2018

CENERGY HOLDINGS

ANNUAL REPORT

CORINTH PIPEWORKS Delivering energy to the world / CABLEL® HELLENIC CABLES

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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 several 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, North Macedonia, Turkey and the United Kingdom.

The companies in Cenergy Holdings’ portfolio:

- have a long history of implementing large-scale projects in more than 70 countries;
- have served major customers worldwide for nearly 70 years;
- provide value added products for niche markets; and
- employ more than 1,900 highly skilled people.

Cenergy Holdings key figures in 2018 (EUR)

- Revenue: 964 million
- Adjusted EBITDA: 63 million
- Adjusted EBIT: 39 million
- Profit before tax: 0.7 million
- Profit after tax of the year from continuing operations: 6.9 million
- Equity: 203 million
- Total assets: 1,059 million
- Net debt: 473 million

Message from the Chairman of the Board of Directors

Dear Shareholders,

In 2018, Cenergy Holdings strengthened its position as a leading provider of energy solutions despite a challenging market setting characterised by intense competition and an uncertain international economic environment. We nevertheless believe the global energy market is growing further and presents new opportunities for Cenergy Holdings on an ongoing basis.

2018 stands out as a successful financial year for three reasons. First and foremost, our companies consolidated revenue approached the €1 billion mark with revenues reaching €964 million. Most of the boost came from the steel pipes segment with an increase over the previous year of ca. 40%. Secondly, both segments ended the year with significant order backlogs (a total of €640 million). More than the yearly rise in sales, such a backlog amount demonstrates our customers' boosted confidence in both production segments, due in turn to their excellent product quality, controlled costs and optimized supply chain. Last but not least, in 2018 Cenergy Holdings turned out a small profit before tax (€0.7 million), with operational profitability in the rising (€63 million of adjusted EBITDA, +9% from last year).

Addressing each segment in turn, in the steel pipes segment, Corinth Pipeworks celebrates its 50th anniversary with a record sales and production output. More specifically, sales in 2018 were up by 41% on a year-to-year basis with production reaching approx. 450,000 tons. It is important to note that these accomplishments were achieved during a year of very strong competition and unstable market conditions coming from import duties imposed in many countries worldwide. Operating under adverse market conditions with strong protectionism, such as that faced in the USA, Corinth Pipeworks proved that its long experience, its reputation and its strategy to remain in the forefront of technology helped keep its position as a top quality producer and increase its market share.

During 2018, Corinth Pipeworks was awarded and has started production for its first deep sea offshore pipes project: the manufacture and supply of steel pipes for Energean's Karish gas field development located in the South-eastern Mediterranean at a maximum depth of 1,750m is a highly demanding endeavor only a few companies could accomplish worldwide. Alongside it, a series of other offshore projects were successfully executed as well as big scale onshore ones in mature markets like US and Europe.

It is also important to report the qualifications Corinth Pipeworks received by major oil exploration and distribution companies such as BP, Shell, Technip etc., as well as the manufacture of new products such as HFI pipes for reel-lay applications and LSAW pipes for offshore projects. All the above, combined with the concrete weight coating facility fully integrated in the company's strategic plan, give Corinth a competitive advantage for offshore projects.

With its highly advanced production base and an experienced and motivated personnel, Corinth Pipeworks enters the second fifty years of its history with excellent prospects for sustainable growth.

Turning to the cables segment, 2018 was a transitional year laying the foundation for future prosperity. Despite certain delays in major projects' awards during the early part of the year, largely affecting the utilisation levels of the Fulgor plant, Hellenic Cables and Icme recorded increased sales volumes over 2017, as well as an improved sales mix. This positive trend is attributable to the improved dynamics in the Greek market, the gradual recovery of the traditional markets of Germany and Central Europe, further penetration into new markets such as the Nordic countries and Middle East, and the growing demand for telecommunications and signaling cables in Europe.

With respect to key projects, Hellenic Cables and Fulgor delivered the 220kV high voltage submarine cables for the MOG project of the Belgian company ELIA in the North Sea, first of its kind for this particular type of cables, thus setting a precedent for future awards. The company also progressed in the contract with the Greek Independent Power Transmission Operator ("ADMIE") for the second phase of the Cyclades interconnection (links for Paros-Naxos and Naxos-Mykonos islands). Furthermore, ADMIE awarded Fulgor and Hellenic Cables in September 2018 two projects for the interconnection of Crete with the national energy transmission grid in the Peloponnese. Both companies were more recently awarded a project to supply and install submarine and land cables in the Rio-Antirio area to extend a 400kV grid towards the Peloponnese (the first such cable in Greece). All of these demonstrate the ability of both companies to undertake projects requiring high levels of technical expertise.

Outside Greece, the high demand for new offshore projects in Europe, mainly in the North Sea, materialized through the award to Hellenic Cables of a submarine cables supply project for the interconnection of the Seamade wind park to the Belgian grid. Coupled with the recent award of the TenneT project in Hollandse Kust, the wind farm zone of the Netherlands, the first project of this size outside Greece the companies won, illustrates the leading position of Hellenic Cables and Fulgor in the submarine manufacturing market and in the global offshore energy industry.

Despite the competitive operating environment, the companies in the cables segment remain well-positioned to implement their long-term strategic plans and remain focused on innovation and product diversification, penetrating new geographical and product markets, and expanding partnerships with major companies specialising in cable installation and protection.

Turning to Cenergy Holdings as a whole, none of our achievements this year would have happened without the continued hard work and dedication of our employees whose passion for continuous improvement has been fundamental to our success this year. Therefore, I would like to take this opportunity to thank our employees for their contribution to our success in 2018.

Looking ahead to 2019, as the demand for energy and data transmission continues to rise, we expect an increasing number of contracts and projects to become available. With our proven track record of successfully executing significant turnkey projects against a challenging economic backdrop, we remain confident in our ability to take advantage of emerging opportunities in our market.

Jacques Moulaert

Chairman of the Board of Directors

Cenergy Holdings' portfolio –Segments and History

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

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

- **Cables segment:**

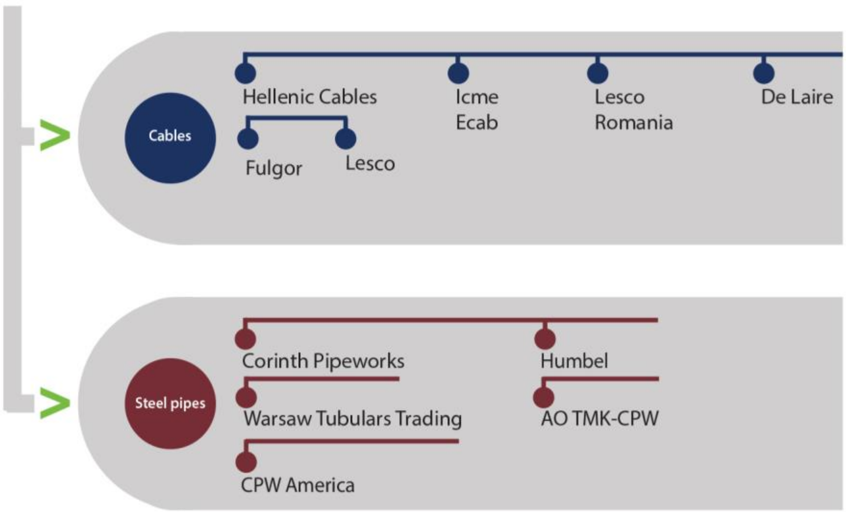
  - Hellenic Cables S.A. ('***Hellenic Cables***'), one of the largest cable producers in Europe, manufacturing power and telecom cables for various sectors including oil and gas, renewables, energy transmission and distribution, construction and telecommunications.
  - Fulgor S.A., a subsidiary of Hellenic 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., 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 producing 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 an associate company of Cenergy Holdings (49% ownership) formed between Corinth Pipeworks and TMK, the largest manufacturer of steel pipes in Russia and one of the 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 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



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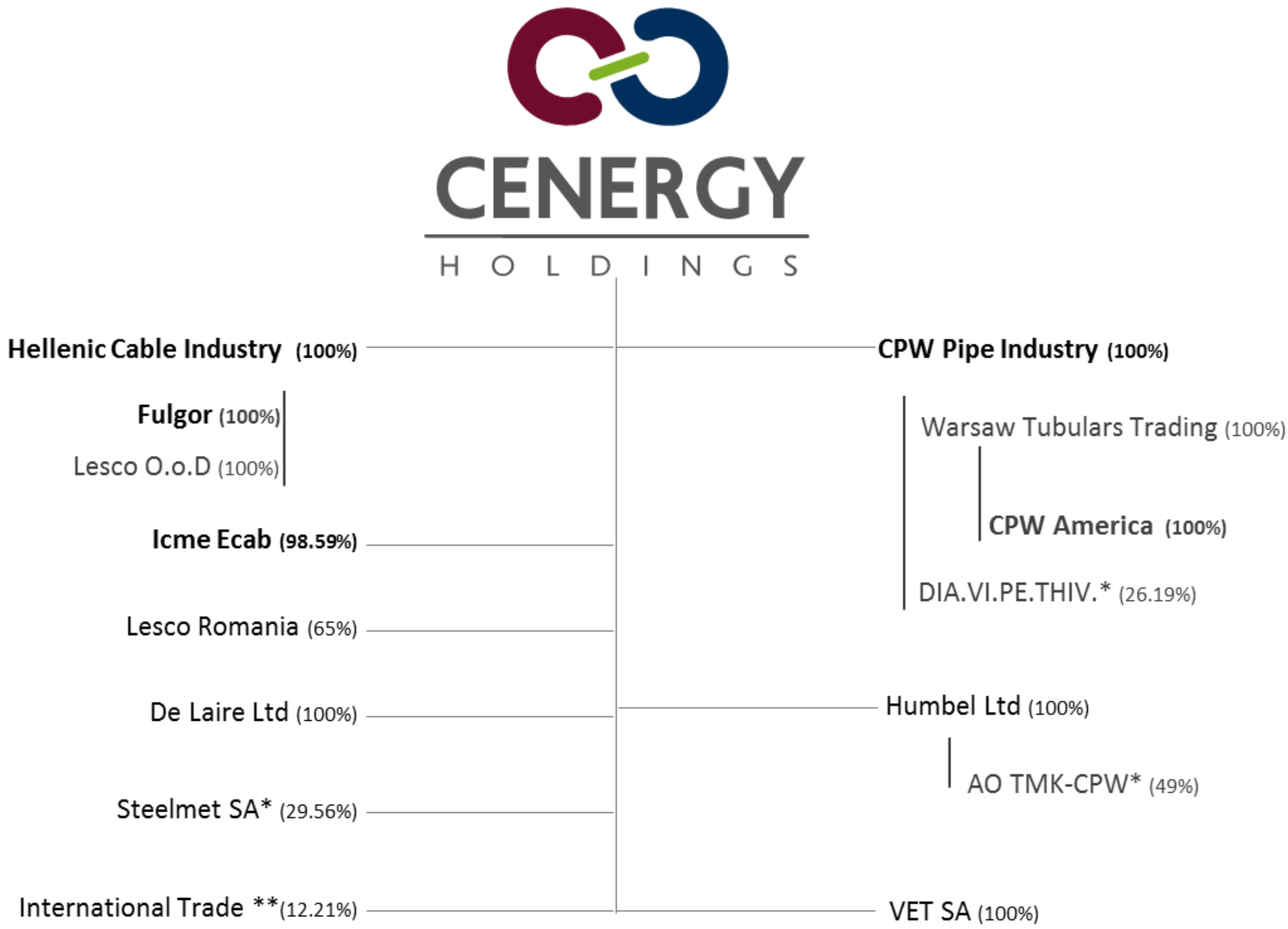


Notes:
** Consolidated as equity accounted investees*
*** Non-consolidated entities (other significant investments)*

Cenergy Holdings is a Belgian listed subsidiary of Viohalco S.A. (81.93% of voting rights).

On 14 December 2016, Cenergy Holdings S.A. announced the completion of the cross-border merger by absorption of Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme by Cenergy Holdings S.A.

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

MANAGEMENT REPORT

The Management Report prescribed by article 119 of the Belgian Companies Code which was approved by the Board of Directors on 19 April 2019 consists of this chapter (pages 10-50), as well as the Corporate Governance Statement (pages 67-82) and the section Shareholding structure (page 83). Non-financial information is included in the section "Non-financial Information" of this report (pages 51-66).

2018 Highlights and 2019 Outlook

2018 was a turnaround year for Cenergy Holdings. Despite a number of external headwinds, the Company achieved record sales volumes in all key product categories. The 27% year-on-year revenue growth allowed Cenergy Holdings to return to profitability and improve financing terms on a portion of its debt.

The steel pipes segment celebrated its 50th anniversary in 2018 with record sales and production output, demonstrating resilience in volatile market conditions characterised by intense competition. Corinth Pipeworks' growth prospects remained unaffected by strong protectionist measures, such as the antidumping investigation and the tariffs in the USA. The segment leveraged its strong reputation and focused strategy to remain at the forefront of technological innovation in the sector, allowing Corinth Pipeworks to not only maintain its position as a top-quality producer, but also increase its market share.

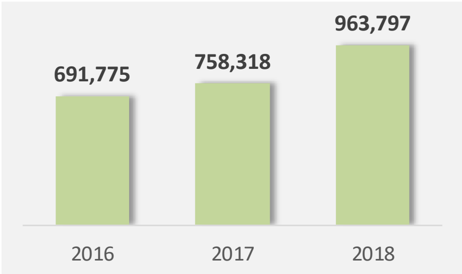
In the offshore cables business, delays in the award of various turnkey projects in submarine cables caused the Fulgor plant to operate at low capacity utilization levels for most of 2018. This trend reversed in the second semester of the year, resulting in Hellenic Cables and Fulgor winning a large number of submarine cables projects in Greece, the Netherlands and Belgium and returning to full capacity utilization for 2019. Demand for cable products was better than expected in the Greek market and saw a moderate increase in other traditional markets in Central Europe.

Highlights

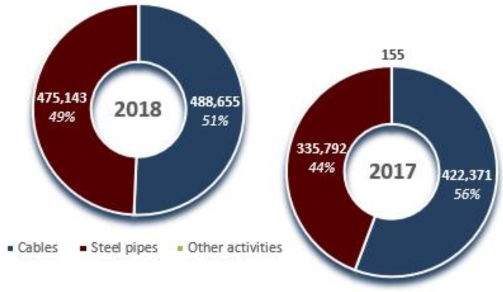
- **27% revenue growth** driven by higher sales volume in all key product categories
- **EUR 640 million order backlog** as at 31 December 2018
- Enhanced operational profitability reflected in **9% adjusted EBITDA[1] growth**
- Consolidated **net profit after tax of EUR 6.9 million** vs. a EUR 4.8 million loss after tax in 2017
- Improved financing terms following **successful reprofiling of EUR 118.7 million debt**

[1] For the definitions of the APMs used, refer to section "Alternative Performance Measures".

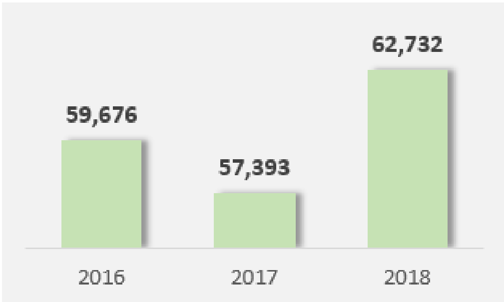
Revenue (in EUR thousand)



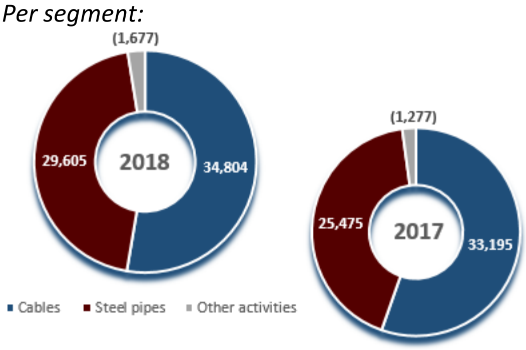
Per segment:



a-EBITDA (in EUR thousand)



Per segment:



Despite the ongoing macroeconomic concerns, such as Brexit, trade tariffs worldwide and the unpredictable nature of metal price fluctuations, we expect that actions and initiatives undertaken to secure the 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 transmission.

