1,506)
Other expenses	(8,666)	(7,116)
Total cost of sales, selling & distribution expenses and administrative expenses	**(731,098)**	**(659,362)**

The fluctuation in foreign exchange differences and gains/(losses) from derivatives is attributed to the fluctuations of USD:EUR and is related to the steel pipes segment.

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 2017 amounts to EUR 1.2 million (2016: EUR 1.7 million).

The increase in commissions is mainly associated with contracts for energy projects.

11. Net finance costs

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Finance income		
Interest income	98	60
Foreign exchange gains	651	439
	749	**499**
Finance costs		
Interest expense and related costs	(31,917)	(31,174)
Foreign exchange losses	(1,777)	(337)
	(33,694)	**(31,511)**
Net finance costs	**(32,946)**	**(31,012)**

Net finance costs increased during 2017, since during the year debt was higher compared to prior year due to the significant needs for the financing of the projects executed.

12. 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/(loss) attributable to ordinary shareholders and weighted-average numbers of ordinary shares outstanding.

A. Profit/loss (-) attributable to ordinary shareholders

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Profit/(Loss) attributable to the owners of the Company	(4,761)	(3,741)

B. Weighted-average number of ordinary shares outstanding

The calculation of earnings per share for 2016 is performed on the basis of the shares existing at the date of completion of the cross-border merger, i.e. 190,162,681 shares (see Note 25). No shares were issued during 2017.

C. Earnings per share

The basic and diluted earnings per share are as follows:

In EUR per share	For the year ended 31 December 2017	2016
Basic and diluted	(0.02504)	(0.01967)

13. Employee benefits

Amounts in EUR thousand	Note	2017	2016
Net defined benefit liability		4,273	3,908
Liability for social security contributions	28	1,946	1,773
Total employee benefit liabilities		**6,218**	**5,681**
Non-current		4,273	3,908
Current		1,946	1,773

For details on the related employee benefit expenses, see Note 14.

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 some countries, i.e. 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.

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	2017	2016
Balance at 1 January	**3,908**	**3,348**
Included in profit or loss		
Current service cost	220	203
Past service cost	19	4
Settlement/curtailment/termination loss	261	256
Interest cost	62	66
	562	**529**
Included in OCI		
Remeasurement loss/gain (-):		
Actuarial loss/gain (-) arising from:		
- Demographic assumptions	-	35
- Financial assumptions	68	236
- Experience adjustements	119	176
	187	**447**
Other		
Benefits paid	(384)	(415)
Balance at 31 December	**4,273**	**3,908**

During the financial year 2017, Cenergy Holdings' companies provided EUR 384 thousand in benefit payments in respect of members who left the Group during the year. An additional cost that arose due to these payments (Settlement/Curtailment/Termination loss of EUR 261 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.

C. Defined benefit obligation

(a) Actuarial assumptions

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

	2017	2016
Discount rate	1.50%	1.60%
Inflation	1.50%	1.50%
Future salary growth	1.26%	1.28%
Plan duration *(expressed in years)*	15.41	15.97

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	2017	2016
Up to 1 year	70	100
Between 1 and 2 years	18	10
Between 2 and 5 years	235	155
Over 5 years	4,770	4,805
Total	**5,093**	**5,069**

(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
Discounted rate (0.5% movement)	(316)	350
Future salary growth (0.5% movement)	341	(312)

If zero withdrawal rates were used when determining the defined benefit liability as of 31 December 2017, the liability would have been increased by EUR 179 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.

14. Employee benefit expenses

	For the year ended 31 December	
Amounts in EUR thousand	**2017**	**2016**
Employee remuneration & expenses	40,822	41,253
Social security expenses	10,046	9,437
Defined benefit plan	562	529
Other	2,094	1,771
Total	**53,523**	**52,991**

Employee benefits were allocated as follows:

	For the year ended 31 December	
Amounts in EUR thousand	**2017**	**2016**
Cost of goods sold	37,605	39,039
Distribution expenses	7,185	7,935
Administrative expenses	6,862	5,878
Other expenses	105	138
Capitalised in assets under construction	1,767	-
Total	**53,523**	**52,991**

Employee benefits were mainly capitalized in the cables segment for the ongoing investments for capacity improvements in Fulgor's plant and in several development projects for compliance with the new European Construction Products Regulation (CPR) which entered into full force in 2017, certifications, licenses and new products development.

15. Income taxes

A. Amounts recognised in profit or loss

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Current year	(16)	(2,279)
Adjustment for prior year income tax	453	(1,129)
Current tax (expense)/ income	**437**	**(3,408)**
Origination and reversal of temporary differences	2,333	(440)
Change in tax rate or composition of new tax	33	-
Recognition of previously unrecognised tax losses, tax credit or temporary differences of a prior period	3,727	-
Derecognition of previously recognised tax losses	(696)	(2,744)
Deferred tax (expense)/ income	**5,397**	**(3,184)**
Income Tax (expense)/ income	**5,834**	**(6,592)**

B. Reconciliation of effective tax rate

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Profit before tax	**(10,610)**	**2,821**
Tax using the domestic tax rate in Greece (29%)	3,077	(818)
Non-deductible expenses for tax purposes	(1,079)	(1,452)
Tax-exempt income	472	627
Recognition of previously unrecognised tax credit on temporary differences of a prior period	3,727	-
Effect of tax rates in foreign jurisdictions	(67)	(319)
Current-year losses for which no deferred tax asset is recognised	(543)	(757)
Permanent differences	457	-
Change in tax rate or composition of new tax	33	-
Derecognition of previously recognised tax losses	(696)	(2,744)
Adjustment for prior year income tax	453	(1,129)
Income tax expense reported in the statement of profit or loss	**5,834**	**(6,592)**
Effective tax rate	**(55%)**	**(234%)**

According to Greek laws N. 4334/2015 and N. 4336/2015, the corporate income tax rate for legal entities in Greece is set at 29%.

During 2017, an amount of EUR 696 thousand of deferred tax asset on tax losses was derecognised since the right to use such losses was expired during the year (EUR 2,744 thousand in 2016).

During 2017, a deferred tax asset of EUR 3.5 million was recognized in respect of impairment losses recorded in prior periods on a long outstanding trade receivable (see Note 17.B). Based on the current analysis, this temporary difference is expected now to be tax deductible in the future.

C. Movement in deferred tax balances

2017

Amounts in EUR thousand	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Change in accounting policy	Balance at 31 December: Net	Deferred tax assets	Deferred tax liabilities
Property, plant & equipment	(30,093)	(2,830)	-	(26)	-	(32,950)	121	(33,072)
Intangible assets	(1,525)	(355)	-	-	-	(1,880)	947	(2,827)
Investment property	51	-	-	-	-	51	51	-
Thin-cap interest	4,683	3,859	-	-	-	8,541	8,541	-
Construction contracts	(452)	-	-	-	452	-	-	-
Contracts with customers	-	(6,449)	-	-	(405)	(6,854)	-	(6,854)
Derivatives	(1,041)	1,179	(299)	(1)	-	(162)	21	(182)
Loans and borrowings	(3,038)	(780)	-	-	-	(3,818)	-	(3,818)
Employee benefits	751	427	56	-	-	1,235	1,235	-
Provisions	(363)	6,353	-	-	-	5,990	5,990	-
Other items	(2,658)	1,430	-	(26)	-	(1,254)	160	(1,414)
Carryforward tax loss	6,693	2,565	-	-	-	9,258	9,258	-
Tax assets/liabilities (-) before set-off	**(26,991)**	**5,397**	**(243)**	**(53)**	**47**	**(21,842)**	**26,325**	**(48,167)**
Set-off tax	-	-	-	-	-	-	(26,178)	26,178
Net tax assets/liabilities (-)	**(26,991)**	**5,397**	**(243)**	**(53)**	**47**	**(21,842)**	**147**	**(21,989)**

2016

Amounts in EUR thousand	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Change in accounting policy	Balance at 31 December: Net	Deferred tax assets	Deferred tax liabilities
Property, plant & equipment	(29,384)	(718)	-	9	-	(30,093)	-	(30,093)
Intangible assets	(1,363)	(162)	-	-	-	(1,525)	1,110	(2,634)
Investment property	75	(17)	-	(8)	-	51	51	-
Thin-cap interest	2,965	1,718	-	-	-	4,683	4,683	-
Construction contracts	(1,264)	813	-	-	-	(452)	724	(1,175)
Derivatives	(10)	(955)	(75)	-	-	(1,041)	44	(1,085)
Loans and borrowings	(3,320)	282	-	-	-	(3,038)	-	(3,038)
Employee benefits	609	15	128	-	-	751	755	(4)
Provisions	780	(1,143)	-	-	-	(363)	475	(837)
Other items	(2,233)	(202)	(3)	(220)	-	(2,658)	580	(3,237)
Carryforward tax loss	9,508	(2,814)	-	-	-	6,693	6,693	-
Tax assets/liabilities (-) before set-off	**(23,637)**	**(3,184)**	**49**	**(219)**	**-**	**(26,991)**	**15,115**	**(42,105)**
Set-off tax	-	-	-	-	-	-	(14,886)	14,886
Net tax assets/liabilities (-)	**(23,637)**	**(3,184)**	**49**	**(219)**	**-**	**(26,991)**	**229**	**(27,220)**

On 31 December 2017, the accumulated tax losses carried forward available for future use amounted to EUR 49.9 million. Cenergy Holdings' companies have recognised a deferred tax asset on tax losses of EUR 31.9 million because management considered it probable that future taxable profits would be available against which such losses can be used. This estimate is mainly based on the expected improvement in profitability during the following years, due to the initiatives undertaken in order to take advantage of the expected growth in energy sector and especially the high demand for new offshore projects.

Based on these estimates regarding the future tax profitability 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 18 million with expiration date during the period 2018 to 2022.

16. Inventories

Amounts in EUR thousand	2017	2016
Merchandise	2,764	5,904
Finished goods	46,957	57,931
Semi-finished goods	23,194	20,931
By-products & scrap	2,138	1,598
Work in progress	-	321
Raw and auxiliary materials, consumables, spare parts and packaging materials	111,591	114,023
Total	**186,644**	**200,708**
Write-down		
Finished goods	(393)	(298)
Raw and auxiliary materials, consumables, spare parts and packaging materials	-	(136)
	(393)	**(434)**
Total	**186,251**	**200,274**

In 2017, the amount of inventories recognised as expense during the period and included in "Cost of sales" was EUR 553.3 million (2016: EUR 487.4 million).

Inventories have been reduced by EUR 393 thousand in 2017 as a result of the write-down to net realizable value (2016: EUR 434 thousand). This amount was charged to profit or loss in "Cost of sales".

17. Trade and other receivables

Amounts in EUR thousand	Note	2017	2016
Current assets			
Trade receivables		104,878	128,658
Construction contracts in progress		-	11,081
Less: Impairment losses		(23,913)	(17,837)
		80,965	**121,902**
Other downpayments		870	412
Cheques and notes receivables & Cheques overdue		605	794
Receivables from related entities	35	27,641	24,487
Tax assets		4,809	8,421
Other debtors		23,620	28,149
Less: Impairment losses		(243)	(243)
		57,302	**62,021**
Total		**138,267**	**183,923**
Non-current assets			
Non-current receivables from related parties	35	3,842	3,603
Other non-current receivables		2,396	3,231
Total		**6,238**	**6,834**

A. Transfer of trade receivables

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 is recognised as a secured bank loan.

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.

	At 31 December	
Amounts in EUR thousand	2017	2016
Carrying amount of trade receivables transferred	57,470	51,002
Carrying amount of associated liabilities	43,451	43,829

As at 31 December 2017 and 2016, Cenergy Holdings had not used the total amount of credit line provided 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 20.7 million as at 31 December 2017), plus legal interest of 12%.

Following a series of court proceedings, the Dubai Court of Cassation, on 19 March 2014, finally upheld the appeal of the subsidiary of 26 September 2013, confirmed the amount due to the subsidiary and cancelled the previous decision of the Court which had recognised the counterclaim raised by the customer in the course of the litigation and had ordered the off-setting of this counterclaim with the subsidiary's claim. The case was then referred back to the Court of Appeal, which examined the validity of the counterclaim and appointed a tripartite of accounting experts.

A report was issued by the experts in December 2016 and confirmed that the counterclaim was not supported by any document.

At the hearing of 5 June 2017, the Court of Appeal rejected the counterclaim raised by the subsidiary's customer and obliged the latter to pay an amount of USD 24 million. The former customer filed an appeal before the Court of Cassation challenging the aforesaid decision of the Court of Appeal.

Finally, on 17 September 2017, the Court of Cassation issued its judgment and ruled:

- to reject the counterclaim of the former customer
- to confirm the amount due to Corinth Pipeworks.

The above-mentioned Court of Cassation judgment issued against the former customer is enforceable in the UAE and various other countries in the Middle East.

Corinth Pipeworks will initiate the enforcement procedures against the assets of the customer that are located within any of the above-mentioned countries. In addition, the subsidiary, in order to ensure its rights, has imposed provisional seizure on real estate assets of third parties who are involved in the case in accordance with the decision of the Court of First Instance of Athens (issued under the proceedings of interim measures).

The company recorded in 2010 an impairment loss of USD 12.5 million (EUR 10.4 million as at the reporting date) against this receivable. As part of the annual assessment of impairment, the subsidiary booked an additional impairment loss of USD 10.7 million (EUR 8.9 million) as at 31 December 2017 to reflect the prospected recoverability of that receivable, as of today. The total impairment loss for the receivable amounts to EUR 19.3 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 30.C.1.

18. Cash and cash equivalents

Amounts in EUR thousand	2017	2016
Cash in hand and cash in bank	2,899	2,192
Short-term bank deposits	66,544	69,137
Total	**69,443**	**71,329**

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

19. 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 2016	162,190	359,542	17,041	90,340	**629,114**
Effect of movement in exchange rates	(74)	(170)	4	(18)	**(257)**
Additions	40	2,720	1,242	14,695	**18,697**
Disposals	-	(268)	(19)	-	**(287)**
Reclassifications	1,353	94,350	131	(96,615)	**(780)**
Acquisition of subsidiary	-	2,346	187	-	**2,533**
Balance at 31 December 2016	**163,509**	**458,520**	**18,587**	**8,403**	**649,020**
Balance at 1 January 2017	163,509	458,520	18,587	8,403	**649,020**
Effect of movement in exchange rates	(514)	(1,138)	(88)	(33)	**(1,773)**
Additions	53	3,252	588	15,141	**19,034**
Disposals	(2)	(186)	(32)	-	**(221)**
Reclassifications	1,632	9,110	375	(11,749)	**(632)**
Balance at 31 December 2017	**164,678**	**469,558**	**19,429**	**11,762**	**665,428**

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 2016	(55,425)	(173,899)	(13,014)	-	**(242,337)**
Effect of movement in exchange rates	52	106	(2)	-	**156**
Depreciation	(3,292)	(15,612)	(1,145)	-	**(20,049)**
Impairment	-	(2)	-	-	**(2)**
Disposals	-	267	10	-	**277**
Acquisition of subsidiary	-	(2,277)	(186)	-	**(2,464)**
Balance as at 31 December 2016	**(58,665)**	**(191,418)**	**(14,337)**	**-**	**(264,419)**
Balance at 1 January 2017	(58,665)	(191,418)	(14,337)	-	**(264,419)**
Effect of movement in exchange rates	351	701	56	-	**1,108**
Depreciation	(3,385)	(17,083)	(1,138)	-	**(21,605)**
Disposals	-	74	25	-	**99**
Balance as at 31 December 2017	**(61,698)**	**(207,727)**	**(15,393)**	**-**	**(284,818)**
Carrying amounts					
At 1 January 2016	106,765	185,644	4,027	90,340	386,776
At 31 December 2016	**104,845**	**267,103**	**4,250**	**8,403**	**384,601**
At 31 December 2017	**102,980**	**261,832**	**4,036**	**11,762**	**380,610**

The net amount in reclassifications concerns intangible assets under construction reclassified during the year to intangible assets (see Note 20).

B. Leased machinery
Cenergy Holdings lease machinery under a number of finance leases. The leased equipment secures lease obligations.

Amounts in EUR thousand	As at 31 December 2017	2016
Cost		
Balance as at 1 January	949	878
Effect of movement in exchange rates	(45)	-
Additions	1,077	71
Balance as at 31 December	**1,981**	**949**
Accumulated depreciation and impairment losses		
Balance at 1 January 2017	(63)	-
Effect of movement in exchange rates	3	-
Depreciation	(75)	(63)
Balance as at 31 December	**(136)**	**(63)**
Net carrying amounts	**1,845**	**885**

C. Security
Property, plant & equipment with a carrying amount of EUR 208.9 million are mortgaged as security for borrowings received by Cenergy Holdings (see Note 27).

D. Property, plant and equipment under construction
The most important items in property, plant and equipment under construction as of 31 December 2017 concern productivity and capacity improvement investments in the cables segment's plants and are expected to be completed during 2018.

The amount of EUR 11.7 million which was reclassified from assets under construction in 2017 mostly relates to the conclusion of productivity improvements at the Fulgor plant and the installation of a concrete weight coating facility in the Corinth Pipeworks plant.

No borrowing costs related to property, plant and equipment under construction were capitalised during 2017.