Financial Performance

	For year ended 31 December	
Amounts in EUR thousand	**2018**	**2017**
Revenue	**963,797**	**758,318**
Gross profit	69,244	58,756
Gross profit (%)	*7.2%*	*7.7%*
a-EBITDA	**62,732**	**57,393**
a-EBITDA (%)	*6.5%*	*7.6%*
EBITDA	**56,223**	**44,605**
EBITDA (%)	*5.8%*	*5.9%*
a-EBIT	**39,428**	**35,124**
a-EBIT (%)	*4.1%*	*4.6%*
EBIT	**32,919**	**22,336**
EBIT (%)	*3.4%*	*2.9%*
Net finance costs	(32,211)	(32,946)
Profit / (Loss) before income tax	**708**	**(10,610)**
Net margin before income tax (%)	*0.1%*	*-1.4%*
Profit of the year	**6,888**	**(4,775)**
Profit attributable to owners of the Company	6,861	(4,761)

Amounts in EUR	*2018*	*2017*
Earnings per share	***0,03608***	***(0,02504)***

Source: Consolidated statement of profit or loss and APMs (Alternative Performance Measures)
All percentages are versus revenue.

Consolidated revenue for 2018 increased by 27% to EUR 964 million, reflecting strong sales of steel pipes for energy projects and higher sales volume of cables products.

Adjusted EBITDA increased by over 9% to EUR 62.7 million in 2018. The steel pipes segment more than doubled its operational profit before financing costs to EUR 16.4 million in 2018. That of the cables segment also saw a marginal increase to EUR 17.8 million, from EUR 16.7 million in 2017.

Through the reprofiling of EUR 118.7 million of debt during 2018, Cenergy Holdings achieved longer maturities and lower interest costs, allowing the Company to keep its **net finance costs** virtually unchanged at EUR 32.2 million (2017: EUR 32.9 million) despite the 25% higher net debt at EUR 473 million on December 31, 2018 driven by the capital expenditure programme implemented during 2018 and higher working capital related to record sales.

Consequently, the Company recorded a modest **profit before income tax** of EUR 0.7 million in 2018 compared to a loss before tax of more than EUR 10.6 million in 2017.

Profit for the period amounted to EUR 6.9 million in 2018 compared to a loss after tax of EUR 4.8 million in 2017. The income tax credit for the period amounts to EUR 6.2 million mainly due to deferred tax credit of EUR 3.5 million deriving from the recalculation of deferred tax following the change in tax rates from 2019 onwards in Greece and the use of tax losses for which no deferred tax asset was previously recognised by subsidiaries in the cables segment.

Amounts in EUR thousand	31 Dec 2018	31 Dec 2017
ASSETS		
Property, plant and equipment	405,330	384,452
Investment property	5,837	6,140
Other non-current assets	44,140	36,974
Non-current assets	**455,306**	**427,565**
Inventories	221,105	186,251
Trade and other receivables	199,648	138,267
Contract assets	114,327	65,166
Cash and cash equivalents	65,203	69,443
Other current assets	3,107	3,070
Current assets	**603,390**	**462,197**
TOTAL ASSETS	**1,058,696**	**889,763**
EQUITY	**203,298**	**200,222**
LIABILITIES		
Loans and borrowings	174,792	86,141
Deferred tax liabilities	16,781	21,989
Other non-current liabilities	23,208	25,794
Non-current liabilities	**214,781**	**133,924**
Loans and borrowings	363,854	362,732
Trade and other payables	209,587	186,915
Contract liabilities	62,147	4,724
Other current liabilities	5,030	1,246
Current liabilities	**640,618**	**555,617**
TOTAL LIABILITIES	**855,399**	**689,541**
TOTAL EQUITY & LIABILITIES	**1,058,696**	**889,763**

Source: Consolidated statement of financial position

Non-current assets increased from EUR 428 million as of 31 December 2017 to EUR 455 million at 31 December 2018.

Capital expenditure during the year amounted to EUR 44 million for the cables segment and EUR 6 million for the steel pipes segment, while consolidated depreciation & amortization for 2018 amounted to EUR 24 million.

Working capital (incl. contract assets & liabilities) rose considerably by 33% year-on-year to EUR 263 million at 31 December 2018. This increase was driven by inventories necessary to execute the orders scheduled for 2019 and increased revenue during the last quarter of 2018.

Net debt increased to EUR 473 million at 31 December 2018 (31.12.2017: EUR 379 million). Cenergy Holdings companies' debt on 31 December 2018 comprised of long term and short-term facilities, at 32% and 68%, respectively, an improvement versus last year's mix. Short term facilities are predominately revolving credit facilities which finance working capital needs and specific ongoing projects.

During 2018, the negotiations with several banks regarding the conversion of a significant portion of short-term borrowings to long-term ones were successfully concluded. As a result, debt amounting to EUR 118.7 million (EUR 87.9 million related to cables and EUR 30.8 million related to the steel pipes segment) was successfully reprofiled. This reprofiling concerned several entities (Hellenic Cables, Icme Ecab and Corinth Pipeworks) and involved improved pricing terms as well as maturities longer than five (5) years.

Activity Report and Financial Performance by Segment

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. The 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. Corinth Pipeworks' 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. Furthermore, Corinth Pipeworks collaborates with international research organisations such as the European Pipeline Research Group (the '***EPRG***') and the Welding Institute, and regularly participates in research projects which are linked to its core business activities.

History

1960s

In 1969, operations commence at the Corinth plant, 80Km west of Athens.

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 projects including the Company's first offshore pipeline and sour service pipeline references.

2000s

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.

2010s

With the implementation of key strategic investments, unceasing 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 a maximum length of 24m (from 18m).
- The external and internal coating mills are upgraded to coat pipes up to 24m in 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 (the 'TAP') awards a contract to Corinth Pipeworks to supply a total length of approximately 495km (~270,000Tn of steel pipes) of large diameter pipes.
- A concrete weight coating plant is installed in the Thisvi plant for offshore pipelines.
- Corinth Pipeworks is awarded its first deep water project in the south east Mediterranean.

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 the 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 1.5km from the plant.

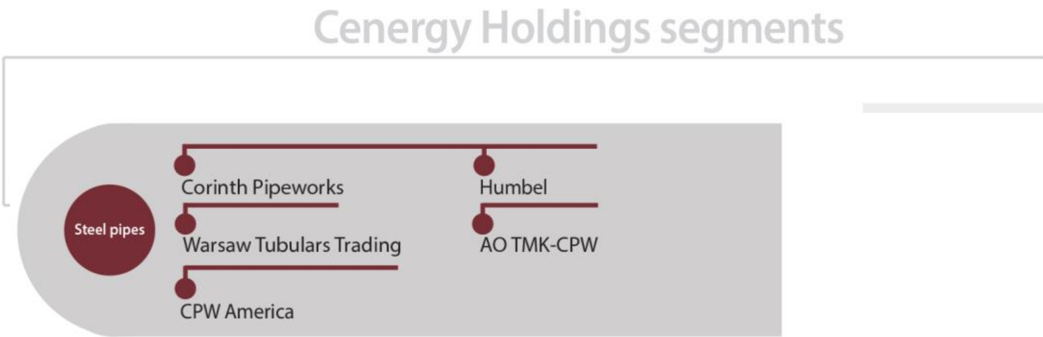
AO TMK-CPW is an associate company formed between Corinth Pipeworks (through its fully owned subsidiary Humbel Ltd., which controls 49% of the joint stock company) and TMK, the largest manufacturer of steel pipes in Russia and one of the steel pipes sector leaders. AO TMK-CPW's production facilities are located 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 CPW's products and handling customer service enquiries for the Group and 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 AO TMK-CPW.



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 its top-quality products for global and domestic markets. Its products meet international standards and can be specifically tailored to customer requirements. In particular, the Company 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, CO2 and slurry, and are also used in the construction sector.

The Group's main product categories are:

- 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 which uses high frequency induction ('***ERW/HFI***'), the LSAW process, and the HSAW process, guarantees high production reliability and dimensional accuracy.

  Depending on the 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 ERW/HFI process and are manufactured at grades H 40 and J 55, in compliance with the requirements of International Standards (API 5CT 10th / ISO 11960:2014) 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. Following the installation of the new LSAW mill, an expanded product range is now offered.
- Hollow structural sections: Primarily used in the construction sector. These 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:

- The internal lining and external coating of pipes manufactured by other pipe mills;
- Tests on raw materials and end products in line with the ISO 17025:2005 standard at Corinth Pipeworks' accredited laboratory, as well as sour service performance testing (HIC and SSCC);
- Providing weld-on connector units for casing pipes used in drilling/pumping facilities;
- Treating, cutting, prefabricating and affixing special markings;
- Offering 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);
- Providing optimum packaging, transport and storage processes;
- The supply of pipes or subcontracting of pipe coating outside its own product range, as part of large projects, thus enabling the 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 and port facilities

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 4.78mm to 25.4mm. The HFIW pipe mill also manufactures large hollow structural sections (ranging from 180mmx180mm to 500mmx50mm0 and 600mmx400mm) 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 HFIW method. 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 2mm to 10mm. 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 6.00mm to 25.4mm. 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 and 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”, a wall thickness of up to 40mm, lengths of up to 18.3m 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 25.4mm. 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 meters.

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 meters.

Concrete weight coating (‘CWC’) facility

CPW, in cooperation with Wasco, provides concrete weight coating solutions for offshore applications. The facility, owned by Wasco Energy, is installed in our plant in Thisvi, Greece and provides coating solutions for pipes with an external diameter up to 40” and pipe length up to 13 meters.

Accredited quality control lab

Corinth Pipeworks' quality control lab is accredited by the Hellenic Accreditation System in line with the ELOT ISO/IEC 17025:2005 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 are well-trained and can support a wide range of tests based on international regulations and standards including ISO, ASTM, NACE, API and more. 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 1.5km from the Thisvi plant. These facilities ensure Corinth Pipeworks maintains 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 (prior to shipping to customers) are stored in suitable facilities.

AO TMK-CPW plant | Polevskoy (Russia)

Annual production capacity: 200,000 tons

Corinth Pipeworks' first international production facilities were opened in 2007 by forming an associate company with the largest steel pipe constructor in Russia, TMK. AO TMK-CPW has production facilities 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 4.8mm to 12.7mm and lengths of up to 18m, 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 other post-Soviet republics in Eurasia.

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 enabling the manufacture of high-quality pipes that can meet the even the most challenging specifications of its international customers. To maintain this competitive advantage, Corinth Pipeworks continues to invest significantly in upgrading and expanding its industrial plants.

During the last five years, CPW concluded its major investment plan which included:

a) 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 the company to expand its product portfolio and meet the growing demand for high-strength and heavy-duty pipes for the construction of offshore and onshore natural gas and oil transportation pipelines.

b) 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 24m pipes, the company 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

c) During 2017, a concrete weight coating facility for both pipe manufacturing and pipe coating operations, helping it to offer a complete offshore pipeline package in a single location.

During 2018, the Steel Pipes segment invested EUR 6.2 million in 2018. The investments incurred during 2018 related mainly to the expansion and improvement of warehouses and the upgrade of production equipment

Innovation and technology

Corinth Pipeworks focuses on continuous technological innovation, research and 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 facilitate reductions in girth welds, preparation time and 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 both conceivable and cost efficient. Most of the new discoveries and high potential exploration fields are offshore in deep and ultra-deep waters, while exploration and production spending are 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.

The total R&D research and development expenditure for 2018 for the Steel Pipes segment amounted to EUR 1 million (2017: EUR 0.6 million), out of which EUR 0.5 million (2017: EUR 0.5 million) concerned research activities.

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

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 has 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 technological developments, Corinth Pipeworks undertakes a wide range of research and 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 aimed at developing 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 with active sales offices in the USA, the UK, Germany and other countries.

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

Recent projects

2018 was a notable year for Corinth Pipeworks as it celebrated its 50th anniversary (since its launch of operations in 1969) while concurrently achieving record sales and production output. Specifically, sales in 2018 were up approximately 35% year-on-year and production reached approximately 450,000 tons.

Against a backdrop characterized by strong protectionism, such as that faced in the USA, Corinth Pipeworks' superior quality and brand name, built throughout all these years, have helped it to maintain and increase its market share, and successfully enter new markets.

2018 was also an important milestone as the Company was awarded its first deep sea offshore pipes project, for which production has now commenced. Karish is a strategic project in the south-eastern Mediterranean at a maximum depth of 1,750m. It is a highly demanding project that only a few companies worldwide could accomplish.

In 2018 Corinth Pipeworks was a major supplier to projects including:

- Baltic Connector, for 79km of 20" offshore pipeline in Finland and Estonia.
- Plains All American:
  - Cactus II pipeline – a 750km oil pipeline of 26" pipes
  - Project from Wink to McCamey – a 127km oil pipeline of 26" pipes

The Company successfully earned qualifications by major companies such as BP, Shell and Technip, as well as the manufacture of products for new applications such as HFI pipes for reel-lay applications and LSAW pipes for offshore projects. These developments, combined with the launch of the concrete weight coating facility, mean Corinth Pipeworks is well positioned to successfully compete for offshore projects, as illustrated by the awards of recent projects.

The overall result of the investments, combined with the continuous efforts of all our people, means the Company is now considered one of the top pipeline manufacturers worldwide.

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

Corinth Pipeworks has attained significant experience in the manufacture of steel pipes and has a strong track record of implementing complex projects in the demanding markets of Europe, America, Africa and the Middle East.
Looking ahead, Corinth Pipeworks enters the next fifty years with excellent prospects and

people who know how to overcome challenges, set goals and achieve them.

Oil and gas projects

Customer	Description	Year
TECHNIP	101km of “Karish deep water pipeline” in SE Mediterranean	2018
Subsea 7	150km of offshore reel-lay projects in UK North Sea and Norwegian sea (Skogul, Aerfugl, Alligin)	2018
Baltic connector	79km of offshore pipeline in Finland / Estonia	2018
TANAP	37km of “Trans Anatolian offshore pipeline” in Turkey	2017
Gaz System	198km of onshore projects in Poland	2017-2018
TECHNIP	65km of offshore pipeline (Fenja & Dvalin) in Norway	2017-2018
TAP A.G.	495km of “Trans Adriatic pipeline” in Greece	2016-2017
Wintersh all	50km reel-lay offshore project “Maria” in Norway	2016
Plains All American	2,160km of oil pipelines (including Cactus II & Wink to McCamey) in the U.S.A.	2015-2018
Energy Transfer	550km of gas pipeline projects (DAPL & Rover) in the U.S.A.	2015
GRT GAZ, TIGF, GDF	560km of gas pipelines in France	2003-2016
Snam Rete Gas	475km of gas pipeline projects in Italy	2011-2018
BP	184km “In Amenas” onshore gas pipeline project in Algeria	2006, 2009, 2012
Denbury	385km “Greencore CO2 pipeline” in the U.S.A.	2011-2012
OMV	395km “Nawara” gas project in Tunisia and 62km “WAG EXPANSION 3” project in Austria	2011-2013
BG	107km “Knarr field development” offshore gas pipeline project in Norway and 120km “Hasdrubal” offshore gas pipeline in Tunisia	2012, 2007
Chevron	128km (in total) of offshore projects in Netherlands, Angola and Thailand	2002 - 2010
Sonatrach	1,050km of gas pipelines in Algeria	2005 - 2018
Spectra Energy	443km “South East Supply Header” gas pipeline in the U.S.A.	2007
Chevron	490km “WAGP-West African Gas pipeline” offshore project in Ghana	2005
Shell	204km 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
Roland Garros Stadium	France	2018
National Gallery	Greece	2018
Taranto mining park hangar	Italy	2018
Bologna fair covered area expansion	Italy	2018
Al Wakrah Stadium	Qatar	2017
Museo Fondazione Prada	Italy	2017
Stadium in Hungary	Hungary	2017
"Macedonia" Airport of Thessaloniki	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

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 the Company's presence across Europe, Middle East, North Africa and North America, as well as in the emerging markets of East and West Africa and the CIS;
- ✓ Leveraging the Group's LSAW investments to offer one of the world's most diverse welded product ranges (HFW, HSAW, LSAW), which meets the highest international standards. The Group 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 the Company operates and in the relationships it cultivates with stakeholders.

2018 financial performance

Revenue for the steel pipes segment amounted to EUR 475 million in 2018, a 41% increase year-on-year (2017: EUR 336 million).