20. Intangible assets and goodwill
A. Reconciliation of carrying amount

Amounts in EUR thousand	Development costs	Trademarks and licenses	Software	Other	Total
Cost					
Balance as at 1 January 2016	374	17,004	5,579	302	**23,258**
Effect of movement in exchange rates	-	-	(8)	-	**(8)**
Additions	-	129	223	-	**352**
Reclassifications	-	631	149	-	**780**
Balance at 31 December 2016	**374**	**17,764**	**5,942**	**302**	**24,382**
Balance as at 1 January 2017	374	17,764	5,942	302	**24,382**
Effect of movement in exchange rates	-	-	(70)	1	**(69)**
Additions	180	571	1,169	-	**1,920**
Reclassifications	-	204	428	-	**632**
Balance at 31 December 2017	**555**	**18,539**	**7,469**	**303**	**26,866**

Amounts in EUR thousand	Development costs	Trademarks and licenses	Software	Other	Total
Accumulated amortisation and impairment losses					
Balance at 1 January 2016	(374)	(2,853)	(4,671)	(143)	**(8,042)**
Effect of movement in exchange rates	-	-	7	-	**7**
Amortisation	-	(601)	(308)	(23)	**(931)**
Balance at 31 December 2016	**(374)**	**(3,454)**	**(4,972)**	**(166)**	**(8,967)**
Balance as at 1 January 2017	(374)	(3,454)	(4,972)	(166)	**(8,967)**
Effect of movement in exchange rates	-	-	44	(1)	**43**
Amortisation	(36)	(638)	(491)	(20)	**(1,185)**
Balance as at 31 December 2017	**(410)**	**(4,091)**	**(5,420)**	**(187)**	**(10,109)**
Carrying amounts					
At 1 January 2016	-	14,151	907	158	15,217
At 31 December 2016	**-**	**14,310**	**970**	**135**	**15,416**
At 31 December 2017	**144**	**14,448**	**2,049**	**115**	**16,757**

The net amount in reclassifications concerns intangible assets reclassified during the year from assets under construction (see Note 19).

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 as at 31 December 2017)
   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 as at 31 December 2017)
   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 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 were used. These estimates take into consideration the contracts that the company has already signed, as well as contracts that are expected to be announced in Greece and abroad.

Cash flows after the first five years were calculated using an estimated growth rate of 1.4%, which mainly reflects management's estimates for the growth prospects of the high voltage submarine cable sector. The rate used to discount these cash flows is from 8.6 % to 9.4% for the five year period and 9.2% for the terminal value and was based on the following:

- Risk free rate was determined according to AAA Eurozone rates and has a range from -0.75% for the five years to 0.44% for the terminal value.
- The country risk for operating in Greece determined in the range of 2.9-3.3% for the first five years and 3% for the terminal value.
- The market risk premium was determined at 5.7%

The results of this test indicated that the recoverable amount as at December 31, 2017 exceeds the carrying amount of the CGU amounting to EUR 149.7 million by EUR 157.9 million.

Despite the fact that the commodity prices for copper and aluminum 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.

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.

Results of the sensitivity analysis for the impairment testing:

	Assumptions used	Change in rates required for the recoverable amount to equal the carrying amount
Discount rate	8.6 % to 9.4%	+7.8%
Terminal growth	1.4%	-11.2%

21. Investment property

A. Reconciliation of carrying amount

Amounts in EUR thousand	Note	2017	2016
Balance at 1 January		6,472	872
Additions		-	19
Disposals		(178)	-
Impairment	9.B	-	(29)
Reversal of impairment		149	-
Depreciation		(303)	-
Acquisition of subsidiary		-	5,610
Balance at 31 December		**6,140**	**6,472**
Gross carrying amount		10,143	9,898
Accumulated depreciation and impairment losses		(4,003)	(3,425)
Carrying amount at 31 December		**6,140**	**6,472**

Investment property comprises a number of properties that are not currently used by Cenergy Holdings and are held either for capital appreciation or to be leased in the foreseeable future.

The properties held are not currently leased. The direct operating expenses (including repair and maintenance) arising from investment property that did not generate rental income amounted to EUR 303 thousand for 2017.

The accumulated impairment loss amounts to EUR 290 thousand. Based on management's assessment, during the current period, there were indications for reversal of impairment for a certain property, since the market value for that property increased. As a result, an amount of EUR 149 thousand was recorded as reversal of impairment during 2017.

B. Measurement of fair value

The fair value of this property was determined by external and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. For the determination of the fair value of this property, a market approach was used for land and the depreciated replacement cost method was used for the vacant building. The fair value measurement for land has been categorised as a Level 2 fair value based on the inputs to the valuation technique used, the fair value measurement for the building has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. Inputs used to determine the fair value of land were based on observable prices of similar properties. These observable data were significantly adjusted considering the status of the property and the volume of transactions and/or asking prices in real estate market for similar properties. The fair value of the building determined based on the depreciated replacement cost method reflects the amount that currently would be required to replace or to reconstruct these assets.

There were no indications for impairment for properties held by subsidiaires. The fair value of investment property amounts to EUR 6.38 million as at the reporting date.

C. Restrictions - Contractual obligations

There are neither restrictions nor contractual obligations.

22. Equity-accounted investees

A. Reconciliation of carrying amount of associates

Amounts in EUR thousand	2017	2016
Balance at 1 January	13,292	11,571
Share in profit / (loss) after taxes	541	(685)
Dividends received	(238)	(447)
Foreign exchange differences	(582)	2,953
Sales	-	(100)
Balance at 31 December	**13,012**	**13,292**

B. Financial information per associate

2017

Company Amounts in EUR thousand	Principal place of business	Revenue	Profit / (Loss) from continuing operations	Total comprehensive income	Ownership interest
STEELMET S.A.	Greece	22,776	410	359	29.56%
DIA.VIPE.THIV. S.A.	Greece	2,043	90	89	26.19%
AO TMK-CPW	Russia	54,241	445	445	49.00%

Company Amounts in EUR thousand	Segment	Current assets	Non-current assets	Current liabilities	Non-current liabilities
STEELMET S.A.	Other activities	7,679	736	6,340	1,096
DIA.VIPE.THIV. S.A.	Steel Pipes	2,747	11,854	716	8,350
AO TMK-CPW	Steel Pipes	26,711	7,622	11,312	14

2016

Company Amounts in EUR thousand	Principal place of business	Revenue	Profit / (Loss) from continuing operations	Total comprehensive income	Ownership interest
STEELMET S.A.	Greece	14,937	(111)	(309)	29.56%
DIA.VIPE.THIV. S.A.	Greece	1,841	849	849	26.19%
AO TMK-CPW	Russia	41,590	(2,316)	(2,316)	49.00%

Company Amounts in EUR thousand	Segment	Current assets	Non-current assets	Current liabilities	Non-current liabilities
STEELMET S.A.	Other activities	4,764	643	3,739	947
DIA.VIPE.THIV. S.A.	Steel Pipes	2,890	11,004	1,060	7,388
AO TMK-CPW	Steel Pipes	24,036	9,526	9,364	25

The following table analyzes the interest in AO TMK-CPW:

	At 31 December 2017	2016
Net assets of AO TMK-CPW on 1 January (100%)	24,174	21,275
Total comprehensive income of AO TMK-CPW (100%)	445	(2,316)
Foreign exchange differences (100%)	(1,145)	6,051
Dividends (100%)	(467)	(836)
Net assets of AO TMK-CPW on 31 December (100%)	**23,007**	**24,174**
Group's share of net assets of AO TMK-CPW on 31 December (49%)	11,274	11,845
Consolidation adjustments for transactions with the associate	-	(184)
Carrying amount of interest in AO TMK-CPW on 31 December (49%)	**11,274**	**11,661**
Carrying amount of interest in other indiviually immaterial associates	1,739	1,631
Total	**13,012**	**13,292**

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.

23. Other investments

Amounts in EUR thousand	2017	2016
Balance as at 1 January	4,662	2,768
Additions	-	4,356
Sales	-	(2,462)
Balance as at 31 December	**4,662**	**4,662**

Other investments are substantially available-for-sale financial assets and include the following:

Amounts in EUR thousand	As at 31 December 2017	2016
Unlisted shares:		
-Greek equity instruments	308	308
-International equity instruments	4,354	4,354
	4,662	**4,662**

24. Derivatives

The following table sets out the carrying amount of derivatives:

Amounts in EUR thousand	At 31 December 2017	2016
Current assets		
Forward foreign exchange contracts	1,058	3,220
Future contracts	676	120
Total	**1,733**	**3,340**
Current liabilities		
Forward foreign exchange contracts	1,105	922
Future contracts	128	360
Total	**1,233**	**1,282**

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 aluminum). 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 aluminum, the reserve is recognised in Consolidated Statement of Profit or Loss after the net cash settlement of future contract and at the date the aluminum 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 2017 will be recycled to the consolidated statement of profit or loss during 2018, as all the hedged events will occur (the forecasted transactions will take place or the hedged items will affect profit or loss) n 2018.

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	**2017**	**2016**
Gain / (loss) on future contracts	(807)	(2,129)
Gain / (loss) on foreign exchange forward contracts	(2,789)	3,361
Total	**(3,596)**	**1,232**

Profit or loss related to derivatives used for cash flow hedging and recognized in other comprehensive income (Hedging reserve) as at 31 December 2017 will be recognized in profit or loss during the next financial year.

25. 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.

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.

As a result of the accounting treatment of the cross-border merger as a common control transaction, the contribution of the initial share capital of the Company of EUR 61,500, is reported as share capital increase incurred during 2016.

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) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(c) 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.

(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 have either 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.

C. Reconciliation of other reserves

Amounts in EUR thousand	Statutory Reserve	Translation reserve	Hedging Reserve	Special Reserves	Tax exempt reserves	Total
Balance as at 1 January 2016	**6,903**	**(18,690)**	**(466)**	**9,525**	**35,613**	**32,885**
Other comprehensive income, net of tax	-	2,981	41	-	-	**3,023**
Transfer of reserves	-	-	-	-	705	**705**
Balance as at 31 December 2016	**6,903**	**(15,708)**	**(425)**	**9,525**	**36,318**	**36,613**
Balance as at 1 January 2017	**6,903**	**(15,708)**	**(425)**	**9,525**	**36,318**	**36,613**
Other comprehensive income, net of tax	-	(1,817)	795	-	-	**(1,022)**
Balance as at 31 December 2017	**6,903**	**(17,525)**	**370**	**9,525**	**36,318**	**35,591**

26. Capital management

Cenergy Holdings' policy consists in maintaining a strong capital structure so as to keep the confidence of investors, creditors and the market and enable the future development of their activities. The Board of Directors monitors the return on capital which is defined as net results divided by total equity less non-controlling interests. The Board of Directors also monitors 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, otherwise the Return on Invested Capital (ROIC) index, which is defined as EBIT (Operating result as reported in the Consolidated Statement of Profit or Loss plus Share of profit/(loss) of equity accounted investees, net of tax) 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 every case higher than the cost of debt) and deleverage companies that go through a relatively low ROCE performance period.

27. Loans and borrowings

A. Overview

	At 31 December	
Amounts in EUR thousand	**2017**	**2016**
Non-current liabilities		
Unsecured bank loans	28,830	34,665
Secured bond issues	43,751	133,947
Unsecured bond issues	12,480	15,240
Finance lease liabilities	1,080	544
Total	**86,141**	**184,396**
Current liabilities		
Secured bank loans	1,176	658
Factoring with recourse	43,451	43,829
Unsecured bank loans	207,094	181,706
Loans from related parties	5,152	5,175
Current portion of secured bond issues	92,563	21,514
Current portion of unsecured bond issues	3,055	1,974
Current portion of finance lease liabilities	340	178
Current portion of unsecured bank loans	9,901	7,790
Total	**362,732**	**262,823**
Total loans and borrowings	**448,873**	**447,219**

Information about Cenergy Holdings' exposure to interest rate, foreign currency and liquidity risk is included in Note 30.

The maturities of non-current loans are as follows:

Amounts in EUR thousand	**2017**	**2016**
Between 1 and 2 years	12,400	61,103
Between 2 and 5 years	34,508	79,604
Over 5 years	39,232	43,689
Total	**86,141**	**184,396**

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

2017

Amounts in EUR thousand	EUR	USD	GBP	LEV	RON
Bank lending (non-current) - carrying amount	28,830	-	-	-	-
Bank lending (non-current) - weighted avg interest rate	*2.2%*	-	-	-	-
Bank lending (current) - carrying amount	241,182	14,891	2,629	1,176	1,743
Bank lending (current) - weighted avg interest rate	*5.3%*	*6.0%*	*4.6%*	*4.7%*	*5.2%*
Bond issues (non-current) - carrying amount	56,231	-	-	-	-
Bond issues (non-current) - weighted avg interest rate	*4.0%*	-	-	-	-
Bond issues (current) - carrying amount	95,618	-	-	-	-
Bond issues (current) - weighted avg interest rate	*4.6%*	-	-	-	-
Finance Lease Obligations - carrying amount	1,420	-	-	-	-
Finance Lease Obligations - weighted avg interest rate	*4.0%*	-	-	-	-

2016

Amounts in EUR thousand	EUR	USD	GBP	LEV	RON
Bank lending (non-current) - carrying amount	34,665	-	-	-	-
Bank lending (non-current) - weighted avg interest rate	*2.0%*	-	-	-	-
Bank lending (current) - carrying amount	228,536	279	1,295	-	3,741
Bank lending (current) - weighted avg interest rate	*5.6%*	*5.4%*	*5.3%*	-	*3.8%*
Bond issues (non-current) - carrying amount	149,187	-	-	-	-
Bond issues (non-current) - weighted avg interest rate	*4.4%*	-	-	-	-
Bond issues (current) - carrying amount	23,619	-	-	-	-
Bond issues (current) - weighted avg interest rate	*4.7%*	-	-	-	-
Finance Lease Obligations - carrying amount	722	-	-	-	-
Finance Lease Obligations - weighted avg interest rate	*4.1%*	-	-	-	-

During 2017, Cenergy Holdings obtained new bank loans in Euro, which amounted to EUR 44.8 million and repaid bank loans of EUR 45.9 million with maturity date in 2017. The current bank loans had an average interest rate of 5.3%.

Short term facilities are predominately revolving credit facilities which finance working capital needs and specific ongoing projects.

At the end of 2017, an amount of EUR 89 million related to the syndicated bond loans, received by Corinth Pipeworks and Hellenic Cables in 2013, was transferred to current borrowings, as it is payable during 2018 based on the repayment plans. As a result, as at 31 December 2017, Cenergy Holdings' consolidated current liabilities exceed current assets by EUR 93.4 million.

In this context, Corinth Pipeworks and Hellenic Cables are currently at the final stage of negotiations with their lenders in order to refinance these facilities and achieve the conversion of a significant portion of its short-term borrowings to long-term. Considering that the ongoing discussions have run well and are now at the final review stage by the committees of the financial institutions, the Management believes that these negotiations will be successfully concluded in 2018. The signs of improvement of the Greek banking system also support this belief (see also Note 30.C.4). In the past, Cenergy Holdings' subsidiaries have never experienced any issues in financing their activities, renewing their working capital facilities or refinancing their long-term loans and borrowings. The Management expects that the repayment of these bonds will occur as planned and that any additional repayments for other banking facilities required will be met out of operating cash flows or from unutilized credit lines, which are in place in order to serve capital requirements. Regarding the finance of project-based activities, Cenergy Holdings' subsidiaries have secured the necessary funds through project finance facilities.

Mortgages and pledges in favour of banks have been recorded on property, plant and equipment of subsidiaries. The carrying amount of assets mortgaged or pledged is EUR 208.9 million (see Note 19).

For the bank loans of Cenergy Holdings' companies that have been assumed from banks, there are clauses of change of control that provide the lenders with an early redemption clause.

There was no incident in 2017 of breach of the terms of the loans of Cenergy Holdings' companies.

B. Reconciliation of movements of liabilities to cash flows arising from financing activities

Amounts in EUR thousand	Loans and borrowings
Balance at 1 January 2017	**447,219**
Changes from financing cash flows	
Proceeds from new borrowings	44,791
Repayment of borrowings	(45,935)
Payment of finance lease liabilities	(347)
Total changes from financing cash flows	**(1,491)**
Other changes	
New finance leases	1,077
Effect of changes in foreign exchange rates	(361)
Interest expense	25,891
Interest paid	(23,464)
	3,144
Balance at 31 December 2017	**448,873**

C. Finance leases liabilities

Finance lease liabilities are payable as follows:

Amounts in EUR thousand	2017	2016
Finance Lease Obligations - Minimum leases		
Up to 1 year	392	178
Between 1 and 5 years	1,159	582
Total	**1,551**	**760**
Future finance lease interest charges	(132)	(37)
Present value of minimum lease payments	**1,420**	**722**

28. Trade and other payables

Amounts in EUR thousand	Note	2017	2016
Suppliers		121,707	114,381
Notes payable		45,017	33,802
Advance payments from customers		-	7,070
Social security contributions	13	1,946	1,773
Amounts due to related parties	35	8,999	13,863
Dividends payable		2	2
Sundry creditors		1,538	1,646
Deferred income		-	6
Accrued expenses		9,880	9,347
Other taxes		3,913	5,341
Total		**193,001**	**187,231**
Current balance of trade and other payables		186,915	178,624
Non-current balance of trade and other payables		6,086	8,607
Balance at December 31		**193,001**	**187,231**

The increase in suppliers and notes payable is attributed to purchases of raw materials for the execution of the on-going projects, in both segments.

For 2017, any amount previously reported as advance payments from customers has been reclassified to contract liabilities, upon the early adoption of IFRS 15.

29. Grants

Amounts in EUR thousand	Note	2017	2016
Balance at January 1		**16,215**	**17,042**
Amortisation of grants	10.A	(775)	(794)
Other		(3)	(34)
Balance at December 31		**15,436**	**16,215**

Government grants have been received for investments in property, plant and equipment. All conditions attached to the grants received by Cenergy Holdings were met as of 31 December 2017.

30. 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.

31/12/2017 Amounts in EUR thousand	Carrying amount	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	4,662	-	-	4,662	**4,662**
Derivative financial assets	1,733	676	1,058	-	**1,733**
	6,395	**676**	**1,058**	**4,662**	**6,395**
Derivative financial liabilities	(1,233)	(128)	(1,105)	-	**(1,233)**
	5,162	**548**	**(47)**	**4,662**	**5,162**

31/12/2016 Amounts in EUR thousand	Carrying amount	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	4,662	-	-	4,662	**4,662**
Derivative financial assets	3,340	120	3,220	-	**3,340**
	8,002	**120**	**3,220**	**4,662**	**8,002**
Derivative financial liabilities	(1,282)	(360)	(922)	-	**(1,282)**
	6,720	**(239)**	**2,297**	**4,662**	**6,720**

The various levels are as follows:
- Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.
- Level 2: Inputs that are observable either directly or indirectly.
- Level 3: Unobservable inputs for assets and liabilities.