Gross profit amounted to EUR 31 million in 2018, a 15% increase compared to 2017 (EUR 27 million), mainly driven by the significant increase in revenue but partially offset by the increased costs related to the execution of complex offshore projects. The increase in gross profit translated into a 16% increase in **adjusted EBITDA,** which amounted to EUR 29.6 million in 2018, up from EUR 25.5 million in 2017. Compared to a loss before tax of EUR 3.7 million in 2017, in 2018 a **profit before tax** of EUR 7.2 million was recorded, attributable to all the factors stated above.

Net debt increased by EUR 58 million to EUR 183 million at the year-end, driven by the significant working capital needed for the execution of the increased number of projects for the year. During 2018, Corinth Pipeworks achieved a debt reprofiling of EUR 30.8 million through a 5-year extension of the syndicated bond loan initially received in 2013 with improved pricing terms.

Throughout 2018, Corinth Pipeworks operated in a business environment characterized by strong competition and volatile market conditions caused by import duties imposed by a number of countries worldwide. The company's ability to maintain its position as a top-quality steel pipe producer and achieve market share growth in such adverse market conditions are testimony to its long track record in the industry, its strong reputation and focus on technological innovation.

In 2018, the company was awarded its first deep sea offshore pipes project and production started. "Karish" is both a strategic project for the South-eastern Mediterranean and a highly demanding engineering task (a pipeline at a maximum depth of 1,750m) that only a few companies worldwide can accomplish.

During the year, it also successfully manufactured steel pipes for the Balticconnector offshore project, a 77 km offshore pipeline from Finland to Estonia and one of the biggest within the Baltic region. The Company also manufactured and supplied steel pipes for two major oil pipeline projects in North America, both by Plains All American: the Cactus II pipeline (750 km) and a pipeline from Wink to McCamey (127 Km).

At the same time, Corinth Pipeworks was able to re-establish its presence in the North African market with the supply of pipes for a gas pipeline project in Algeria, and to increase its presence in Europe, with the implementation of a series of projects, mainly in Italy and Poland.

The Company's market position was further reinforced by qualifications received from major companies in the energy sector, including BP, Shell and Technip, as well as the manufacture of products for new applications, such as HFI pipes for reel-lay applications and LSAW pipes for offshore projects. In conjunction with the addition of the concrete weight coating facility in Corinth Pipeworks' plant, these achievements give the Company a distinct competitive advantage with respect to offshore projects.

Looking ahead to 2019, the increased level of protectionism in countries until recently committed to fair trade has increased the level of uncertainty in the market. Both the USA and the European Union have decided to take actions to protect their local markets, imposing duties and import quotas on steel products. Despite these developments, Corinth Pipeworks remains focused on generating revenue growth through penetration of new geographical and product markets. The solid backlog of orders from 2018 and new orders secured for the supply of pipes in both offshore and onshore pipeline projects worldwide, give rise to cautious optimism for the coming year.

The summary consolidated statement of profit or loss of the **steel pipes segment** is as follows:

	For year ended 31 December	
Amounts in EUR thousand	**2018**	**2017**
Revenue	**475,143**	**335,792**
Gross profit	30,777	26,870
Gross profit (%)	*6.5%*	*8.0%*
a-EBITDA	**29,605**	**25,475**
a-EBITDA (%)	*6.2%*	*7.6%*
EBITDA	**26,409**	**16,376**
EBITDA (%)	*5.6%*	*4.9%*
a-EBIT	**20,295**	**16,326**
a-EBIT (%)	*4.3%*	*4.9%*
EBIT	**17,099**	**7,228**
EBIT (%)	*3.6%*	*2.2%*
Net finance costs	(9,921)	(10,884)
Profit / (Loss) before income tax	**7,178**	**(3,656)**
Net margin before income tax (%)	*1.5%*	*-1.1%*
Profit of the year	**7,686**	**1,594**
Profit attributable to owners of the Company	7,686	1,594

Source: Consolidated statement of profit or loss and APMs (Alternative Performance Measures)
All percentages are versus revenue

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

www.cpw.gr

Cables

Activities

The three companies (hereafter collectively referred as '***Cablel® cable companies***'), which mainly constitute the cables segment of Cenergy Holdings S.A. are Hellenic Cables S.A. Hellenic Cables Industry ('***Hellenic Cables***') and its subsidiary Fulgor S.A. ('***Fulgor***'), which operate in Greece and Icme Ecab S.A. ('***Icme Ecab'***), which operates in Romania.

Over the past decade, Cablel® cable companies have constituted the largest producer of cables in Greece and southeastern Europe, with a strong international focus, exporting to more than 50 countries worldwide.

Cablel® cable companies are an approved supplier of the largest international electricity network operators and have one of the largest and most advanced submarine cable plants in the world (Fulgor).

Since their establishment, Cablel® cable companies have 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. Our plants manufacture a variety of products including underground and submarine power cables (from low to high and extra high voltage), telecommunications cables, enameled 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. In recent years, the Cables segment has heavily invested in the manufacture of high and extra high voltage submarine cables at the Fulgor plant.

Cablel® cable companies respond 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 Cables segment 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 to invest in technology and innovative cable solutions in order to secure a sustainable future for its stakeholders.

The product range of the Cables segment includes a variety of cables and wires that cater to a number of different market demands. It consists of submarine and land cables, low, medium, high and extra high voltage power cables, umbilical cables, fibre optic, data, signaling and telecommunication cables, flexible subsea pipes and enameled wires and compounds. The Cables segment's production base comprises six plants in Greece, Romania and Bulgaria. The product portfolio of the Cables segment is commercially traded under the registered brand Cablel®.

In recent years, Hellenic Cables and its subsidiary Fulgor were awarded many high-profile projects across Europe by major utilities. This underlines their leading position in the submarine cable manufacturing market and in the global offshore energy industry. Moreover, it indicates their ability to successfully implement cost-effective, reliable and innovative solutions and successfully execute complex turnkey projects. Furthermore, Hellenic Cables has developed a wide range of technologically innovative cabling solutions, from high voltage submarine cables to extra high voltage cables, as well as optical fibre submarine cables.

History

1950s

Viohalco begins cable production.

Cable manufacturing company, Icme Ecab S.A. ('Icme Ecab'), is founded under the name of "Electrocablu".

Fulgor S.A. ('Fulgor') is established, located in Agios Ioannis Rentis, Athens.

1960s

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

1970s

Hellenic Cables S.A is established.

Completion of the first submarine cable linking Kos – Kalymnos (25.4km) and Paros – Naxos (15km) by Fulgor, on behalf of DEI (Public Power Co).

1980s

Production of XLPE Insulated medium voltage ('MV') cables.

1990s

Fulgor constructs the first high voltage ('HV') 150KV cables, on behalf of DEI (PPC).

Share capital majority acquisition of Icme Ecab from Hellenic Cables S.A.

2000s

New Thiva cable production plant is completed and the HV cable production line begins operations.

Operation of 2nd HV / Extra High Voltage ('***EHV***') line up to 500kV.

2010s

- 2011: Hellenic Cables S.A. acquires 100% of Fulgor's share capital and invests more than EUR 120 million into the plant during the following years.
- 2014: Hellenic Cables is was awarded a contract for the Cyclades Islands interconnection worth approximately EUR 93 million, including underwater 150KV cable connections - completed in 2017. Fulgor was is also awarded a contract worth approximately EUR 36.4 million for the design, supply, installation and commissioning of the 150kV submarine interconnection of the island of Aghios Georgios to the Greek mainland - completed in 2016.
- 2015-2017: Hellenic Cables and Fulgor win several contracts for significant projects by major utilities in Denmark, Germany, Belgium, Greece and UK.
- 2018: A milestone year for the Cables segment, as several HV and EHV projects are awarded to the companies and their implementation begins. These projects contribute significantly to the order backlog of the Cables segment, which now amounts to EUR 420 million.

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 voltage ('***LV***') to EHV, telecom cables, enameled wires and plastic as well as rubber compounds, all individually tailored to customers' specifications. It 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 HV 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.

The Fulgor plant manufactures submarine cables (ranging from MV to EHV), 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 33kV) 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 commenced started in 2014.

The new equipment enables Fulgor to produce submarine cables of up to 500kV in continuous lengths. It 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. A new investment plan is now ongoing in Fulgor's plant in order to leverage the new opportunities arising in the offshore energy sector.

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. Since the cross-border merger by absorption of Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme, which took place in December 2016, Icme Ecab is a direct subsidiary of Cenergy Holdings.

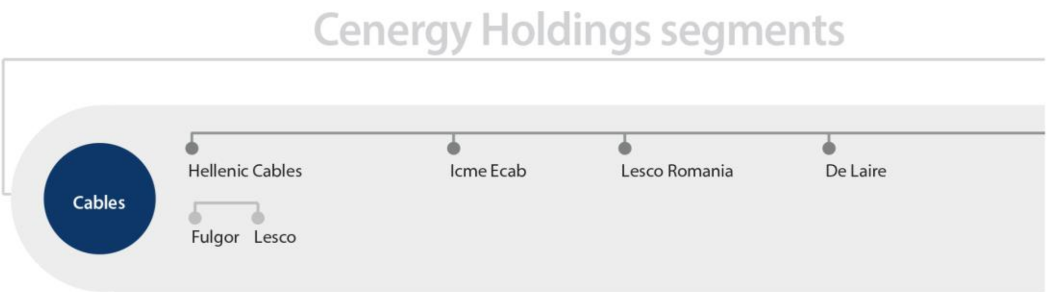
Icme Ecab is located in a 102,000m^2 industrial complex on a 268,000m^2 plot of land in Bucharest and employs approximately 450 members of staff. It has a diverse product portfolio including cables for indoor installations, energy, control, industrial and external applications, LV and MV, fire-retardant, 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.

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 from its facilities in Bucharest and distributed through its warehouses in Cluj, Bacau and Timisoara. In the international market, they are sold either 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 Cenergy Holdings. 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.



Product portfolio

Cable products are sold under the patented trademark Cablel®. Cablel® cable companies are well-regarded in both Greek and foreign markets, focusing with its strategic focus on exports as reflected in the large quantities of cables and enameled wires sold abroad.

Cablel® cable companies offer a wide range of MV, HV and EHV 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.

LV and MV power cables and overhead conductors for electric power distribution networks are also manufactured for:

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

The key product categories are as follows:

Power cables

LV, MV, HV and EHV submarine and onshore cables, indoor installation cables, control cables, industrial-purpose and outdoor installation cables, fire-retardant, fire-resistant, halogen-free cables, copper grounding wires, aluminum conductor steel-reinforced (ACSR) / aluminum conductor steel-supported (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 Low Smoke Zero Halogen cables, underground dielectric anti-rodent cables, aerial installation cables (8-shaped or all dielectric self-supporting), submarine optical fibre cables, signaling and railway signaling cables.

Enameled wires

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

Plastic and rubber compounds

PVC-based plastics, polyolefin-based plastics, rubbers.

Turnkey solutions

Since 1972, Cablel® cable companies have 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:

- MV 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;
- 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 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 the Group 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 and port facilities

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

<u>Hellenic Cable Industry Power and Optical Fibres Cable plant | Thiva (Greece)</u>

Annual production capacity: 60,000 tons

The Thiva plant, owned by Hellenic Cables, covers a total surface area of 175,082m^2, including 50,181m^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 completion of a high and extra high voltage cable production line in 2003 has enabled the plant to produce:

- LV, MV and HV power cables;
- EHV power cables up to 500kV; and
- Fibre optic cables.

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 ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2015 , ISO 5001:2011 and ISO 220301:2012

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 218,247m^2 plot, which includes 80,048m^2 of building facilities. Fulgor was acquired by 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 a handful of global companies specialising in submarine cable interconnections.

Following the implementation of a ca. EUR 120 million investment plan, the plant is now one of the most advanced factories in the world and is focused on the production of high and extra high voltage submarine cables. During 2018, capacity was further expanded and investments will continue throughout 2019-2020 for the annual capacity to exceed 400km of HV cables.

The plant can produce:

- LV and MV power cables;
- HV power cables since 1995; it was since upgraded to reach 400kV in both AC and DC.
- Fibre optic submarine cables since 1992;
- Submarine MV cables since 1972.; and
- Upgraded for HV submarine cables (AC up to 400kV / DC up to 400kV).

In submarine cable production, Fulgor's main strengths are:

- Very long continuous lengths, with or without the minimum number of factory joints;
- Direct loading from its dock facilities in Corinth;
- Among the highest storage capacity for HV high voltage submarine cables;
- Vertically integrated manufacturing.

The Fulgor plant has been certified under ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007 and ISO 50001:2011 standards and 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 268,000m^2 including buildings of 102,137m^2.

The subsidiary has an extensive product portfolio which includes cables for indoor installations, energy, control, industrial and external applications, LV and MV, 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, as well as plastic and rubber compounds.

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 9001:2015, ISO 14001:2015 and ISO 45001:2018

Hellenic Cable Industry enameled wires plant | Livadia (Greece)

Annual production capacity: 12,500 tons

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

The plant can produce copper round and rectangular enameled wires and aluminium round and rectangular enameled wires.

Its production units have been certified under ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007, IATF 16949:2016 ,ISO 5001:2011 and ISO 22301:2012.

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

Annual production capacity: 24,000 tons

The compounds plant is located in Oinofyta, Greece and is Hellenic Cables' supporting facility for the production of PVC and rubber compounds and it covers a total surface area of 21,263m^2, including 9,072m^2 of building facilities.

Hellenic Cables has established a state-of-the-art, advanced polymer laboratory at the Oinofyta plant. The laboratory conducts specialised chemical tests focused on 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.

The plant 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 Certifications ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007 and ISO 50001:2011.

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 25,000m^2 including buildings of 3,398m^2. Lesco O.o.d is a 100% subsidiary of Hellenic Cables. Lesco's Its continued investment in new, technologically advanced infrastructure, as well as the availability of raw materials, have enabled 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 to approximately EUR 125 million during 2013-2017, the Cables segment invested approximately EUR 44 million in 2018.

The most notable investment in the period 2013-2018, was the extension and upgrade of Fulgor's facilities for the production of HV and EHV 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. The new equipment enabled Hellenic Cables to produce submarine cables of up to 500kV 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 Aghios Georgios, 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 and technology

Innovation is a key area of focus for Cablel® cable companies with the aim of providing customers with more efficient solutions. The establishment of a stronger research and development ('R&D') function is an important enabler to maintain technological effectiveness in the power cable industry. A team of highly skilled R&D engineers, supported by advanced software tools and modern testing facilities, are dedicated to supplying customers with tailored, high-quality, cost efficient solutions.

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

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

Furthermore, in order to face market challenges, the Cables segment was further supported the Cables segment through an investment in a new HV laboratory, a specific laboratory with respect to the new Construction Products Regulation ('***CPR***'), but also in human resources recruitment.

The core focus of the R&D department is to support the market share growth strategy of Cablel® cable companies 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. As a result, Cablel® cable companies have successfully developed products such as HV and EHV AC submarine cables, umbilicals for oil and gas, EHV land cables and submarine water pipes. There are plans to further increase the high-value added product portfolio with submarine gas pipes and HV/EHV DC submarine cables.

Collaboration at the national and the international level with internationally acclaimed educational institutions, distinguished research centers and certified laboratories with international prestige are also an integral part of daily R&D activity. Hence, Cablel® Hellenic Cables Group is able to leverage any opportunity for participation in expertise transfer groups. A notable example is its 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 has enhanced knowledge among the company's executives about nanotechnology issues and the preparation of nano synthetic materials for various applications, leading to a clearer view of the benefits of this particular technology.

Activities and initiatives during 2018

During 2018, Cablel® cable companies were awarded several projects as they were able due to the companies' capability to offer reliable designs with successful completed qualification plans. Among the more notable projects are the Rio-Antirio submarine interconnection (400kV), Crete – Peloponnese submarine interconnection (150kV), Hollandse Kust Alpha & Beta and Seamade Wind farms. These projects underline the competitive capabilities and strong market position in the HV/EHV high-voltage and extra high-voltage segment. Cablel® cable companies are engaged in ongoing initiatives to develop next-level DC power cables featuring different materials and with reduced loss of power.

In 2018, in an effort to further approach the cyclical economy, all companies took steps towards the operation and use of recycled materials. Significant economic benefits have been achieved by replacing commercial raw materials with recycled ones.