The fair value of the following financial assets and liabilities measured at amortised cost approximate their carrying amount:
- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Loans and borrowings

The following table shows the reconciliation between opening and closing balances for Level 3 financial assets, which are classified as Available-for-sale financial assets:

Amounts in EUR thousand	2017	2016
Balance at 1 January	**4,662**	**2,768**
Additions	-	4,356
Sales	-	(2,462)
Balance at 31 December	**4,662**	**4,662**

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 that are not traded in an active market whose measurement is based on the Cenergy Holdings' companies' forecasts for the issuer's future profitability 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 observable 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
Equity securities not traded in active markets	*Discounted cash flows*: The fair value of shares not traded in an active market is defined based on the estimates of Cenergy Holdings and its companies for the future profitability of the issuer after taking into account the expected growth rate of its operations, as well as the discounted interest rate	- Risk-free rate: 0.3% - Market risk premium: 6.3%-9.7% - WACC (rounded): 5.4%-9.2%	• the expected market growth rate increase (decrease) • the estimated cash flows increase (decrease) • the risk-adjusted discount rate were lower (higher)

(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 2017 and no transfers in either direction in 2016.

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 26).

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 auditsand the results of such audits are notified to the Board of Directors.

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 investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

Amounts in EUR thousand	Note	At 31 December 2017	2016
Trade & Other receivables - Current	17	138,267	183,923
Trade & Other receivables - Non-current	17	6,238	6,834
Contract assets	9.D	65,166	-
Subtotal		**209,670**	**190,757**
Available-for-sale financial assets	23	4,662	4,662
Cash and cash equivalents	18	69,443	71,329
Derivatives	24	1,733	3,340
Subtotal		**75,838**	**79,331**
Grand total		**285,509**	**270,088**

(a) Trade and other receivables

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 short period of time. For 2017, this threshold was exceeded from only one client of steel pipes segement (namely Trans Adriatic Pipeline AG (TAP)) due to the fact the whole project of Trans Adriatic Pipeline has been awarded to Corinth Pipeworks.

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 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 includewholesale customers of Cenergy Holdings' companies. Any customers characterized as being "high risk" are included in a special list of customers and subsequent sales must be paid in advance. Depending on the background of the customer and its status, Cenergy Holdings' subsidiaries demand real 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 incurred 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	2017	2016
Greece	100,502	75,397
Other EU Member States	62,020	59,805
Other European countries	1,906	724
Asia	6,797	13,745
America (North & South)	38,167	40,316
Africa	278	770
Oceania	1	-
Total	**209,670**	**190,757**

At 31 December, the aging of trade and other receivables that were not impaired was as follows:

Amounts in EUR thousand	2017	2016
Neither past due nor impaired	194,700	168,660
Overdue		
- Up to 6 months	10,258	8,224
- Over 6 months	4,713	13,873
Total	**209,670**	**190,757**

Subsidiaries' management believes that the unimpaired 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.

The movement in impairment of trade and other receivables is as follows:

Amounts in EUR thousand	Note	2017	2016
Balance as at 1 January		**18,080**	**17,527**
Write-offs		(1,508)	-
Impairment loss recognized	10.B	9,214	349
Impairment loss reversed	10.A	(8)	(308)
Foreign exchange differences		(1,621)	511
Balance as at 31 December	**17**	**24,156**	**18,080**

An impairment loss of EUR 8,883 thousand concerns a former customer in the Middle-East (see Note 17.B), while the remaining amount of EUR 331 thousand relates to certain customers that have indicated that they will probably not be able to pay their outstanding balances, mainly due to economic circumstances.

The following collateral exists for securing receivables from customers:

Amounts in EUR thousand	2017	2016
Bank letters of guarantee	1,656	3,746

(b) Debt securities

Cenergy Holdings limits its exposure to credit risk by investing mainly in liquid corporate and sovereign debt securities which yield rates and ratings are reasonable, when this is considered necessary. The counterparties of the corporate bonds are mostly well known companies.

In 2017 there is no carrying amount of debt securities. As a result there is no exposure to credit risk for debt securities at the reporting date.

(c) Cash and cash equivalents

Cenergy Holdings and its companies held cash and cash equivalents of EUR 69,443 thousand at 31 December 2017. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated from Aa3 to Caa2 based on ratings of Moody's.

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:

31/12/2017

		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	**290,451**	266,197	6,682	18,834	5,167	**296,879**
Loans from the parent company	**5,152**	5,152	-	-	-	**5,152**
Bond issues	**151,849**	101,191	8,522	25,361	44,468	**179,542**
Finance lease obligations	**1,420**	392	428	731	-	**1,551**
Derivatives	**1,233**	1,233	-	-	-	**1,233**
Trade and other payables	**193,001**	188,314	2,403	4,441		**195,157**
Contract liabilities	**4,724**	4,724	-	-	-	**4,724**
	647,830	**567,203**	**18,035**	**49,367**	**49,635**	**684,239**

31/12/2016

		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	**268,648**	236,337	10,166	17,220	10,770	**274,493**
Loans from the parent company	**5,175**	5,175	-	-	-	**5,175**
Bond issues	**172,675**	25,950	61,572	68,742	50,147	**206,411**
Finance lease obligations	**722**	178	194	388	-	**760**
Derivatives	**1,282**	1,282	-	-	-	**1,282**
Trade and other payables	**187,231**	178,624	2,937	6,868	227	**188,656**
	635,732	**447,546**	**74,870**	**93,217**	**61,143**	**676,777**

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.

All such transactions are carried out through Steelmet S.A. 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.

31/12/2017

Amounts in EUR thousand	USD	GBP	RON	OTHER	TOTAL
Trade and other receivables	43,784	14,778	7,731	591	**66,884**
Loans and Borrowings	(14,891)	(2,629)	(1,743)	-	**(19,263)**
Trade and other payables	(33,239)	(936)	(9,636)	(12)	**(43,822)**
Cash & cash equivalents	14,101	220	216	51	**14,589**
	9,754	**11,434**	**(3,431)**	**630**	**(18,387)**
Derivatives for risk hedging (Nominal Value)	(113,641)	(11,814)	-	-	**(125,455)**
Total risk	**(103,887)**	**(380)**	**(3,431)**	**630**	**(107,068)**

31/12/2016

Amounts in EUR thousand	USD	GBP	RON	OTHER	TOTAL
Trade and other receivables	43,820	13,715	8,551	463	**66,549**
Loans and Borrowings	(25,205)	(5,117)	(3,741)	-	**(34,063)**
Trade and other payables	(53,198)	(414)	(12,427)	(192)	**(66,231)**
Cash & cash equivalents	13,429	2,013	75	8	**15,524**
	(21,154)	**10,196**	**(7,542)**	**279**	**(18,221)**
Derivatives for risk hedging (Nominal Value)	(41,113)	(19,496)	-	-	**(60,609)**
Total risk	**(62,267)**	**(9,299)**	**(7,542)**	**279**	**(78,830)**

The following exchange rates have been applied during the year.

	Average exchange rate		Year end spot rate	
	2017	2016	2017	2016
USD	1.1297	1.1069	1.1993	1.0541
GBP	0.8767	0.8195	0.8872	0.8562
RON	4.5681	4.4904	4.6597	4.5390

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
2017				
USD (10% movement in relation to EUR)	1,854	(1,517)	(6,919)	5,661
GBP (10% movement in relation to EUR)	(42)	35	(42)	35
RON (10% movement in relation to EUR)	(381)	312	(381)	312
2016				
USD (10% movement in relation to EUR)	(2,350)	1,923	(5,594)	4,577
GBP (10% movement in relation to EUR)	392	(321)	(618)	506
RON (10% movement in relation to EUR)	(838)	686	(838)	686

(b) Interest rate risk:
Exposure to interest rate risk
Cenergy Holdings' companies during the prolonged low interests 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.

	At 31 December	
Amounts in EUR thousand	**2017**	**2016**
Fixed-rate instruments		
Financial liabilities	(39,304)	(36,973)
Variable-rate instruments		
Financial liabilities	(409,569)	(410,246)

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.

	Profit or loss & Equity, net of tax	
Amounts in EUR thousand	**0.25% increase**	**0.25% decrease**
2017		
Financial liabilities	(1,121)	1,121
2016		
Financial liabilities	(1,026)	1,026

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:

2017

		Expected cash flows			
Amounts in EUR thousand	**Carrying Amount**	**1-6 months**	**6-12 months**	**> 1 year**	**Total**
Foreign exchange forwards					
Assets	1,058	1,058	-	-	**1,058**
Liabilities	(1,051)	(887)	(164)	-	**(1,051)**
Future contracts					
Assets	676	676	-	-	**676**
Liabilities	(128)	(128)	-	-	**(128)**
	555	**718**	**(164)**	**-**	**555**

2016

		Expected cash flows			
Amounts in EUR thousand	**Carrying Amount**	**1-6 months**	**6-12 months**	**> 1 year**	**Total**
Foreign exchange forwards					
Assets	3.220	3.088	132	-	**3.220**
Liabilities	(922)	(820)	(103)	-	**(922)**
Future contracts					
Assets	120	120	-	-	**120**
Liabilities	(360)	(360)	-	-	**(360)**
	2,058	**2,029**	**29**	**-**	**2,058**

C.4. Risk of macroeconomic and financial environment in Greece

The macroeconomic and financial environment in Greece, where most of Cenergy Holdings' subsidiaries are located, is showing signs of improvement, however uncertainties still exist.

After the completion of the recapitalization of the Greek banks, at the end of 2015, and following the EUR 86 billion bailout program between the institutions and the Greek government, the Eurogroup and the institutions finalized their discussion on the second and third review of the Greek programme (between June 2017 and March 2018), which paved the way to release the third and fourth tranches of financial assistance to Greece, amounting to EUR 8.5 and 6.7 billion respectively. As a result, Moody's proceeded with the upgrade of the country's credit rating from Caa2 to B3.

It should be noted that the capital controls that are in force in Greece since June 2015 have been loosen furtherly, but still remain until the date of approval of the financial statements and they have not prevented Cenergy Holdings companies to continue their activities as before. Cash flows from operational activities have not been disrupted.

Additionally, Cenergy Holdings companies' strong customer base outside Greece (64% of revenue) along with their established facilities abroad minimize the liquidity risk which may arise from the uncertainty of the economic environment in Greece.

Cenergy Holdings follows closely and on a continuous basis the developments in both 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. For further information on developments which took place during 2018, in the international environment, refer to Note 37.

Cenergy Holdings' debt amounting to EUR 449 million comprises of 23% and 77% of long term and short term facilities respectively. Taking into account EUR 69 million of cash & cash equivalents (19% of short term debt), Cenergy Holdings companies' Net Debt amounts to EUR 379 million. Loans and borrowings are held with banks and financial institutions, which are rated from A2 to Caa2 based on ratings of Moody's. Approximately 85% of these loans and borrowings is held with Greek banks. Long term facilities have an average maturity of six years. Short term facilities are predominately revolving credit facilities, which are reviewed annually with anniversaries spread throughout the year and, within those revolving credit limits, short term loans of various maturities are drawn and when matured are renewed automatically if needed. There are sufficient credit limits in place to serve working capital requirements and refinance short term loans.

31. List of subsidiaries

The Company's subsidiaries and the interest held at the end of the reporting period are as follows:

Subsidiaries	County	Direct & indirect interest 2017	Direct & indirect interest 2016
CORINTH PIPEWORKS INDUSTRY SA	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%
VET S.A.	GREECE	100.00%	100.00%

The percentages reported above represent the financial interest held directly and indirectly by the Company.

For all the above entities, Cenergy Holdings S.A. does exercise control directly and/or indirectly.

There was no changes in interests held by the Company during 2017.

32. Operating leases

Cenergy Holdings lease buildings and motor vehicles under operating lease agreements.

A. Future minimum lease payments

At 31 December, the future minimum lease payments under non-cancellable leases were as follows.

Amounts in EUR thousand	2017	2016
Less than one year	1,209	943
Between one and five years	2,386	2,121
	3,596	**3,064**

B. Amounts recognized in profit or loss

Amounts in EUR thousand	2017	2016
Lease expense	1,473	1,498

33. Commitments

A. Purchase commitments

The 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	2017	2016
Property, plant and equipment	11,405	2,405

B. Guarantees

	At 31 December	
Amounts in EUR thousand	2017	2016
Guarantees for securing liabilities to suppliers	19,046	23,706
Guarantees for securing the good performance of contracts with customers	87,349	75,421
Guarantees for securing grants	13,929	13,929

34. Contingent liabilities

A. Litigations

Reference is made to the ongoing claim described in Note 17.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:

	For the year ended 31 December	
Amounts in EUR thousand	**2017**	**2016**
Sales of goods		
Viohalco	-	2
Equity-accounted investees	46	12,807
Other related parties	77,342	33,990
	77,388	**46,800**
Sales of services		
Viohalco	-	6
Equity-accounted investees	-	347
Other related parties	536	1,591
	536	**1,944**
Sales of property, plant & equipment		
Viohalco	-	-
Equity-accounted investees	-	-
Other related parties	84	8
	84	**8**
Purchases of goods		
Viohalco	-	-
Equity-accounted investees	-	298
Other related parties	13,461	23,004
	13,461	**23,301**
Purchases of services		
Viohalco	301	281
Equity-accounted investees	4,947	4,366
Other related parties	7,635	7,045
	12,883	**11,692**
Purchase of property, plant and equipment		
Viohalco	-	-
Equity-accounted investees	92	-
Other related parties	2,454	1,428
	2,546	**1,428**

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

For 2017, the sales to Metal Agencies (affiliate of Viohalco) are presented in the line "Other related parties", while sales performed in the first half of 2016 are presented in the line "Equity-accounted investees" (see Note 10A).

During 2017, the sales of goods to related parties have increased, due to sales performed through Viohalco's commercial companies in the main European markets.

During 2015, a loan was granted from the parent company Viohalco to Icme Ecab of EUR 5,000 thousand at market rates. This loan was renewed during 2016 and 2017 and its maturity is now in June 2018. There is no collateral for this short-term loan from the parent company. The movement of this loan during the period is as follows:

Amounts in EUR thousand	**2017**	**2016**
Balance at January 1	**5,175**	**5,149**
Interest charged for the period	296	303
Interest paid	(318)	(278)
Balance at December 31	**5,152**	**5,175**

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

	At 31 December 2017	2016
Current receivables from related parties		
Parent company	-	8
Equity-accounted investees	16	79
Other related parties	27,625	24,400
	27,641	**24,487**
Non-current receivables from related parties		
Equity-accounted investees	3,842	3,603
	3,842	**3,603**
Current liabilities to related parties		
Parent company	894	818
Equity-accounted investees	1,995	2,243
Other related parties	6,110	10,802
	8,999	**13,863**

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.

B. Key management personnel compensation

The table below provides an overview of the transactions with Board members and executive management.

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Compensation to BoD members and executives	844	475

The compensation to directors and executive management in the table above is fixed compensation. No variable compensation, post-employment benefits or share based benefits were paid.

36. Auditor's fees

The Company's statutory auditor, KPMG Réviseurs d'Entreprises and a number of other member firms of the KPMG network, received fees for the following services:

Amounts in EUR thousand	For year ended 31 December 2017	2016
KPMG Réviseurs d'Entreprises		
Audit	85	36
Audit related services	-	28
	85	**64**
KPMG Network		
Audit	242	-
Tax related services	75	38
Other services	20	-
	336	**38**
Total	**421**	**102**

37. Subsequent events

At the beginning of 2018, an anti-dumping duty (AD) investigation of large diameter welded pipe (nominal diameter above 16.4”) against Greece and five other countries (Canada, China, India, Korea and Turkey) was initiated by the U.S. Department of Commerce based on petitions filed by six U.S. producers. Subsequently as a result of the above petitions, the United States International Trade Commission (USITC) determined affirmatively that there is a reasonable indication of material injury to the domestic U.S. industry by reason of imports of large diameter welded pipe from Canada, China, India, Korea and Turkey. For imports of large diameter welded pipe from Greece the USITC determined that there is a reasonable indication of threat of material injury to the domestic U.S. industry. Corinth Pipeworks is actively participating in and subject to the AD investigation as the sole producer of large diameter welded pipe in Greece. Furthermore, it is mentioned that in the ordinary course of things the antidumping investigations are normally lengthy, taking more than eight months to complete. Any assessment of the impact of the above investigation on Corinth Pipeworks', Cenergy Holdings' subsidiary, financial results is considered as premature.

On 8 March 2018, the US administration exercised its authority under Section 232 of the Trade Expansion Act of 1962 to impose a 25 percent tariff on steel imports and a 10 percent tariff on aluminum imports in United States of America, with exemptions for Canada and Mexico. Based on these proclamations US Customs and Border Protection will begin collecting the applicable tariffs on 23 March 2018. On 18 March 2018, the U.S. Department of Commerce (DOC) announced the process for submission of requests for products exclusion from the tariffs on steel and aluminum product imports. The DOC published the procedures in the Federal Register and started accepting exclusion requests from U.S. industry on 19 March 2018. On 22 March 2018 the Section 232 tariffs on steel and aluminum imports from certain countries including the member countries of the European Union were suspended until 1 May 2018 pending ongoing discussions regarding measures to reduce global excess capacity in steel and aluminum production. By 1 May 2018 the US administration will decide whether to continue to exempt these countries based on the status of the discussions.

Cenergy Holdings is closely monitoring the situation and the new market conditions, as it does on a regular basis, since Corinth Pipeworks is an established supplier in the US steel pipes market. It is noted that the subsidiary mainly supplies products to its US customers that cannot be manufactured in the US, such as 26-inch pipelines. Corinth Pipeworks has already initiated all actions required in cooperation with its US customers in order for them to obtain relief from the tariffs on imports of steel pipes since the products sold in the US market by Corinth Pipeworks are customized unique products which are not produced by local US pipe mills.