The ongoing industrial excellence program, which is under implementation in all Cablel® cable companies, has allowed the R&D department to optimize the cost of LV and MV cables, especially the non-conductive elements. Several designs were revised, while maintaining the existing qualitative criteria, to further strengthen the company's competitive advantage.

R&D also ensured full compliance with new regulations and customer requirements. The successful certification of LV cables in the new CPR ("Construction Products Regulation") regulation has continued, as has well as the acquisition of other certificates in order to serve the demands of new markets and customers.

From an international perspective, the R&D department of Cables segment participated in a consortium of technical solutions with innovative products. In 2018, the Horizon 2020 Committee approved the proposed design of dynamic cables for floating wind turbine platforms. At the same time, R&D reasserted its presence at international conferences by addressing innovative technical solutions of increased interest.

As part of this commitment, companies train and empower their 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 who participate in educational and lifelong learning programs.

The total R&D research and development expenditure for 2018 for the Cables segment amounted to EUR 9 million (2017: EUR 5 million), out of which EUR 1.5 million (2017: EUR 0.7 million) concerned fundamental research activities.

Customers and sales network

Hellenic Cables sells its products in the Greek 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. I t exports its products both directly and through agents.

Clients include E.ON, Vattenfall, Tennet, Energinet.dk, Enel, DEME, Tideway, 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).

Major ongoing contracts

Modular Offshore Grid (‘MOG’) project in the North Sea

In October 2017, Cablel® Hellenic Cables S.A. signed a contract worth approximately EUR 70 million with Dredging International NV, a member of the DEME Group, for the supply of HV submarine cable systems. These cable systems will be used for the gradual interconnection of wind farms in the Belgian area of the North Sea with the high voltage land-based network in Belgium’s Zeebrugge region.

The contract undertaken by Hellenic Cables involves the design and manufacture of submarine cables, the supply of power accessories and installation and execution of cable termination works. The submarine cables comprise three core 220kV cables, with a total length of approximately 90km, with three integrated 48 fibre optic cables each.

Project execution commenced in 2018, while installation work by Dredging International NV is scheduled to begin in the second quarter of 2019. Submarine cables are manufactured at Fulgor's plant in Soussaki, Corinth.

Submarine cable interconnection with the national network in Evia

In July 2017, Fulgor signed a turnkey contract with Enel Green Power Hellas, a subsidiary of the Italian energy company Enel, to supply and install a submarine electrical HV interconnection to transmit the electricity generated from the Kafireas wind farm complex to the national network (Substation of Pallini, Attica). Upon completion, the Kafireas wind power project will have a total installed capacity of 154MW and will be the largest wind farm complex in Greece.

Fulgor's contract involves the design, manufacture and installation of the cable, underwater protection, supply of power accessories, jointing during the execution of termination works and tests, for the interconnection between Karystos (Evia) and RaIna (Attica) via a 150kV composite three-core cable with XLPE insulation and with an integrated 24 fibre optic cable.

The interconnection cable will have a continuous length of about 45km and will be installed at a depth of up to 105 meters. Project execution started in 2017, while installation work is scheduled to begin in the first quarter of 2019.

Second phase of the Interconnection of Cyclades Islands in Greece

In July 2018, Hellenic Cables and Fulgor were selected as a supplier by the Independent Hellenic Transmission Operator ('***IPTO S.A.***') for a turnkey project worth approximately EUR 40 million. The contract is for the supply of HV submarine systems (52Km of 150kV subsea cables) to connect the islands Paros–Naxos and Naxos-Mykonos in the Aegean Sea, Greece with the onshore HV grid of IPTO on the mainland. Execution of the project started in 2018.

The Cyclades interconnection with the Hellenic Electric Power Transmission System constitutes a key driver for the empowerment of the islands economy, contributing to environmental protection through the reduction of CO2 emissions and an increase in the renewable energy sources power base, as well as through the energy shielding of the Cyclades islands.

Upgrade of several transmission lines of the Cyprus grid

In October 2018, the Electricity Authority of Cyprus awarded Hellenic Cables a turnkey contract worth EUR 10 million to supply and install HV land cables (70km of 132kV cables) for the upgrade of several transmission lines of the Cyprus grid. Execution started during 2018.

Recent awards

In September 2018, TenneT NL awarded the Van Oord-Hellenic Cables consortium the assignment to supply and install sea and land cables for the Hollandse Kust (South) Alpha project. The Van Oord-Hellenic Cables consortium was also selected to deliver and install cables for the Hollandse Kust (South) Beta project. Hellenic Cables' value of the assignments for both Hollandse Kust (South) Alpha and Beta projects is approximately EUR 105 million and will commence during 2019. The Hollandse Kust (South) Alpha grid connection must be ready by 2021, and the Beta one, by 2022.

During the same month, the IPTO awarded Fulgor another contract worth approximately EUR 140 million to supply and install one of the two submarine cables (135km of 150kV subsea cable) to connect the island of Crete to the national power transmission grid in Peloponnese, and all required underground cables (87km of 150Kv cables) to connect both submarine cables to the national power transmission grid on the side of Peloponnese (Lot A). IPTO also awarded Hellenic Cables a contract worth approximately EUR 41 million for the supply and installation of the required underground cables (204km of 150Kv cables) to connect the two submarine cables to the power transmission grid of Crete in Chania area (Lot C). Both projects will be ready within 22 months from signing the respective contracts at the end of 2018. The execution of these projects will begin in 2019.

In November 2018, the IPTO awarded to Hellenic Cables and Fulgor a contract worth ca. EUR 29 million and to Hellenic Cables *per se* another one, worth ca. EUR 18 million to supply and install submarine (18km of six 400kV single core submarine cables and optical fiber submarine cables) and land cables (42km of 400kV land cables) in the Rio – Antirrio area for the extension of the 400kV grid towards Peloponnese, Greece.

Furthermore, the assignment to Hellenic Cables covers the design and manufacture of the necessary 400kV land cables for the completion of the interconnection – an aggregate length of 42km – and their installation along the land route from the landing points of the submarine cables in Peloponnese and Central Greece.

The submarine cables will be manufactured at Fulgor's plant in located at Soussaki, Corinth, while the land cables will be manufactured at Hellenic Cables' plant located in Thiva. The contractual completion time of the two projects is approximately 10 months from signature of the respective contracts, i.e. during 2019.

Finally, in November 2018, Seamade NV awarded the Tideway-Hellenic Cables consortium a turnkey contract with total value of ca. EUR 44 million for the supply and installation of submarine export cables (30km of 220kV subsea cables) for the connection of the Seamade offshore wind project to the Belgian grid. The execution of the project will start during 2019.

Completed projects

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

Customer	Description	Year
IPTO S.A.	41.1km, 400kV land cable in Greece	2011
Société Algérienne de Production de l'Electricité	10km, 220kV land cable in Algeria	2013
Dewa	101km, 132kV single core land cable in UAE	2013
Newfoundland Power Inc.	11.3km 25kV submarine cables in Canada (Turnkey Project)	2014
EON	26km, 132kV single core land cable in Germany	2015
Vattenfall	85km, 132kV single core land cable in Sweden	2016
IPTO S.A.	114km, 150kV submarine cables for the Cyclades interconnection (Turnkey Project)	2014-2018
TERNA	37.4km, 150kV submarine cables for the interconnection of the 73.2MW wind park on the island of St. George	2014-2016
TenneT (Germany)	24km, 155kV high-voltage submarine cables for the connection of Borkum Riffgrund II and Trianel Borkum Windpark offshore wind farms in the North Sea	2016-2018
Energinet.dk	18km of 132Kv and 150kV submarine cables and 75km of 132kV and 150kV single core underground cables for the connection of substations "Teglstrupgård" in Denmark and "Laröd" in Sweden, and the replacement of the old overhead line between the substations "Ejby" and "Vejleå" in Denmark	2016-2018

Corporate strategy

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

- Capitalise commercially on investments by focusing on added value products such as high and extra high voltage submarine cables and extra high voltage underground cables;
- Promote activities in geographical regions such as Europe and the USA. These are markets which invest heavily in the development of power and telecommunication networks and in renewable energy projects;
- Increase the level of direct sales to Transmission System Operators ('TSOs') and Distribution System Operators ('DSOs');
- Boost productivity by further rationalising the cost base, enforcing stricter inventory management and further improving the operational performance of the production units;
- Further improve liquidity through prudent working capital management; and
- Preserve focus on human capital and on the sustainable development of its companies.

2018 financial performance

Revenue for the cables segment increased by 16% year-on-year to 489 million in 2018, driven mainly by the increased sales volumes in the cable product business.

As for the project business, 2018 saw the successful completion of significant assignments, such as the interconnection of the wind parks Borkum Riffgrund 2 and Trianel (on behalf of TenneT). In contrast, a number of high-voltage project awards expected in H1 2018 were postponed, causing the Fulgor plant to operate at low utilization capacity during 2018. This adversely affected results for the entire fiscal year. During H2 2018, however, a significant number of projects were secured in the submarine cables segment, allowing Fulgor to return to high capacity utilization for 2019. These awards are testament to Hellenic Cables' and Fulgor's ability to provide cost-effective, reliable and innovative solutions that meet the changing needs of the offshore sector and allow the companies to leverage market opportunities.

Consequently, the cables segment recovered from a moderate first half, with adjusted EBITDA and earnings before tax for H2 2018 of EUR 20.8 million (H1 2018: EUR 14 million) and EUR 2.5 million (H1 2018: EUR -7 million), respectively. Overall, **adjusted EBITDA** increased by 5% year-on-year to EUR 34.8 million in 2018 and was coupled with stable operational profitability.

The cables product business achieved 6.3% higher sales volumes compared to 2017 along with an improved sales mix. The main drivers of such an improved performance include:

- Better than expected performance in the Greek market, due to increased demand from contractors and the building sector;
- A moderate increase in the traditional markets (Germany and Central Europe), and further penetration into new markets (Nordic countries and the Middle East); and
- Solid demand for telecom and signalling cables in Europe and the Middle East.

During 2018, the metal price lag remained negative (EUR -1.7 million) but improved compared to strong losses recorded in 2017 (EUR -3.1 million).

Net finance costs for 2018 amounted to EUR 22.3 million, in line with the previous year, while depreciation & amortization for 2018 amounted to EUR 14.5 million.

Loss before income tax in 2018 was EUR 4.5 million, compared to a loss before income tax of EUR 5.3 million recorded in 2017. Finally, **net profit after tax** amounted to EUR 1.3 million versus losses after tax of EUR 4.8 million in 2017.

Investments in the cables segment in 2018 reached EUR 44 million, largely attributable to the expansion and upgrade of the submarine business unit in Fulgor's plant to meet expected future demand levels and improve productivity at the Hellenic Cables and Icme Ecab plants.

Net debt increased by EUR 36 million to EUR 291 million as at 31 December 2018, mainly due to the financing of the aforementioned capital expenditure programme.

During 2018, a major debt re-profiling (EUR 87.9 million) was completed and achieved:

- a 5-year extension of the syndicated bond loan initially received in 2013 with a remaining balance of EUR 55.1 million;
- a new 7-year bond loan of EUR 25 million by a major Greek bank; and
- a new 5-year secured bank loan of EUR 7.8 million by a major Romanian bank to Icme Ecab.

The above reprofiling carries improved pricing terms for all the aforementioned facilities and is expected to benefit the segment's future liquidity and profitability.

Given the strong forecast of new projects, the considerable backlog of orders from 2018, and the growth potential of the offshore cables business, the outlook for the business is positive. Fulgor's return to high utilization capacity in 2019 is expected to drive the segment's profitability for the coming year. As the execution of high voltage and extra high voltage orders secured during 2018 starts, the Thiva plant is also expected to operate at high utilization levels in 2019. The main focus for 2019 will, therefore, be on successful execution of existing projects.

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

	For year ended 31 December	
Amounts in EUR thousand	**2018**	**2017**
Revenue	**488,655**	**422,371**
Gross profit	38,467	31,881
Gross profit (%)	*7.9%*	*7.5%*
a-EBITDA	**34,804**	**33,195**
a-EBITDA (%)	*7.1%*	*7.9%*
EBITDA	**31,481**	**29,456**
EBITDA (%)	*6.4%*	*7.0%*
a-EBIT	**21,131**	**20,424**
a-EBIT (%)	*4.3%*	*4.8%*
EBIT	**17,808**	**16,684**
EBIT (%)	*3.6%*	*4.0%*
Net finance costs	(22,285)	(22,045)
Profit / (Loss) before income tax	**(4,477)**	**(5,361)**
Net margin before income tax (%)	*-0.9%*	*-1.3%*
Profit of the year	**1,316**	**(4,839)**
Profit attributable to owners of the Company	1,290	(4,825)

Source: Consolidated statement of profit or loss and APMs (Alternative Performance Measures)
All percentages are versus revenue

Further information is available on the Hellenic Cables Cablel® website:
www.cablel.com

Subsequent Events

On February 21st, 2019, the U.S. Department of Commerce (the 'DoC') announced its affirmative final determinations in the antidumping duty investigations initiated in early 2018 on imports of large diameter welded pipe from Canada, Greece, Korea and Turkey. Similar determinations about imports from China and India were announced in December 2018. In the Greece investigation, the DoC assigned an antidumping duty rate of 9.96% for Corinth Pipeworks S.A.

On April 16th, 2019 the United States International Trade Commission (ITC) completed and filed its injury determinations in the antidumping and countervailing duty investigations concerning large diameter welded (LDW) pipe from Canada, Greece, Korea and Turkey. Concerning Greece, the ITC determined that an industry in the United States is threatened with material injury by reason of less than fair value imports of LDW line pipe from Greece. On the contrary, it ruled that LDW structural pipe imports from Greece do not cause and are not a threat to cause material injury to the U.S. industry.

As a result of ITC's affirmative determinations aforementioned, the DoC will issue an antidumping duty order on future imports of LDW steel line pipe from Greece at a corrected rate of 10.26%. In contrast, structural pipe from Greece will not be covered by such an antidumping duty order.

It is noted that imports of LDW line pipe from Greece, which were entered prior to the publication date of DOC dumping order, will not be assessed dumping duties – hence, any deposited preliminary dumping duties will be refunded and, subsequently, reimbursed to the final customers.

Risks and Uncertainties

Cenergy Holdings' Board of Directors is responsible for assessing the risk profile of the Company's subsidiaries. Since Cenergy is a holding company and does not have itself any production operations, customers, suppliers, or personnel (besides employees for administrative tasks), the risks affecting it are attributed to its subsidiaries and their operations, suppliers, clients and personnel. Each of Cenergy Holdings's subsidiaries is therefore responsible for the identification, measurement, analysis, response (mitigation), control and monitoring of its own risks.

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

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

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

a) Identify key risks and measure / analyse their potential impact and likelihood. This is done at company level as all financial, operational, compliance and strategic risks are associated with each company's operation.
b) Manage (i.e., respond to) those risks by considering existing controls as well as selecting, prioritising and implementing appropriate actions. This step is also done at company level, following the general principles outlined in the ERM framework.
c) Control and monitor internal and external environment for potential changes to risks, ensuring risk responses continue to be effective. Each company monitors its risks and risk responses , using the common ERM guidelines but separate procedures, systems and mechanisms put in place by each company's management.
d) Finally, companies report both internally and at Cenergy Holdings's level, a consolidated evaluation on their risks, integrated with a review of their financial performance. Hence, Cenergy Holdings' executive management judges their overall risk – return tradeoff and presents the outcome to the Audit Committee and the Board of Directors. Needless to say that the Audit Committee monitors the effectiveness of the subsidiaries' internal controls and looks into specific aspects of controls and risk responses on an on-going basis.

Key risks

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

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

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

B. Compliance and reputational risks include possible negative impacts (economic – fines, penalties, etc. and other – exclusion from markets, etc.) from noncompliance with existing regulations and standards. Also included are potential impacts to the subsidiary's (and Cenergy Holdings's) brand image and business[2] reputation, as well as accounting risk[3].

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

A brief description of the ways Cenergy Holdings' subsidiaries identify, measure, react, control and monitor the most important risks included in the above groups, is presented below.

Financial risks

Interest rate risk

It is clear that significant movements in interest rates may expose subsidiaries to higher borrowing costs, lower investment yields and/or decreased asset values. As a central rule, entities do not enter into speculative positions on interest rates of any kind but always try to follow natural immunization strategies i.e., matching durations of assets and liabilities and keep away from fair value shocks. On the other hand, given the current low interest rate environment, each entity tries, in the measure possible, to secure fixed (and low) rate financing lines to avoid variations in cash flows and facilitate capital budgeting.

If absolutely necessary, subsidiaries use derivatives to hedge any remaining interest rate risk; strict rules and limits, internal to each entity, regulate the use of such instruments.

The interest rate profile of Cenergy Holdings, on a consolidated basis, as of 31 December 2018 consists of EUR 35.4 million of fixed-rate financial instruments and EUR 503 million of variable-rate instruments. Moreover, a change of 25 basis points in interest rates would have a positive or negative effect of EUR 1.2 million after tax in the Consolidated Profit / Loss statement of 2018.

Currency risk

Cenergy Holdings holds stakes in a large number of companies with production plans and commercial relations spanning the globe. As such, they are exposed to financial (transaction), accounting (translation) and economic losses due to volatility in foreign exchange rates.

Companies manage this risk in a prudent manner, trying for natural hedges whenever possible (i.e. matching currencies in anticipated sales and purchases, as well as receivables and liabilities) and using standard hedging products, such as forward contracts, if necessary.

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[2] The set of perceptions about the company by the different stakeholders with whom it interacts, both internal and external.

[3] The risk which concerns the proper and true economic and financial reflection of the companies' reality as well as compliance with all related regulations (IFRS, etc.).

Commodity risk

Most of Cenergy Holdings' entities are industrial companies, using ferrous and non-ferrous raw materials as inputs. Fluctuations in commodity prices (esp. metals and particularly copper, zinc and aluminum) may therefore expose them to lower product margins or trading losses.

Future contracts traded in the London Metal Exchange (LME) offer the obvious hedging choice for companies active in such metals: first, all Cenergy Holdings's subsidiaries record metal positions resulting from LME price fixing for purchases and sales. They monitor the metal price risk and match purchases with sales. The resulting net exposure is hedged using LME contracts. Consequently, sales margins of companies subsidiaries are immune from LME price fluctuations.

Liquidity risk

For industrial companies, such as those forming the largest part of Cenergy's holding portfolio, liquidity risk is the risk that a business will have insufficient funds to meet its financial commitments in a timely manner. Its two key elements are short-term cash flow risk and long-term funding risk. The latter includes the risk that loans may not be available when the business requires them or that such funds will not be available for the required term or at acceptable cost.

Such risk may come from seasonal fluctuations, business disruptions, unplanned capital expenditure, an increase in operational costs, a narrow funding market and other reasons causing inadequate cash management. Cenergy's subsidiaries constantly monitor cash flow needs and quarterly report monthly rolling forecasts to ensure sufficient cash on hand to meet its operating needs. Through monthly financial reports, they closely follow operating cash flow indicators, liquidity and leverage ratios and continuously assess available funding, both in the local and international markets.

Finally, companies mitigate liquidity risk by careful cash flow management including optimising working capital and by maintaining unused, committed financing facilities from a diversified number of financial institutions. These allow their business to easily meet its future requirements or contingencies.

The macroeconomic and financial environment in Greece, where most of Cenergy Holdings' subsidiaries are located, is showing signs of improvement, however uncertainties still exist. On August 20th, 2018 Greece officially exited from the third bailout programme, which began in 2015. In addition, during 2018, Standard & Poor's upgraded Greece by one notch, from 'B' to 'B+', citing reduced debt servicing risks.

The capital controls that are in force in Greece since June 2015 have been loosened further, but still remain in place. Still, they have not prevented Cenergy Holdings companies to continue their activities as before and cash flows from operational activities have not been disrupted.

Additionally, Cenergy Holdings subsidiaries' strong customer base outside Greece (84% 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' total debt amounts to EUR 538 million. Taking into account EUR 65 million of cash & cash equivalents, Net Debt amounts to EUR 473 million with 33% being long-term and the rest, short-term. Loans and borrowings are held with banks and financial institutions, which are rated from A to B- based on ratings of Standard & Poor's. Approximately 88% of these loans and borrowings are held with Greek banks.

During 2018, the reprofiling of a total amount of EUR 118.7 million took place. For further information, refer to Note 26 of the Consolidated Financial Statements 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.

Credit risk

Selling to a large number of customers spanning vast geographical regions and many sectors across the world, unavoidably creates an important credit risk for Cenergy Holdings' subsidiaries as their customers may default on their obligations. Such credit risk may be accentuated if a significant portion of business is concentrated on a specific area, sector or small number of clients.

This risk is greatly mitigated by (a) avoiding receivables concentration of any kind (e.g. no customer may represent more than 10% of any company's revenue), (b) executing robust creditworthiness checks for customers via credit rating agents, (c) setting relevant payment terms and credit limits, (d) demanding real or other security (e.g. letters of guarantee) for receivables whenever possible, and, finally, (e) using credit insurance extensively.

Business Risks

Operations and technology

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.

Subsidiaries manage the channel effectiveness risk through commercial executives per project / market. Periodic budget reviews are the main tools used for the setting up and monitoring of distribution channel objectives.

Procurement / Sourcing risk

Limited sources of energy, metals and other key commodities, raw materials and component parts may threaten Cenergy Holdings' subsidiaries' ability to produce quality products at competitive prices on a timely basis. Hence, all companies continuously aim to minimise the likelihood of such a risk occurring. Relevant measures include maintaining a wide and diverse supplier base (esp. from different geographies, where possible), 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.

Operation Interruption risk

The unexpected unavailability of raw materials, skilled labour, information technologies, or other resources and the danger for equipment breakdowns may threaten the subsidiaries' capacity to continue operations. This being central to industrial production, all subsidiaries maintain thoroughly their equipment via specialized maintenance departments for every single plant that follow a well-planned maintenance schedule. Plant equipment and production lines are also upgraded systematically to integrate new technologies and reduce obsolescence risk. 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.

This risk is greatly mitigated by the companies using business interruption insurance policies.

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 arising from actual or claimed defects in its products, companies have established rigorous quality management systems at their plants, by applying fixed and formalised quality control procedures, while maintaining 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 centres to capture defects, implementation of end-to-end traceability systems, etc. In addition, companies have applied product liability insurance policies.

Information technology (IT) risk

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

Most of Cenergy Holdings' subsidiaries are capital intensive and seriously rely on IT systems to guide and optimize their production. IT systems bear a number of risks that arise naturally in their production environment and thus the commercial environment overall and may result to losses or legal liability. Such risks can revolve around IT disruptions due to IT equipment failure, disasters, human errors as well as unauthorized use, disclosure, modification, destruction of information, etc.

The need to adequately identify the gaps that may result in risks, assess the maturity of the existing controls and identify risk mitigation actions is an ongoing process that must take into consideration the ever-changing threats, control and regulatory landscape. The continuous identification and application of appropriate and proportional controls that limit exposure against the aforementioned threats is vital to the integrity of IT systems in all companies as well as against legal requirements.

Cenergy Holdings and all its subsidiaries have taken the initiative to conduct such gap analyses against IT and information security risks in order to comply with 2016/679 EU General Data Protection Regulation, but taking also this opportunity to evaluate and ameliorate its overall IT risk posture, beyond the requirements of the said Regulation.

Besides using industry standards for data and systems protection, companies request the services of Teka Systems, an affiliate of Cenergy Holdings (subsidiary of Viohalco) focused on the implementation, customization and support of information systems. Teka is the official competence centre of Viohalco and offers tailor-made applications and software support to Cenergy Holdings' industrial subsidiaries as necessary.

Compliance and reputation risks

Financial Regulation 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.

Compliance Risk

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

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

Additional details are further given in the Non-Financial Information section (pp. 51-66).

Strategic risks

Country risk

Adverse political actions may threaten subsidiaries' resources and future cash flows in a country in which each subsidiary has 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 in particular by differentiating their manufacturing and market reach. Cenergy Holdings' subsidiaries currently have manufacturing sites in 3 countries (Greece, Romania and Bulgaria) and their products were distributed in more than 50 countries worldwide in 2018.

Furthermore, the availability and prices of basic raw materials which are vital for the production process, such as Copper, Aluminum and Steel follow and are determined by the international markets and are therefore not affected by the developments in Greece or any other individual country. In addition, taking into account that:

- the activities of subsidiaries have strong export orientation (84% of the turnover for 2018 derived from markets other than Greece),
- the financial position of the Group, and
- the production capacity of plants and the strong backlog for the forthcoming period

there are clearly sufficient cash flows to cover the import of materials necessary for production.

Cenergy Holdings' subsidiaries also 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.

This includes, for example, the uncertainty surrounding the effect of the exit of United Kingdom from the European Union (Brexit), including changes to the legal and regulatory framework that apply to the United Kingdom and its relationship with the European Union, as well as new and proposed changes affecting tax laws and trade policy in the U.S.A.

Concerning potential implications from the Brexit, Cenergy Holdings is closely monitoring relevant developments and taking measures to mitigate any disruption. The lack of progress in Brexit negotiations raises the risk of a disruptive exit with possible consequences including the imposition of potential trade barriers and custom duties. Thus Cenergy Holdings does not expect its financial position to be significantly vulnerable with regard to the Brexit. Exports to the United Kingdom accounted for approximately 10% of total revenues for 2018 while most of direct competitors in the cables and steel pipes segments operate within the Eurozone. Thus, it is likely they will react to currency fluctuations accordingly. To summarize, from the analysis performed up to date, Brexit is not expected to have any material adverse effect on the operations of Cenergy Holdings.

Regarding duties imposed on steel products imports in the U.S.A., the management of the Group and Corinth Pipeworks follow developments closely and keep the investment community constantly informed through press releases, whenever such communication is deemed necessary. Moreover, it is worth noting that local production of steel pipes of the type exported to the US market is neither sufficient in quantities nor similar in quality. This acts as a containment to any negative effects the imposition of tariffs may have. Corinth Pipeworks anticipates it will remain competitive versus local producers and other importers of large diameter pipes, thanks to strong demand in the USA (increased number of new pipeline projects), the duties being imposed on its competitors and the high quality of products and services offered to its U.S.A. customers.

Finally, the macroeconomic and financial environment in Greece, where most of Cenergy Holdings' subsidiaries are located, is showing clear signs of improvement. During 2018, Greece officially exited from the third bailout programme that began in 2015 and its credit rating upgraded by Standard & Poor's during H1 2018 (from 'B' to 'B+'). Nevertheless, management constantly assesses any new development in Greek economy and its possible implications on subsidiaries' activities in order to ensure that all necessary and effective measures and actions are taken on time in order to minimize any impact.

Industry risk

Changes in opportunities and threats, capabilities of competitors, and other conditions affecting the subsidiaries' industries may threaten the attractiveness or long-term viability of these industries. Industry risk of the subsidiaries which is related with the specific industry they operate in, is primarily associated with the cyclicality of demand and the substitution rate of some of its subsidiaries' products.

Companies 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.

Competitor risk

The actions of competitors or new entrants to the market may impair any company's competitive advantage or even threaten its ability to survive. Hence, strategic issues regarding response to competition are assessed as part of the annual budget process of all Cenergy Holdings' subsidiaries and the strategic markets plan by each subsidiary.

Exposure to competitor risk is captured through daily review of market information. 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.

Technological innovation risk

In a world of rapidly changing technology, companies in Cenergy Holdings's holding portfolio risk not efficiently following the technology wave or investing in the information technology (IT) infrastructure necessary to effectively support current and future business requirements. This may seriously affect sales, costs and revenues.

On the other hand, companies 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 strategic risk is primarily managed by Cenergy's subsidiaries through the establishment of technical assistance and knowledge transfer agreements with global leaders in various sectors where the subsidiaries are active. All companies invest strongly in research and development (R&D) and cooperate with scientific bodies and prominent international research centres. This strong focus on technology and innovation is additionally demonstrated through dedicated R&D departments at a number of Cenergy Holdings's subsidiaries.

Non-Financial Information

This Non-Financial Statement addresses the requirements of the Belgian Companies Code (119§2), as amended by the Belgian Law of September 3rd, 2017, on the disclosure of non-financial and diversity information by certain large companies and groups [which transposes Directive 2014/95/EU '*Disclosure of non-financial and diversity information*' into Belgian law].

Cenergy Holdings (the ***Company,*** *the* ***Holding***) is a Belgian holding company with participations positioned in the energy and telecommunications sectors. This Non-Financial Statement relies on the GRI Sustainability Reporting Guidelines and includes non-financial information of Cenergy Holdings plus a more detailed focus on the relevant operating segments (Cables and Steel Pipes), illustrating their business model, main policies, main risks, and outcomes (see section below on "Operating segments").

Cenergy Holdings

Business Model

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

The most significant outcomes of Cenergy Holdings' activities are related to its employees. To describe these outcomes, specific non-financial KPIs have been identified and are reported below. With regard to environmental matters, Cenergy Holdings commits to the respect and protection of the environment, however due to the nature of its activities, the impacts of its holdings system are considered negligible for the understanding of the undertaking's development, performance, position and impact of its activity. This topic, along with the rest of sustainability matters, are therefore covered in detail through the important operating segments: Cables and Steel pipes.

Core values

Cenergy Holdings is a listed holding company, with a very lean structure, making long-term investments focused on companies active in South Eastern Europe in the energy and telecommunications sectors. Cenergy Holdings is a responsible investor, uniting its entrepreneurial approach with sound financial discipline. It concentrates on the development of its companies, improving their competitive position and profitability.

The values on which the Company bases its actions are, in particular:

- Excellence: Cenergy Holdings aims to achieve excellence, encouraging and aspiring to continuous improvement in all its activities.

- Respect: respect for persons is at the center of all action undertaken by the Company which undertakes to make the most of the characteristics, dignity and uniqueness of each individual.
- Trust: Cenergy Holding aims to establish a relationship of trust with its counterparties and to meet expectations by keeping faith with commitments undertaken.

Policies – Reference Code

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

The Holding Company defines a "***Reference Code***", i.e. a set of policies, that all its entities should at a strict minimum follow regarding sustainability matters. Then subsidiaries develop their own respective policies based on these principles and are responsible for compliance to their own policies. The main values and principles of those policies are:

Health and Safety

All Cenergy Holdings companies are committed to continually promote Health and Safety (H&S) for their employees as well as for their partners, including customers, suppliers, contractors and visitors.

To achieve the target of "*No accident and no occupational illness*", all employees and partners are required to strictly comply with all applicable legislation and to fully implement all internal standards, instructions and procedures regarding H&S. They must also identify and assess operational processes' H&S risks and implement preventive measures aiming to mitigate them, as well as to continuously improve H&S performance by engaging all stakeholders in the effort and integrate Safety as a key element in all management process and corporate culture.

Labour and Human Rights

Cenergy Holdings recognizes the right of all employees and stakeholders to work with dignity and believe that everyone in the Companies is responsible for having due regard for human rights. It has zero tolerance for any discrimination of race, gender, religion, age, nationality, social or ethnic origin, disability, sexual orientation, or political and trade union engagement. All companies in the Holdings' portfolio should follow these fundamental principles for the recruitment and professional development of all employees. The key decisive factors of employment should be performance, experience, personality, efficiency, skills and qualifications.

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

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

Sustainability

All Cenergy Holdings Companies have incorporated the principles of Sustainability in their business operations, thus recognizing that their long-term growth can only be achieved through Sustainable Development. Companies are committed to operate responsibly in all their business activities while at the same time expecting the same responsibility from its business partners. Concern for employee health and safety, respect and protection of the environment, comprehensive coverage of customer needs, responsible business practices from its suppliers and harmonious coexistence with the local communities in which they operate are the main issues of Sustainability in Cenergy Holdings subsidiaries.

"To act in a socially dependable and sustainable manner is everyone's duty" at Cenergy Holdings companies.

Environment

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

In order to achieve the Companies' goals, it is required by all employees to understand and adhere to the following principles:

- to operate in full compliance with applicable national and EU environmental legislation, as well as with the specific environmental operational terms of each plant;
- to operate responsibly, having full knowledge of the environmental impacts and to assess all operational environmental risks; and
- to set up mechanisms for monitoring the environmental aspects.

Business Ethics & Anti-Corruption

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

Subsidiaries encourage all their related parties to have the required understanding and consciousness, and to co-operate in any actions that help fight corruption.

Operational Due Diligence & Risk Management

Cenergy Holdings is committed to promoting and maintaining an internal control and risk management system being the body of rules, procedures and organizational structures whose purpose is to provide an adequate process for the identification, measurement, management and monitoring of the principal risks in order to ensure the reliability, accuracy and timeliness of financial information, the safeguarding of its assets, the efficiency and effectiveness of business processes and the Company's compliance with laws and regulations.