Despite the uncertainty surrounding the steel market today, based on the current assessment of available information, the above facts will have limited impact on Corinth Pipeworks', Cenergy Holdings' subsidiary, financial results, due to the actions undertaken in order to secure Company's financial position and mitigate any potential adverse effects.

There are no other subsequent events affecting the Consolidated Financial Statements.

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KPMG

Auditor's Report on the Consolidated Financial Statements

Statutory auditor's report to the general meeting of Cenergy Holdings SA on the consolidated financial statements as of and for the year ended 31 December 2017

In the context of the statutory audit of the consolidated financial statements of Cenergy Holding SA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the audit of the consolidated financial statements for the year ended 31 December 2017, as well as our report on other legal, regulatory and professional requirements. These reports are one and indivisible.

We were appointed as statutory auditor by the general meeting of 16 March 2016, in accordance with the proposal of the board of directors. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ending 31 December 2018. We have performed the statutory audit of the Company's consolidated financial statements for 2 consecutive financial years.

Report on the audit of the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2017, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR 889,763 thousand and the consolidated statement of profit or loss shows a loss for the year of EUR 4,775 thousand.

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2017 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 our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of a receivable due by a former customer

We refer to notes 15 "Income taxes" and 17b. "Credit and market risks and impairment losses on trade receivables" of the consolidated financial statements.

— **Description**

Since 2010, Corinth Pipeworks SA, a wholly-owned subsidiary of the Company, has initiated various legal actions against a former customer regarding the recovery of an overdue receivable of USD 24.8 million (EUR 20.8 million as at 31 December 2017).
The Group recorded in 2010 an impairment loss of USD 12.5 million (EUR 10.4 million as at 31 December

2017) on this receivable. As part of the annual assessment of impairment, the Group recorded an additional impairment loss of USD 10.7 million (EUR 8.9 million) as at 31 December 2017 to reflect the Group's assessment of the recoverability of that receivable. The total impairment loss amounts to USD 23 million (EUR 19.3 million) as at 31 December 2017, together with a deferred tax asset of EUR 5.6 million. Due to the level of judgment applied in the determination of the impairment loss and the significance of the receivable, the valuation of this receivable was considered as a key audit matter.

— Audit procedures

Our audit procedures included, amongst others:

- Inspect and analyse the correspondence from the external lawyer involved in the case in response to our request for confirmation of the status of the legal actions and assessing the impact of this evidence on the appropriateness of the impairment loss;
- Inspect the latest legal report, including analysis of the rationale for the conclusion reached, issued by the in-house lawyer regarding the case;
- Challenge the reasonableness of the assessment of the future cash flows expected to be received in relation to the outstanding receivable and the adequacy of the impairment loss, amongst others by analysing the information available on the solvency of the former customer and the valuation of the securities held by the Group with respect to this receivable;
- Evaluate the appropriateness of the accounting treatment of the impairment loss in accordance with IFRS;
- Challenge, with the assistance of our tax specialists, the reasonableness of the Group's assessment of the related tax impact of the impairment loss;
- Assess the adequacy of the relevant disclosures in the consolidated financial statements.

Financing, liquidity risk and compliance with covenants

We refer to notes 27 "Loans and borrowings", 30 C.2. "Liquidity risk" and 30 C.4. "Risk of macroeconomic and financial environment in Greece" of the consolidated financial statements.

— Description

Certain subsidiaries of the Company have significant long-term and short-term borrowings and are thus highly dependent on financial institutions to support their operations. Due to the significant portion of the loans and borrowings due within one year, consolidated current liabilities exceed consolidated current assets by EUR 93,4 million.

The Group is in the final stage of negotiations with the banks in order to achieve the conversion of a significant portion of its short-term borrowings to long term. As long as the refinancing negotiations are not finalized, the Group is exposed to the risk that certain subsidiaries may encounter difficulty in meeting the obligations associated with their financial liabilities.

In addition, various debt agreements contain covenant clauses, which in case of breach, result in creditors obtaining the right to claim early repayment. Failure to comply with these covenants or to obtain a waiver from the creditors would require that loans and borrowings classified as non-current liabilities as of 31 December 2017 to be classified as current liabilities. In addition, the Group would need to find alternative sources of financing to support its operations.

Due to the above, this point was considered as a key audit matter.

— Audit procedures

Our procedures included amongst others:

- update our understanding of the Group's process and controls to ensure compliance with debt covenants;
- Inspect significant debt agreements to understand their terms and conditions;
- Obtain the Group's calculation of the covenant ratios of the major financing facilities, checking their mathematical accuracy and assessing compliance with the provisions of the respective debt agreements;
- Evaluate the memorandum prepared by management in support of the use of the going concern assumption for the preparation of the consolidated financial statements as of 31 December 2017, despite the ongoing refinancing negotiations with the banks at the date of authorization of the consolidated financial statements;
- Evaluate the adequacy of the relevant disclosures in the consolidated financial statements.

Board of directors' responsibilities for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements 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 board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, 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 financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements 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 the users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 controls 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 board of directors;
- Conclude on the appropriateness of 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 auditors' report to the related disclosures in the consolidated financial statements 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 auditors' 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient 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.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements 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.

Report on the other legal, regulatory and professional requirements

Responsibilities of the Board of Directors

The board of directors is responsible for the preparation

KPMG

and the content of the board of directors' annual report on the consolidated financial statements, the statement of the non-financial information attached to the board of directors' annual report on the consolidated financial statements and the other information included in the annual report.

Statutory auditor's responsibilities
In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements, the statement of the non-financial information attached to the board of directors' annual report on the consolidated financial statements and the other information included in the annual report, and to report on these matters.

Aspects concerning the board of directors' annual report on the consolidated financial statements and other information included in the annual report
Based on specific work performed on the board of directors' annual report on the consolidated financial statements, we are of the opinion that this report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 119 of the Companies' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the annual report:
— "Cenergy Holdings key figures in 2017 (EUR)" included in the section "Cenergy Holdings S.A.";
— the financial data included in the section "Message from the Chairman of the Board of Directors";
— the section "Condensed Statutory Balance Sheet and Income Statement";
— Appendix A – Alternative performance measures.

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

We do not express any form of assurance on the board of directors' annual report on the consolidated financial statements and other information included in the annual report.

The non-financial information required by article 119 §2 of the Companies' Code is included in a separate report attached to the board of directors' annual report on the consolidated financial statements and is a separate section of the annual report. This report on the non-financial information contains the information required by article 119 §2 of the Companies' Code and is consistent with the consolidated financial statements for the same period. The Company has prepared this non-financial information based on framework "GRI" ("Global Reporting Initiative"). However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the framework "GRI" ("Global Reporting Initiative") mentioned in the board of directors' annual report on the consolidated financial statements. In addition, we do not express any form of assurance regarding the individual elements included in this non-financial information.

Information about the independence
— Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
— The fees for the additional engagements which are compatible with the statutory audit referred to in article 134 of the Companies' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

Other aspect
— This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Zaventem, 27 April 2018
KPMG Réviseurs d'Entreprises
Statutory auditor
represented by

Benoit Van Roost
Réviseur d'Entreprises

Condensed Statutory Balance Sheet and Income Statement

In accordance with Article 105 of the Companies Code, the non-consolidated accounts are presented hereafter in a summary version of the annual accounts, which does not include all the attachments required by law or the Statutory Auditor's report. The complete version of the annual accounts, as deposited with the National Bank of Belgium, will be available on request from the company's registered office.

The statutory Auditor's report on the annual accounts was unqualified.

Summary balance sheet

Amounts in EUR thousand	As at 31 December 2017
Non- current assets	**177,410**
Start-up costs	715
Financial assets	176,694
Current assets	**12,743**
Amounts receivable	11,643
Cash at the bank and in hand	997
Deferred charges and accrued income	104
Total assets	**190,153**
Capital and reserves	**182,629**
Capital	117,892
Share premium account	59,591
Reserves	8,575
Profit / (loss) carried forward	(3,430)
Creditors	**7,524**
Amounts payable within one year	7,366
Accrued charges and deferred income	158
Total liabilities	**190,153**

Summary income statement

Amounts in EUR thousand	For the year ended 31 December 2017
Sales and services	137
Operating charges	(1,314)
Miscellaneous goods and services	(1,082)
Remuneration, social security and pensions	(136)
Depreciation and amounts written off on start-up costs, intangible and tangible assets	(158)
Other operating (expenses) / income	63
Profit / (Loss) of operating activities	(1,176)
Financial income	233
Income from financial assets	233
Financial expenses	(472)
Other financial expenses	(17)
Adjustments to amounts written off financial fixed assets	(455)
Profit / (loss) for the year before income taxes	(1,416)
Income taxes on result	-
Profit / (loss) for the year	(1,416)

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 the 14 November 2007, the members of the executive management, (i.e. Dimitrios Kyriakopoulos, Apostolos Papavasileiou, Alexios Alexiou and Theodoros Panagopoulos) 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 2017 which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fare 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.