As stated above, each subsidiary is responsible for following Cenergy Holdings' "reference code", as well as its own sustainability policies. The monitoring of such implementation and compliance are entrusted to Steelmet S.A. ***(Steelmet)***, a Cenergy Holdings affiliate. Steelmet has an extensive mandate to provide audit services to the companies in the Holdings portfolio. As part of its tasks, Steelmet, reports to the Board of Directors of each company the results of the monitoring process and proposes corrective actions, where necessary.

All (100%) Cenergy Holdings' production companies are certified with both the environmental Management System ISO 14001:2015 and the Occupational Health and Safety Management System OHSAS 18001:2007. These certified management systems are implemented by the companies' own skilled personnel and consultants. Through annual management system certification reviews conducted by external auditors, each company secures ongoing in-depth due diligence in the concerned fields.

The certified management systems selected allow each company to take the appropriate preventive measures, and instill its personnel with the continuous improvement culture necessary to ensure successful risk management.

The Holding Company is also exposed to the risks typical of the sectors and markets in which its operating subsidiaries and affiliates operate. For more information regarding the key focus risks identified by Cenergy Holdings and the control measures taken, please refer to the section 'Risks & Uncertainties' elsewhere in this Annual Report.

Materiality Analysis

Materiality analysis is performed on the Companies level as the vast majority of stakeholders (customers, suppliers, subsidiaries' people, local communities, etc.) are associated with their activities. The analysis is performed on a regular basis for each subsidiary separately and is based on the guidelines of the Global Reporting Initiative (GRI-G3.1:2016), ISO 26000:2010 as well as Accountability's AA1000:2008 series of standards. It constitutes a valuable tool for assessing the importance the subsidiaries' stakeholders devote to every major sustainability issue as well as particular aspects of the environmental, social and economic dimension.

The analysis below focuses on those Cenergy Holdings' companies that represent the potentially largest impact on non-financial matters due to the nature of their industrial activity as well as their business impact. The most important non-financial issues addressed by the companies are the following:

- Business Ethics and Anti-Corruption
- Environmental Protection and climate change mitigation
- Human Rights, equal opportunities and personnel enhancement
- Occupational Health and Safety
- Supporting local communities

Operating Segments

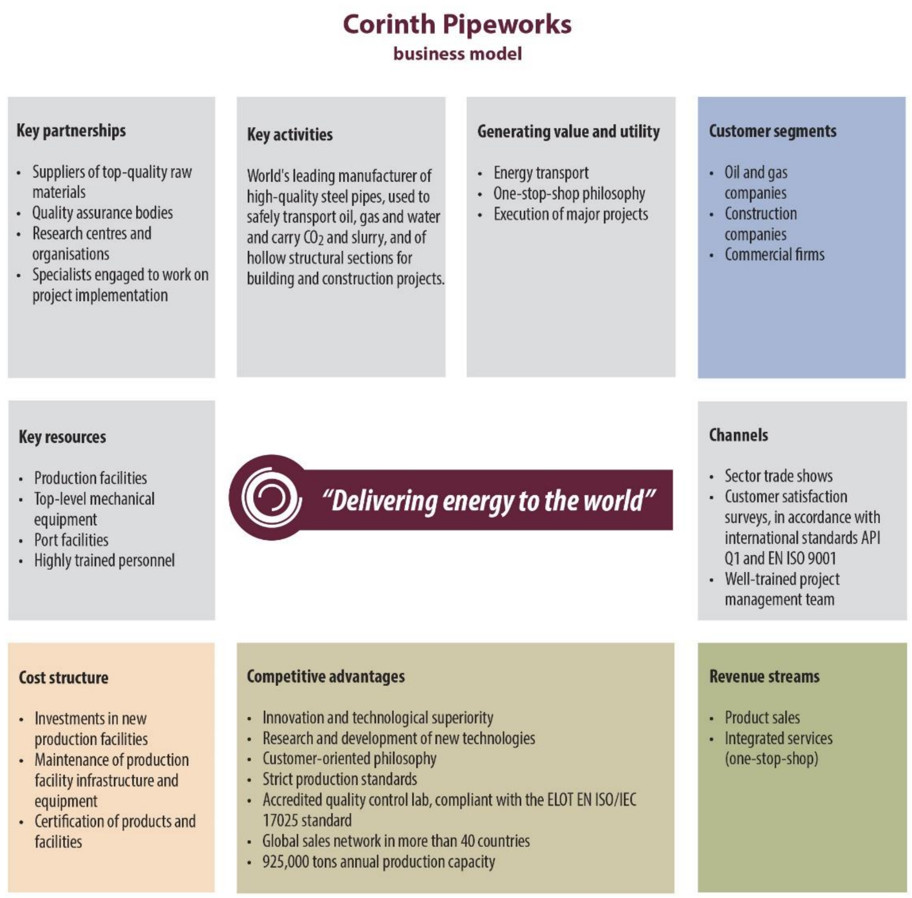
A more detailed account of those important non-financial issues for each segment is provided below, together with the most widely-used Key Performance Indicators (KPIs) for each set of issues. Detailed sustainability reports of the major companies in the Holding's portfolio are found on their websites:

- Steel pipes segment – http://www.cpw.gr/en/media-center/Publications/
- Cables segment – http://www.cablel.com/778/en/corporate-responsibility-and-sustainability-reports/

Steel Pipes

Business Model

CPW has incorporated strategy factors, such as responsiveness to market and customer needs, maintenance of excellent relations with its stakeholders and adoption of technological innovations, in its business model, as shown below:



Business Model Generation template by Alexander Osterwalder & Yves Pigneur

Sustainability issues management – Policies and Systems

The Company has set up mechanisms and processes for the emergence and management of sustainable development issues with emphasis on work safety, environmental protection and society, while focusing on economic and sustainable operation. Aspiring at achieving those objectives, CPW has established specific policies and puts continuously into practice adequate management systems and procedures that uphold responsible operation and define the way in which its goals are achieved. More specifically, the Company has established and implements, among others, the following policies and codes:

- ✓ Operating procedure manual
- ✓ Sustainable development policy
- ✓ Occupational Health and Safety Policy
- ✓ Environmental Policy
- ✓ Human rights procedures
- ✓ Quality assurance policy
- ✓ Code of Conduct and Business Ethics
- ✓ Anti-bribery and anti-corruption policy

Management systems support the above policies as follows:

- Quality assurance system, according to ISO 9001:2015
- Environmental Management System as per ISO 14001:2015
- Work Health and Safety Management System as per OHSAS 18001:2007

Anti-corruption and bribery related issues

The Company acknowledges the need to take preventive measures to eliminate potential risks arising from issues related to transparency and corruption. In this context, it has long carried out a comprehensive corporate governance framework that aims to ensure transparent, sound and efficient management, which in the long run leading to business and economic growth.

CPW has been participating for many years in the actions of "*Transparency International Greece*" and is also an active member of the "*Business Integrity Forum*" ("BIF"), an initiative deployed by "Transparency International Greece". BIF's aim is to create a network with the participation of member companies that publicly declare their commitment to operate in transparency, by adopting specific policies of good governance. This background helped the development of relevant safeguards that are regularly audited by the internal audit department. In 2017, an explicit corruption and bribery prevention policy was adopted.

As a result of all the above policies and practices, no corruption/ bribery incident has been reported during 2018 as in previous years.

Environmental issues

CPW's commitment to continuously improving its environmental performance is based on the adoption of environmental policy and the implementation of an integrated environmental management.[4]

Effective monitoring, recording and analysis of the Company's environmental performance is achieved through, among other things, an Environmental Management System certified to the ISO 14001:2015 standard. In this context, it develops and implements environmental programs, while it also systematically invests in environmental protection infrastructure.

[4] Details found in http://www.cpw.gr/en/sustainability/environment/management-and-compliance/.

For CPW, environmental protection is directly linked to the personal and practical contribution of each employee. For this reason, the Company emphasizes in the continuous awareness of its people on issues of environmental management and environmental protection. In 2018, a total of 1063 hours of education on environmental issues took place, with more than 200 participants.

In 2018, the Company's total CO_2 emissions amounted to approx. 81 kg per ton of product, increased by 9.5% compared to the previous year. This is a result of repeatedly bringing in the fossil fuel-operated backup power generators to guarantee electricity supply to the Thisvi production plant, after a number of local grid power failures during the year. As stated above, the carbon footprint includes direct and indirect (generated from the electricity supplier) emissions and is measured in tons of CO_2 per ton of core products, whereas water consumption is measures in cubic meters (m^3) per ton of core products.

	2018	2017
Carbon emissions	0.08	0.07
Water consumption	0.24	0.23

As an example of CPW's continuing effort to reduce electricity consumption, the perimeter lighting of facilities was upgraded (LED lights are now used instead of conventional bulbs), improving also lighting conditions. Energy savings exceeded 60%, while lighting intensity improved by 30%, together with lighting quality(color rendering index, correlated color temperature).

<u>Labor and social matters</u>

The Company applies merit-based procedures to select, train and reward employees to develop their skills. In this way, the performance and level of commitment of the employees, as well as the Company's business development, are strengthened. Together with the effective implementation of its policies, the Company implements a Code of Ethics and Business Ethics, which is the framework for its operation as well as the basic tool for the formation of a single corporate culture. Constantly oriented towards human values, the Company seeks to apply responsible work practices, focusing on important issues such as:

- ensuring of the health and safety of its employees and associates
- safeguarding of jobs
- providing equal opportunities for all employees
- applying fair and objective evaluation systems
- ensuring ongoing training and education

Key elements of Human Resources

The Company seeks to recruit, develop and retain the most competent individuals so as to ensure that business goals and priorities are achieved.

Employees' continuous development of knowledge and skills is the foundation on which the Company relies for its development. In this direction, the Company makes systematic investments in the training of its human resources, focusing on the implementation of a number of training seminars and courses, in order to enhance the employees' knowledge and skills, in all posts and ranks.

Personnel profile per gender, age and seniority

Aging profile of personnel	18-30	30-50	51+
Male	37	305	105
Female	4	36	2
Total	**41**	**341**	**107**
Seniority level	**Male**	**Female**	**Total**
Managers	54	15	69
Senior executives	10	1	11
Employees	55	22	77
Foremen and workers	328	4	332
Total	**447**	**42**	**489**

Training indicators per gender and rank

2018	Total training hours			Average training hours per category		
	Men	*Women*	*Total*	*Men*	*Women*	*Total*
Managers	618	40	658	64.60	40.00	62.36
Senior executives	4,309	573	4,882	79.00	38.20	70.13
Employees	1,553	112	1,665	28.51	5.09	21.82
Foremen and workers	2,692	23	2,715	8.20	5.75	8.17
Total	**9,172**	**748**	**9,920**	**20.52**	**17.81**	**20.28**

Turnover in CPW is both low and constant at 2.7% for 2018 (2.8% also in 2017).

Equal opportunities and human rights

Responsible management of the Company's human resources is based on equal opportunities and respect for human rights. CPW embraces a fair, merit-based working environment where every employee enjoys equal rights. The Company applies policies and procedures that incorporate impartial criteria (such as qualifications and performance) to hiring, remuneration, promotion and training and does not discriminate on the basis of gender, nationality, age, marital status or other characteristics.

Given the industrial nature of CPW, the percentage of women in the total workforce is rather low as shown in the following table:

	2018	2017
% of women in total workforce	8.6	8.5

As in previous years, during 2018 there were no incidents of discrimination recorded or reported, no incidents of forced or voluntary child labour and no case of human rights violations. This was a result of the policies, procedures and control mechanisms that are in place and implemented by the Company.

Occupational Health and Safety

Safeguarding employee health, ensuring compliance with health and safety laws and regulations, and the extinction of any employee accident in our production facilities, have always been among CPW's primary objectives. In line with efforts to promote health and safety, the Company has implemented a comprehensive occupational health and safety management system (OHSMS) certified to the OHSAS 18001 international standard. The system includes the Health and Safety Policy procedures designed to ensure ongoing application of measures to minimize occupational risks and accidents and to promote a culture of prevention.

Recognizing the multiple benefits of its application, the Company has been applying the 5S methodology in its production facilities since 2013. In 2018, the application of a holistic 5S approach was achieved in all production facilities, and working practices improved substantially.

During 2018, CPW implemented actions to promote Health and Safety at work and to inform and raise awareness of its people on environmental issues. The actions related to special events, presentations and intensive trainings at its production facilities in Thisvi, Viotia. A total of 3.938 training hours on Health & Safety were offered to more than 250 employees.

In order to monitor and evaluate performance in the field of Health and Safety, CPW uses internationally applicable indicators as below:

	2018	2017
LTIR	3.4	3.0
Severity Rate	118.1	374.5

Local Community support

The Company strives for its business activities to be in a positive and productive interaction with the social environment in which it operates, to contribute to the overall development of the country and to benefit local communities through job creation (priority is given to the recruitment of employees local area) and the provision of business opportunities (through cooperation with local suppliers wherever possible).

The following table presents the percentage of employees from local communities.

	2018	2017
% of employees from local communities	90.6	90.7

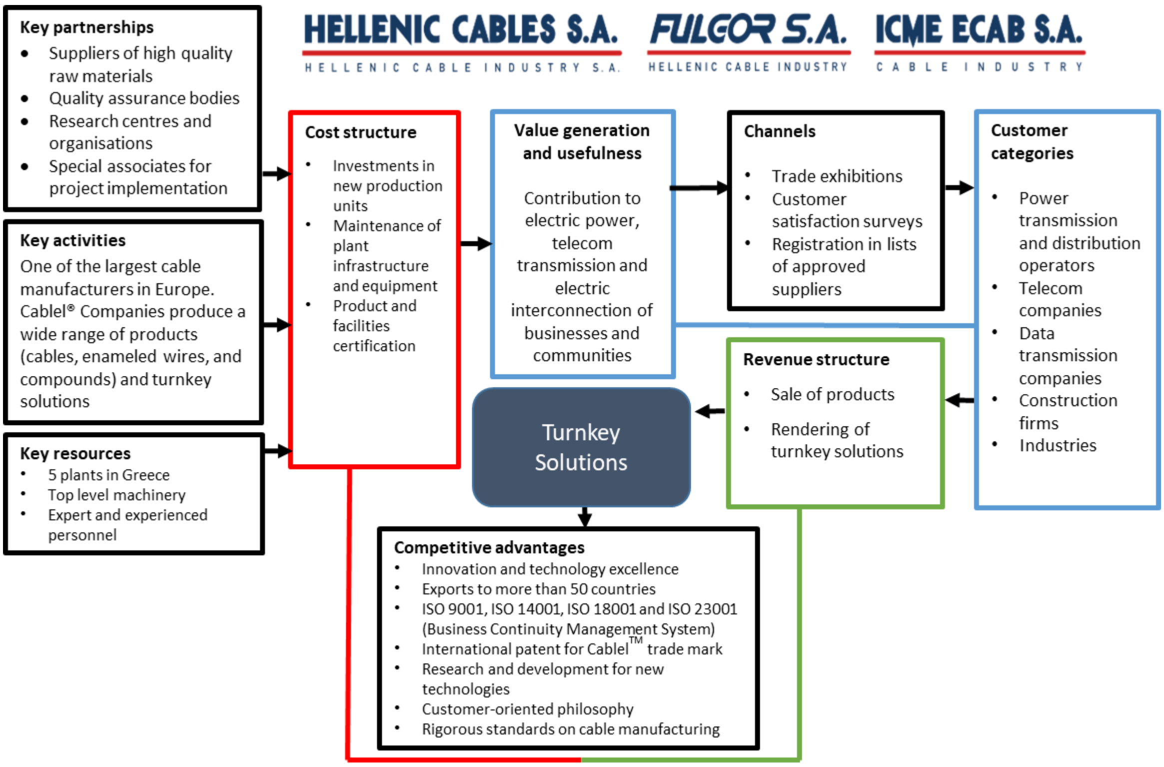
The Company maintains a continuous two-way communication with local communities in order to recognize their needs and respond in a timely and responsible manner. In addition, it tries to strengthen vulnerable social groups, and in parallel supports school infrastructure, as well as cultural and sport events.

Through its business activities, the Company generates multiple benefits for the community (salaries and other direct benefits to employees, relevant taxes and social contributions to the state). Furthermore, investments are made, as well as payments to the suppliers of materials and service providers. In this way, the overall positive impact of the Company on local as well as on the whole society is important.

Cables

Business Model

The following section sets forth the non-financial information and relative policies, actions & programs for Cablel® cable companies (Hellenic Cables S.A., with its subsidiary Fulgor S.A., and Icme Ecab S.A.), which carries out manufacturing operations in Romania. In detail, the business model of the cables segment is described below:



Management of Sustainable Development issues – Policies and Systems

All cables segment companies have incorporated sustainable development principles in their business operations and their functioning, acknowledging that their long-lasting development and prosperity may be achieved only if they develop Corporate Responsibility actions. The care for the Health and Safety of employees, respect and protection of natural environment, integrated fulfilment of customers' needs and harmonious co-existence with the local communities in which they operate are the key pillars of Sustainable Development for Cablel® cable companies.

Seeking to ensure their continuous improvement in relevant matters, all companies set specific goals and monitor their progress on an annual basis, based on the relevant key performance indicators they have developed. To attain these ratios and goals, they prepare and implement adequate plans and actions of responsible operation.

Specific policies were established and adequate management systems and procedures were put into practice to uphold responsible operation and define the way in which the Companies' goals are achieved. Among others, they include:

- Code of Conduct and Business Ethics
- Internal Operating Regulation
- Sustainable Development Policy
- Occupational Health and Safety Policy
- Environmental Policy
- Quality Policy
- Suppliers Code of Conduct

Corporate Responsibility is further fostered by the development and implementation of certified management systems to all their operations and facilities; a list follows:

- ISO 9001:2015 Quality Management System.
- Environmental Management System as per ISO 14001:2015.
- Work Health and Safety Management System as per OHSAS 18001:2007
- ISO 50001:2011 Energy Management System
- ISO 22301:2012 Business Continuity Management.

Anti-corruption and bribery-related issues

Cablel® cable companies have taken preventive steps in order to assume and determine the limits of responsibility and influence of each of their executives, develop safeguards for preventing any corruption incidents, and carry out the relevant checks in relation to their operations. As part of the plan to protect customers' interests and to enhance transparency in all operations, the subsidiaries' Commercial Managers sign a special corporate form in which they undertake to refrain from any procedure that may lead to unlawful partnership with potential competitors for price fixing, bid rigging, creation of barriers to the market or production, imposition of quotas per geographical area or customer allocation.

During 2018, as in previous years, no incident of corruption or bribery was recorded or reported.

Environmental issues

In the context of environmental responsibility, Cablel® cable companies have adopted an environmental policy (http://www.cablel.com/781/en/environmental-responsibility/) and all production units implement an Integrated Environmental Management System, certified as per ISO 14001:2015. They see to the ongoing training and awareness-raising of their employees so as to ensure sound implementation of their environmental policy. Based on the subsidiaries' environmental approach, monitoring of the implementation of environmental plans and continuous improvement of the Environmental Management System are assumed by the environment officer who is appointed in each production unit.

To further reduce their environmental footprint on an ongoing basis with concrete measures, cable companies:

- implement an Environmental Management System (ISO 14001:2015) in all their production facilities aiming at the integrated management of environmental matters;
- implement targeted environmental management plans (e.g. energy saving plans, actions and initiatives to reduce air emissions, etc.);

- seek the rational use of natural resources and operate in accordance with the principles of circular economy, when possible;
- make continuous investments in environmental protection infrastructures;
- put into practice effective environmental management plans such as energy saving and sound waste management plans; and
- focus on ongoing training and awareness raising of their employees and partners in environmental matters.

Cablel® cable companies adopt and implement the principles of circular economy since they can help them influence and develop all production stages of a product. Special emphasis is laid on three key points of product development:

a. optimisation of the use of raw materials,
b. the criteria and requirements set when designing products, and
c. how they are manufactured.

Towards this goal, a five-year strategic plan has been put in place, so subsidiaries already acquire and use more environment-friendly raw and auxiliary materials, whenever possible.

With respect to energy consumption, companies use electricity as the main source of energy, as well as fossil fuels, mainly LPG and diesel. Recognising the scarcity of these natural resources, Cablel® Companies take all necessary steps to ensure their effective use and limit the quantities used. They aim for the minimization of water consumption and carbon emissions, as presented below. Note that the carbon footprint includes direct and indirect (generated from the electricity supplier) emissions and is measured in tons of CO_2 per ton of core products, whereas water consumption is measures in cubic meters (m^3) per ton of core products.

	Hellenic Cables		ICME		Fulgor	
	2018	2017	2018	2017	2018	2017
Carbon emissions	0.40	0.46	0.40	0.41	0.28	0.35
Water consumption	0.55	0.60	9.49	11.32	0.29	0.23

Labour and social matters

Cablel® cable companies focus on making continuous investments in their human resources, by encouraging initiative taking for synergies, and on continuous development through training. Each subsidiary keeps relations of trust with all employees, while seeking to maintain a safe and discrimination-free working environment that offers at all times training opportunities and fair reward. Cablel® cable companies' key concern is to secure optimum working conditions and fair reward, showing respect for human rights, diversity and equal opportunities to all employees. Steadily oriented to human values, all cables segment companies strive to implement responsible management practices by focusing on material issues such as:

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

- ✓ providing additional benefits

Human Resources

Cablel® cable companies seek to recruit, develop and retain the most competent individuals so as to ensure that business goals and priorities are achieved.

Employees' continuous development of knowledge and skills is the foundation on which Cablel® cable companies rely for their development. In this direction, each subsidiary makes systematic investments in the training of its human resources, focusing on the implementation of a number of training seminars and courses, in order to enhance the employees' knowledge and skills, in all posts and ranks.

Aging profile of personnel	18-30	30-50	51+
Male	146	725	281
Female	30	105	40
Total	**176**	**830**	**321**

Seniority level	Male	Female	Total
Managers	30	4	34
Senior executives	137	25	162
Employees	110	62	172
Foremen and workers	871	88	959
TOTAL	**1152**	**175**	**1327**

The above table includes only those Cablel ® companies that satisfy the materiality criterion and not the entire workforce in the cables segment.

Personnel retention

With a sense of responsibility, Cablel® cable companies seek to retain their employees by offering a workplace of equal opportunities that respects the personality of each employee, by investing materially and systematically, in their training and development.

The following table presents a fundamental KPI for labour matters, the turnover ratio of employees.

	Hellenic Cables		ICME		Fulgor	
	2018	2017	2018	2017	2018	2017
Turnover rate	6.1	5.7	46.0	21.3	12.4	3.7

The high turnover rate for ICME is due to the very low unemployment levels in Romania, coupled with a strong growth in the local service industry that lures young personnel away from industrial sectors.

Training indicators per gender and rank

2018	Total training hours			Average training hours per category		
	Men	***Women***	***Total***	***Men***	***Women***	***Total***
Managers	314	151	425	10.47	37.75	12.50
Senior executives	2,335	608	2,943	17.04	24.32	18.17
Employees	2,480	497	2,916	22.55	8.02	16.95
Foremen and workers	7,297	876	8,173	8.38	9.95	8.52
Total	**12,409**	**2,159**	**14,457**	**10.77**	**12.34**	**10.89**

The training courses attended by all employees ranging from senior management to production refer to research and development, quality control, Health and Safety and other matters. In 2018, all subsidiaries provided training courses either on an in-house basis or in collaboration with a specialised external body.

Equal opportunities and human rights

The Code of Conduct of Cablel® companies is also a key tool enabling them to maintain a fair and merit-based workplace, focusing in particular on equal opportunities and respect for human rights. Specifically, the relevant practices included in this Code of Conduct and relating to human rights and equal opportunities are:

- Forced or child labour: We ensure that all our employees and the subcontractors carrying out work in our premises produce all necessary documents that prove that child labour is excluded. In addition, the communication channels developed help strengthen a sense of mutual respect, collaboration and team-spirit so as to avoid any incidents of harassment.
- Non-discrimination: Cablel® cable companies employs 3 disabled men, as well as 17 persons of different nationalities and religion other than Greek and Romanian.
- Equality and equal opportunities: All companies underpin the role of women as mothers providing them with the option of reduced working hours without, however, excluding men who wish to take advantage of this facility. During 2018, 6 women got parental leave while all women that had benefited from parental leave in the past are still working for the companies.

Still, given the heavy industrial nature of all companies in the cables segment, the percentage of women in the total workforce is rather low. The following table shows this in Cablel® major cable companies:

	Hellenic Cables		ICME		Fulgor	
	2018	2017	2018	2017	2018	2017
% of women in total workforce	23.3	7.4	7.9	22.9	7.6	10.4

During 2018, as in previous years, no incident of discrimination was recorded or reported and there was no incident of forced or voluntary child labour.

Occupational Health and Safety

Seeking to establish conditions that will protect the health of employees and secure safe operation of their premises, Cablel® cable companies have adopted a Health and Safety Policy and implement an Occupational Health and Safety Management System which is certified as per OHSAS 18001:2007. The ultimate goal of the Companies is to develop a safety culture which encourages all employees to behave responsibly in the workplace.

The Health and Safety system of Cablel® companies is based on prevention and seeks to analyse the key factors that could lead to an incident or accident at the workplace. Emphasis is given on dealing with safety incidents and accidents in a timely fashion (alert - analysis), on implementing improvement actions - immediately after the incident and in real time - and on taking more prevention-oriented initiatives, all with a view to strengthening the safety culture.

	Hellenic Cables		ICME		Fulgor	
	2018	2017	2018	2017	2018	2017
LTIR[5]	10.5	11.9	5.7	6.4	11.6	11.3
SR[6]	282.8	116.2	75.9	115.8	299.9	338.0

No fatalities occurred in any of the companies during 2018 but the level of accidents is still away from internal targets. All companies drew lessons from that unfortunate experience and have implemented several programs, 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, and
- safety culture development initiatives.

Local Community support

Cablel® cable companies support local communities[7] and cover a major part of their needs for human resources from their workforce. They also support local entrepreneurship by selecting suppliers from the local communities in which they operate (whenever this is possible).

More specifically, through various actions the Companies contribute to the welfare of the communities in which they operate. The pillars of support to the local communities of Cablel® cable companies refer to the following:

- ✓ Support to local employment: The companies try to employ personnel from the local community.
- ✓ Boosting local economy: Companies opt to collaborate with local suppliers insofar they meet all relevant conditions and requirements.

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[5] LTIR: Lost time incident rate (number of LTI incidents per million working hours)

[6] SR: Severity rate (number of lost work days per million working hours)

[7] The “local community” is the small city or municipality closest to the main production plant of each company. For example, the municipality of Thiva is the “local community” for Hellenic Cables.

- ✓ Development of social actions: Companies strengthen relations with the local communities on a daily basis, by developing social actions in the fields of education, sports and health of vulnerable groups.
- ✓ Voluntarism: Offering to other people is a key aspect of the corporate culture of Cablel® cable companies.

Through their operations, Cablel® cable companies generate multiple benefits for the local communities. In addition to the payment of salaries and other benefits to their employees, the subsidiaries pay the State the corresponding taxes and levies, and make continuous investments and payments to the collaborating suppliers of materials and services. They also support initiatives that strengthen local sustainability (by supporting NGOs, school community and local bodies).

The following table presents the percentage of employees from local communities.

	Hellenic Cables		ICME		Fulgor	
	2018	2017	2018	2017	2018	2017
% of employees from local communities	82.3	76.2	100.0	51.9	75.4	76.9

Corporate Governance

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 principles of the Corporate Governance Code:

- **Principle 2.3** "At least one half of the board should comprise non-executive directors and at least three of them should be independent according to the criteria set out in Appendix A."

  Explanation: Ms Margaret Zakos, one of the independent members of the Board of Directors, resigned with effect from November 28, 2018. Since this date, there has only been two independent members on the Board of Directors of Cenergy Holdings. At the Annual Shareholder Meeting on May 28, 2019, the Board of Directors will propose that Mr Manuel Iraola be appointed as an independent member of the Board of Directors. If this appointment is approved, the Board of Directors will be composed of three Independent members as from the date of such appointment and remain compliance with Principle 2.3 of the Corporate Governance Code.

- **Principle 5.2** "The board shall set up an audit committee in accordance with the Code on Companies. It should assist the board in fulfilling its monitoring responsibilities in respect of control in the broadest sense and follow the provisions set out in Appendix C."

  Explanation: The Corporate Governance Code provides that the Audit Committee should be composed of a majority of independent directors (Appendix C). The Audit Committee of Cenergy Holdings however, consists of just one independent member, in line with the composition requirement sets out in article 526bis of the Belgian Companies Code. Cenergy Holdings considers that the composition of the Group's Audit Committee is adequate and does not compromise the exercise of its legal missions by the committee.

- **Principle 5.3** "The board should set up a nomination committee following the provisions set out in Appendix D" and **Principle 5.4** "The board should set up a remuneration committee following the provisions set out in Appendix E."

  Explanation: Pursuant to the Corporate Governance Code (Appendix D and E) and pursuant article 526 quarter of the Belgian Companies Code, the Nomination and Remuneration committee should be composed of a majority of independent directors. Further to the resignation of Ms Margaret Zakos with effect from November 28, 2018, the Nomination and Remuneration Committee includes just one independent member. The composition of the Nomination and Remuneration Committee will be regularised upon the proposed appointment of Mr Manuel Iraola as independent member of the Board of Directors at the Annual Shareholder Meeting on May 28, 2019. If this appointment is approved, the committee will again be composed of a majority of independent members as from the date of such appointment.

- **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 to provide 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).

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

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

Board of Directors

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 Executive Management and reviewing its implementation;
- monitoring the quality of the services provided by the statutory auditor and the internal audit, taking into account the Audit Committee's review;
- approving the remuneration report submitted by the Nomination and Remuneration Committee; and
- all other matters reserved to the Board.

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

2. Composition of the Board

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

Name	Position	Term started	Term expires
Jacques Moulaert	Chairman - Non-Executive member of the Board	May 2018	May 2019
Dimitrios Kyriakopoulos	Vice-President – Executive member of the Board	May 2018	May 2019
Xavier Bedoret	Non-Executive member of the Board	May 2018	May 2019
Simon Macvicker	Non-Executive member of the Board	May 2018	May 2019
Manuel Iraola	Non-Executive member of the Board	May 2018	May 2019
Rudolf Wiedenmann	Non-Executive member of the Board	November 2018	May 2019
Joseph Rutkowski	Independent, Non-executive member of the Board	May 2018	May 2019
Margaret Zakos	Independent, Non-executive member of the Board	May 2018	November 2018
William Gallagher	Independent, Non-executive member of the Board	May 2018	May 2019

On November 28, 2018, Ms Margaret Zakos resigned from her position as member of the Board of Directors of Cenergy Holdings. Following the recommendation of the Nomination and Remuneration Committee, Mr Rudolf Wiedenmann was co-opted as Non-Executive member of the Board until the next Shareholder Meeting at which a new member will be definitively appointed.

The mandate of all members of the Board will expire at the Annual Ordinary Shareholders' Meeting to be held in 2019.

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 (Chairman, Non-Executive member)

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 on 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, Executive Member)

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

Xavier Bedoret (Non-Executive member)

Mr Bedoret holds a Master's degree in Law and Psychology from the Catholic University of Louvain (UCL) and is a certified public accountant. 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)

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

Rudolf Wiedenmann (Non-Executive member)

Mr Wiedenmann holds a Master's degree in Chemistry from Ludwig-Maximilians Universität München and a PhD in Natural Sciences. He is a member of the Board of Directors of Icme Ecab S.A. In the past, he worked as director in the research and development center and as

Managing Director of the Energy Cables division of Siemens in Germany. He also served as President in the European Association of Cable Manufacturers.

Manuel J. Iraola (Non-Executive member)

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

Joseph Rutkowski (Independent, Non-Executive member)

Retired Executive Vice-President of Nucor Corporation responsible for Domestic and International Business Development from 2001 – 2010. Mr Rutkowski became Executive Vice President in 1998 responsible for all steelmaking activities. Prior to that, he served as Vice President and General Manager of Nucor Steel in Darlington, South Carolina and Hertford County, North Carolina. He joined Nucor in 1989 as Manager of Nucor Cold Finish and also served as Manager of Melting and Casting at Nucor Steel-Utah. Mr Rutkowski held various positions within the steel and steel-related industries after graduating from Johns Hopkins University in 1976 with a Bachelor of Science in Mechanics and Materials Science. He was also a President of the Association of Iron and Steel Engineers. He is currently Principal of Winyah Advisors, LLC, a management consulting firm.