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 that enables utility, industry, and transport and infrastructure customers to improve their performance while lowering environmental impact
Accounts Payable Revenue Ratio	Accounts payable/ Cost of goods sold * 365
Accounts Receivable Revenue Ratio	Accounts receivable/Revenue * 365
Adjusted EBIT	EBIT excluding restructuring costs, metal price lag, unrealised (gains)/losses on foreign currency balances and derivatives and other exceptional or unusual (income)/expenses
Adjusted EBITDA	EBITDA excluding restructuring costs, metal price lag, unrealised (gains)/losses on foreign currency balances and derivatives and other exceptional or unusual (income)/expenses
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.
ASTM	American Society for Testing and Material
BCC	the Belgian Companies Code
Belgian GAAP	the applicable accounting framework in Belgium
BG	BG Group is an international exploration and production and LNG company.
Board of Directors Board	the Board of Directors of the or Company from time to time appointed in accordance with the Articles of Association
BP	BP is one of the world's leading integrated oil and gas companies. It provides customers with fuel for transportation, energy for heat and light, lubricants to keep engines moving, and the petrochemicals products used to make everyday items as diverse as paints, clothes and packaging
BS	British Standards
Cheniere Energy	Houston-based energy company primarily engaged in LNG-related businesses
Chevron	Chevron is one of the world's leading integrated energy companies.
Coverage of Financial Expenses	EBITDA/Financial expenses
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.
Debt/Equity	Total liabilities/equity or (Total assets-equity)/equity
Denbury	Denbury Resources Inc., is an independent oil and natural gas company
DIN	Deutsches Institut für Normung
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
EEA	the European Economic Area
EN	EUROPEAN NORM
EN/ISO 17025	General requirements for the competence of testing and calibration laboratories
Enbridge	Enbridge, Inc. is an energy delivery company based in Calgary, Canada. It focuses on the transportation, distribution and generation of energy, primarily in North America. As a transporter of energy, Enbridge operates in Canada and the United States, 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, providing distribution services in Ontario, Quebec, New Brunswick and New York State

Energy Transfer Energy Transfer is a Texas-based company that began in 1995 as a small intrastate natural gas pipeline operator and is now one of the largest and most diversified investment grade master limited partnerships in the United States. Growing from roughly 200 miles of natural gas pipelines in 2002 to approximately 71,000 miles of natural gas, natural gas liquids (NGLs), refined products, and crude oil pipelines today, the Energy Transfer family of partnerships remains dedicated to providing exceptional service to its customers and attractive returns to its investors.

EPCO Energy Planners Company (EPCO) is an energy management and consultation firm. EPCO works with commercial, industrial, and nonprofit 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

FYROM the Former Yugoslav Republic of Macedonia

Current ratio Current Assets/Short term liabilities

Greek Public Natural Gas Corporation (DEPA) DEPA is the public natural gas supply corporation of Greece

GRI The Global Reporting Initiative's (GRI) vision is that reporting on economic, environmental, and social performance by all organizations becomes as routine and comparable as financial reporting. GRI accomplishes this vision by developing, continually improving, and building capacity around the use of its Sustainability Reporting Framework.

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)

GRTGAZ is the natural gas transmission system operator located in Paris, France. The operated system consists of high pressure gas pipelines.

HVAC Heating, ventilation and air-conditioning

IAS International Accounting Standards

IFRS International Financing Reporting Standards, as adopted by the EU

Inventories Revenue Ratio Inventory/Cost of goods sold * 365

JIS Japanese Industrial Standards

Kinder Morgan is the largest energy infrastructure company in North America.

LSAW Longitudinal Submerged Arc Welded Mill for the production of high-strength offshore and onshore energy pipes

LTIR Lost time incident rate

Mamuth pipes Mammoth Carbon Products is a World-Class industry leader in the Standard and Line Pipe distribution space that serves the Energy, Petrochemical and Construction markets

McJunkin MRC Global is the largest distributor of pipe, valve and fitting products and services to the energy and industrial markets. MRC Global serves the oil and gas industry across the upstream, midstream and downstream sectors as well as the chemical and gas distribution market sectors in the USA.

MITE Marubeni Itochu Tubulars Europe PLC- Marubeni-Itochu Tubulars Europe plc was established in 2001 to supply steel tubular products for the Oil and Gas Industry. Marubeni-Itochu Tubulars Europe plc is a subsidiary of Marubeni-Itochu Steel Inc and is headquartered in London, United Kingdom.

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 is an integrated international oil and gas company. It is active in the upstream (Exploration and Production) and downstream businesses (Refining and Marketing as well as Gas and Power). OMV is one of the largest listed industrial companies in Austria.

OSI Oil States International Inc. oilfield services company with a leading market position as manufacturer of products for deepwater production facilities and certain drilling equipment, as well as a provider of completion services and land drilling services to the oil and gas industry. Oil States is publicly traded on the NYSE under the symbol "OIS".

PDO Petroleum Development Oman (PDO) 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, specializing in general, structural, mechanical, and electrical construction, pipe fabrication and installation, steel fabrication and erection, modular fabrication and assembly, and plant maintenance.

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. It owns an extensive network of pipeline transportation, terminalling, storage and gathering assets in key crude oil and NGL producing basins and transportation corridors, and at major market hubs in the United States and Canada.

RWERWE is one of Europe's five leading electricity and gas companies.

SAE Society of Automotive Engineers

SD Trade Mark

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. Spartan has operations in central Alberta and in southeast Saskatchewan and maintains a multi-year inventory of oil focused horizontal drilling opportunities.

Special Liquidity (Current Assets-Inventory)/ Short term liabilities

Spectra Energy Spectra Energy Corp is a S&P500 company headquartered in Houston Texas, that operates in three key areas of the natural gas industry: transmission and storage, distribution, and gathering and processing.

SR Severity rate

STEG Tunisian Company of Electricity and Gas or STEG is a Tunisian public company non-administrative. Established in 1962, its mission is the production and distribution of electricity and natural gas on the Tunisian territory. STEG is the second largest Tunisian company by revenues in 2009.

Subsea Subsea7 is a world-leading seabed-to-surface engineering, construction and services contractor the offshore energy industry.

TIGF Transport et Infrastructures Gaz France offer and develop 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

UPN European Standard channels

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).

Appendix A – 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.

EBIT, Adjusted EBIT, EBITDA, 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. EBIT is defined as the Operating result as reported in the Consolidated statement of profit or loss plus Share of profit/(loss) of equity accounted investees, net of tax.

Adjusted EBIT is defined as EBIT excluding restructuring costs, metal price lag, unrealised (gains)/losses on foreign currency balances and derivatives and other exceptional or unusual (income)/expenses.

EBITDA is defined as EBIT plus depreciation and amortisation.

Adjusted EBITDA is defined as EBITDA excluding restructuring costs, metal price lag, unrealised (gains)/losses on foreign currency balances and derivatives and other exceptional or unusual (income)/expenses.

This year Adjusted EBIT is also presented, as it is considered as an additional relevant APM.

All APMs are consistently calculated year by year.

Reconciliation of Operating Profit to EBIT and EBITDA:

	Cenergy Holdings	
Amounts in EUR thousand	**2017**	**2016**
Operating profit	**21,796**	**34,517**
Share of profit/(loss) of equity accounted investees, net of tax	541	(685)
EBIT	**22,336**	**33,832**
Depreciation & Amortization	22,269	20,186
EBITDA	**44,605**	**54,019**

Reconciliation of EBIT to a-EBIT and a-EBITDA:

Amounts in EUR thousand	Cenergy Holdings 2017	2016
EBIT	**22,336**	**33,832**
Metal price lag(1)	3,364	6,037
Unrealized (gains)/losses on foreign currency balances and derivatives	931	182
Restructuring costs	99	2,105
Exceptional impairment loss on receivables	8,883	-
Other exceptional or unusual (income)/expenses(2)	(489)	(2,666)
Adjusted EBIT	**35,124**	**39,490**
Depreciation & Amortization	22,269	20,186
Adjusted EBITDA	**57,393**	**59,676**

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

Metal price lag exists due to:

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

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

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

Subsidiaries in cables segment use back to back matching of purchases and sales, or derivative instruments in order to minimize the effect of the Metal Price Lag on their results, However, there will be always some impact (positive or negative) in the P&L, since in Cables segment part of the inventory is treated as fixed asset and not hedged and in the Steel Pipes segment no commodities hedging is possible

(2) Other exceptional or unusual (income) for 2016, mainly include the gain from exchange of shares of International Trade, while for 2017 include mainly the income from a legal case which resulted in favor of Fulgor.

Reconciliation of loans and borrowings to Net debt:

Amounts in EUR thousand	Cables segment 2017	Cables segment 2016	Steel pipes segment 2017	Steel pipes segment 2016	Other activities 2017	Other activities 2016	Cenergy Holdings 2017	Cenergy Holdings 2016
Loans and borrowings - Long term	49,853	104,999	36,287	79,397	-	-	86,141	184,396
Loans and borrowings - Short term	215,613	141,884	147,119	120,940	-	-	362,732	262,823
Cash and cash equivalents	(10,264)	(6,811)	(58,182)	(62,813)	(998)	(1,706)	(69,443)	(71,329)
Net debt	255,203	240,072	125,224	137,524	(998)	(1,706)	379,429	375,890

Action Public Relations & Publications, www.actionprgroup.com, Art Direction: FBRH Consultants Ltd.