Margaret Zakos (Independent, Non-Executive)

Ms Zakos holds a BNSc from Queens University, Ontario, Canada. She is a registered insurance broker in Ontario and previous owner of 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 at 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)

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

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

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

The Board decides which candidates satisfy the independence criteria set by law. To be considered independent, a member of the Board must fulfil the criteria set forth in Article 526ter of the BCC. Any Independent member of the Board who no longer fulfils the above criteria of independence is required to immediately inform the Board.

The Board of Cenergy Holdings, having reviewed the independence criteria pursuant to the 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's Board members must be female as of the financial year starting on January 1, 2022. The Board has entrusted the Nomination and Remuneration Committee to review the matter and propose the appropriate profiles so that the Board may appoint the new members of the Board and thus ensure that the Company complies with this legal requirement. For more information on the the diversity policy of the Company, its objectives, and how such diversity policy has been implemented, please refer to the Non-Financial Statement elsewhere in this Annual Report.

5. Functioning

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

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

The Board has appointed a Company Secretary, Mr 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 four times a year. The majority of the Board meetings in any year take place at the Company's registered offices.

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

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 2018:

Date and Place	Attendance
March 21, 2018 (Brussels)	Present: 7 Represented: 1 Absent: -
May 29, 2018 (Brussels)	Present: 8 Represented: - Absent: -
September 26, 2018 (Athens)	Present: 8 Represented: - Absent: -
November 28, 2018 (Brussels)	Present: 8 Represented: - Absent: -

Committees of the Board

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

1. The Audit Committee

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

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

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

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

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

- monitors the financial reporting process;

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

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

In 2018, the Audit Committee met four times: on March 21, in Brussels, with all members present; on May 29, in Brussels, with all members present; on September 26, in Athens, with all members present; and on November 28, 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'***) which consists of the following members as at 31 December 2018:

- Jacques Moulaert, President;
- Joseph Rutkowski; and
- Manuel Iraola.

On November 28, 2018, Ms Margaret Zakos resigned from her position as member of the Board and of the Nomination and Remuneration Committee. As recommended by the Nomination and Remuneration Committee, Mr Manuel Iraola was appointed as the new member of such Committee

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 Executive Management, and in particular:

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

In 2018, the Nomination and Remuneration Committee met three times: on March 21, May 29 and November 28, in Brussels, with all Committee members present.

Evaluation of the Board and its Committees

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

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

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

Executive management

The Executive Management of the Company comprises the Executive Vice-President, *Mr Dimitrios Kyriakopoulos*; the two co-Chief Executive Officers (Co-CEOs), *Mr Alexios Alexiou* and *Mr Apostolos Papavasileiou;* and the Chief Financial Officer (CFO), *Mr Alexandros Benos*.

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

Dimitrios Kyriakopoulos, Executive Vice-President

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

Apostolos Papavasileiou, Co-Chief Executive Officer

Mr Papavasileiou has been CEO of Corinth Pipeworks 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 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 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.

Alexandros Benos, Chief Financial Officer

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

On May 29, 2018, Mr Theodoros Panagopoulos, CFO and member of the Company's Executive Management, submitted his resignation. Following the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr Alexandros Benos as new CFO and member of 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 responsibilities to Executive Management:

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

Remuneration 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 remuneration policy for the years 2019 and 2020.

2. Board of Directors

The remuneration of the members of the Board for the year 2018-2019 foresees a fixed fee for each Board member amounting to EUR 25,000, plus an equal sum in case of a committee membership.

The remuneration of the Board's Chairman 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 Shareholder Meeting until the Annual Shareholder 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 (2018-2019):

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	25,000	0	0	25,000
Xavier Bedoret	25,000	25,000	0	50,000
Simon Macvicker	25,000	25,000	0	50,000
Rudolf Wiedenemann*	12,500	0	0	12,500
Manuel Iraola**	25,000	0	12,500	37,500
Joseph Rutkowski	25,000	0	25,000	50,000
Margaret Zakos ***	12,500	0	12,500	25,000
William Gallagher	25,000	25,000	0	50,000
Total Remuneration	**200,000**	**75,000**	**75,000**	**350,000**

** Mr. Wiedenmann was appointed as member of the Board of Directors on 28 November 2018.*

** *Mr. Iraola was appointed as member of the Nomination and Renumeration Committee on 28 November 2018.*

**** Ms. Zakos resigned from her position as member of the Board of Directors on 28 November 2018.*

Executive members of the Board and Executive Management

The remuneration policy for 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 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 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 2018 amounted to EUR 580 thousand. This amount includes the remuneration of the two co-CEOs for 2018, amounting to EUR 220 thousand for Mr Alexios Alexiou and EUR 310 thousand for Mr Apostolos Papavasileiou (total EUR 530 thousand). The total remuneration paid to non-executive members of the Board is presented in the above table, with the exception of Mr. Wiedenmann, who received an additional sum of EUR 2.7 thousand by Icme Ecab. The total remuneration of the Non-Executive members of the Board amounted to EUR 328 thousand.

The total amount of the above mentioned remuneration (EUR 908 thousand) has been paid by Cenergy Holdings and its subsidiaries during 2018.

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.

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

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

- ***Company’s Risk Management***

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

- ***Internal Audit Function***

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

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

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

Control Activities and Relationship with Subsidiaries

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

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

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

Financial Reporting and Monitoring Activities

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

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

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

Conflict of interests

Pursuant to Article 8 of the Corporate Governance Charter, in the event that a conflict of interest arises with a Board member, a shareholder or other Cenergy Holdings' company, the Board is required to implement the specific procedures of conflict resolution set forth in articles 523 and 524 of the BCC.

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

All Board members are required to inform the Board on conflicts of interest once they arise. If the conflict of interest is of a proprietary nature, they will also abstain from participating in the discussions and deliberations on the matter involved, in accordance with Article 523 of the BCC. If the conflict of interest 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 Executive Management (or a company or entity with which such member of the Board or Executive Management has a close relationship) on the other hand, such member will inform the Board of the conflict. The Board is under an obligation to check that the approval of the transaction is motivated by the Company's interest only and that it takes place at arm's length.

In all cases involving a conflict of interest not covered by Article 523 of the BCC, the Board member affected by the conflict of interest is required to judge whether he or she should abstain from participating in the discussions of the Board and the vote.

Since the listing of the Company, the Board has not been notified of any transaction or other contractual relationship between Cenergy Holdings and its Board members which cause a conflict of interest as defined by articles 523 and 524 of the BCC.

Shareholders

1. Capital Structure

On December 31, 2018, 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 select, at any time, to have their registered shares converted into dematerialised shares and vice versa.

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

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

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 any natural and legal person, who directly or indirectly acquires voting securities in the Company, notifies the Company and the Financial Services and Markets Authority (the '***FSMA***') of the number and proportion of existing voting rights they hold, where the voting rights attached to the voting securities reach 5% or more of the total existing rights. A similar notification is required in the following cases:

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

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

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

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

The voting rights held by major shareholders of the Company 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 Shareholder 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.

Shareholder 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	2018	2017
At the end of the year	1.22	1.18
Maximum	1.59	1.29
Minimum	1.00	0.57
Dividends	0	0
Gross annual return in %	3.39%	

Share price ATHENS EXCHANGE in EUR	2018	2017
At the end of the year	1.27	1.23
Maximum	1.58	1.30
Minimum	1.03	0.66
Dividends	0	0
Gross annual return in %	3.25%	

Investor relations contact details

Sofia Zairi
Head of Investor Relations
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Belgium tel:	(+32) 2. 224.0960
Greece tel:	(+30) 210 6787 111, (+30) 210 6787 773

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 S.A.

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

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:
   a. Cenergy Holdings 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	After the transaction			
	# of voting rights	**# 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 SA	27,060	107,960,701		56.77%	
Elvalhalcor 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 a history of dividend distribution. For the last three financial years, no dividends were distributed to shareholders.

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 at least 5% of its annual net profits to its legal reserve each year, until the legal reserve equals at least 10% of the Company's share capital. As a consequence of these factors, there can be no assurance as to whether dividends or similar payments will be distributed in the future.

Financial calendar

Date	Publication / Event
14 May 2019	Presentation of 2018 financial results to the analysts (Athens Stock Exchange)
28 May 2019	Annual General Meeting 2019
25 September 2019	Half Yearly 2019 results

2018

CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Statement of Financial Position

Amounts in EUR thousand		31 December 2018	31 December 2017*
ASSETS	**Note**		
Property, plant and equipment	18	405,330	384,452
Intangible assets and goodwill	19	22,284	16,757
Investment property	20	5,837	6,140
Equity - accounted investees	21	11,929	13,012
Other investments	22	4,579	4,662
Trade and other receivables	16	1,877	2,396
Contract costs		108	-
Deferred tax assets	14	3,362	147
Non-current assets		**455,306**	**427,565**
Inventories	15	221,105	186,251
Trade and other receivables	16	199,648	138,267
Contract assets	8	114,327	65,166
Contract costs	8	1,872	1,211
Income tax receivables		95	126
Derivatives	23	1,140	1,733
Cash and cash equivalents	17	65,203	69,443
Current assets		**603,390**	**462,197**
Total assets		**1,058,696**	**889,763**
EQUITY			
Share capital		117,892	117,892
Share premium		58,600	58,600
Reserves	24	33,273	35,591
Retained earnings/(losses)		(6,784)	(12,150)
Equity attributable to owners of the Company		**202,981**	**199,933**
Non-controlling interests		317	289
Total equity		**203,298**	**200,222**
LIABILITIES			
Loans and borrowings	26	174,792	86,141
Employee benefits	12	4,320	4,273
Grants	28	14,655	15,436
Trade and other payables	27	4,233	6,086
Deferred tax liabilities	14	16,781	21,989
Non-current liabilities		**214,781**	**133,924**
Loans and borrowings	26	363,854	362,732
Trade and other payables	27	209,587	186,915
Contract liabilities	8	62,147	4,724
Current tax liabilities		86	13
Derivatives	23	4,944	1,233
Current liabilities		**640,618**	**555,617**
Total liabilities		**855,399**	**689,541**
Total equity and liabilities		**1,058,696**	**889,763**

** Cenergy Holdings has initially applied IFRS 9 at 1 January 2018. Under the transition method chosen, comparative information has not been restated (see Note 6). See Note 5.22.i, for details regarding re-presentation of prior year's figures.*

The notes on pages 94 to 167 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Profit or Loss

Amounts in EUR thousand		For the year ended 31 December	
	Note	2018	2017*
Revenue	8	963,797	758,318
Cost of sales	9	(894,553)	(699,562)
Gross profit		**69,244**	**58,756**
Other income	9	4,526	5,339
Selling and distribution expenses	9	(16,288)	(12,901)
Administrative expenses	9	(20,775)	(18,635)
Reversal of / (Impairment loss) on receivables and contract assets	29 C.1	280	(9,206)
Other expenses	9	(4,722)	(1,557)
Operating profit		**32,265**	**21,796**
Finance income	10	890	749
Finance costs	10	(33,101)	(33,694)
Net finance costs		**(32,211)**	**(32,946)**
Share of profit of equity-accounted investees, net of tax	21	654	541
Profit/(Loss) before tax		**708**	**(10,610)**
Income tax	14	6,180	5,834
Profit/(Loss)		**6,888**	**(4,775)**
Profit/(Loss) attributable to:			
Owners of the Company		6,861	(4,761)
Non-controlling interests		27	(14)
		6,888	**(4,775)**
Earnings per share (in EUR per share)			
Basic and diluted	11	0,03608	(0.02504)

** Cenergy Holdings has initially applied IFRS 9 at 1 January 2018. Under the transition method chosen, comparative information has not been restated (see Note 6), but certain information is re-presented (See Note 5.22.ii).*

The notes on pages 94 το 167 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Amounts in EUR thousand	Note	For the year ended 31 December 2018	 2017*
Profit/(Loss)		6,888	(4,775)
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit liability	12	156	(187)
Related tax		(65)	56
		92	**(130)**
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences		(1,151)	(2,017)
Cash flow hedges – effective portion of changes in fair value		(2,040)	544
Cash flow hedges – reclassified to profit or loss		(544)	552
Related tax		753	(299)
		(2,982)	**(1,220)**
Total comprehensive income / (expense) after tax		**3,997**	**(6,125)**
Total comprehensive income attributable to:			
Owners of the Company		3,969	(5,913)
Non-controlling interests		28	(212)
		3,997	**(6,125)**

** Cenergy Holdings has initially applied IFRS 9 at 1 January 2018. Under the transition method chosen, comparative information has not been restated (see Note 6).*

The notes on pages 94 το 167 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

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 2018		**117,892**	**58,600**	**(17,525)**	**53,117**	**(12,150)**	**199,933**	**289**	**200,222**
Impact of initial application of IFRS 9, net of tax	6	-	-	-	-	(920)	**(920)**	(1)	**(921)**
Adjusted balance at 1 January 2018*		**117,892**	**58,600**	**(17,525)**	**53,117**	**(13,071)**	**199,012**	288	**199,301**
Total comprehensive income									
Profit for the period		-	-	-	-	6,861	**6,861**	27	**6,888**
Other comprehensive income		-	-	(1,151)	(1,833)	92	**(2,892)**	1	**(2,890)**
Total comprehensive income		**-**	**-**	**(1,151)**	**(1,833)**	**6,953**	**3,969**	**28**	**3,997**
Transactions with owners of the company									
Transfer of reserves		-	-	-	666	(666)	-	-	-
Total transactions with owners of the Company		-	-	-	**666**	**(666)**	-	-	-
Balance at 31 December 2018		**117,892**	**58,600**	**(18,676)**	**51,950**	**(6,784)**	**202,981**	**317**	**203,298**

Amounts in EUR thousand	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 initial application of IFRS 15, net of tax	-	-	-	-	(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**

** Cenergy Holdings has initially applied IFRS 9 at 1 January 2018. Under the transition method chosen, comparative information has not been restated (see Note 6).*
***Cenergy Holdings has early adopted IFRS 15 "Revenue from Contracts with Customers" with a date of initial application of 1 January 2017. Cenergy Holdings has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information was not restated.*

The notes on pages 94 το 167 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

		For the year ended 31 December	
Amounts in EUR thousand	**Note**	**2018**	**2017***
Cash flows from operating activities			
Profit/(Loss) of the period		6,888	(4,775)
Adjustments for:			
- Income tax		(6,180)	(5,834)
- Depreciation	18, 20	22,620	21,909
- Amortization	19	1,617	1,185
- Amortization of grants	28	(781)	(775)
- (Reversal of) impairment losses on property, plant & equipment and investment property	9	-	(149)
- Net finance costs	10	32,211	32,946
- Share of profit of equity-accounted investees, net of tax	21	(654)	(541)
- (Gain) / loss from sale of property, plant & equipment	9	(30)	196
- Loss from write-offs of intangible assets	9	35	-
- Unrealised (Gain) / Loss from valuation of derivatives		1,717	2,658
- Impairment loss on trade receivables	29	(280)	9,206
- (Reversal of) / Impairment of inventories	15	1,024	(41)
		58,186	55,984
Changes in:			
- Inventories		(35,877)	14,063
- Trade and other receivables		(60,667)	23,930
- Trade and other payables		23,135	12,696
- Contract assets		(49,161)	(52,041)
- Contract liabilities		57,423	(2,346)
- Contract costs		(769)	(1,211)
- Employee benefits		204	(178)
Cash generated from operating activities		(7,526)	50,898
Interest charges & related expenses paid		(32,172)	(29,489)
Income tax paid		(1,254)	(506)
Net Cash from / (used in) operating activities		**(40,952)**	**20,903**
Cash flows from investing activities			
Acquisition of property, plant and equipment	18	(45,387)	(18,754)
Acquisition of intangible assets	19	(4,851)	(1,920)
Proceeds from sale of property, plant & equipment		32	28
Proceeds from sale of investment property		-	80
Dividends received	21	230	238
Interest received		90	98
Acquisition of financial assets		(1)	-
Net Cash flows used in investing activities		**(49,888)**	**(20,231)**
Cash flows from financing activities			
Proceeds from new borrowings	26	137,593	44,791
Repayment of borrowings	26	(51,079)	(45,935)
Payment of finance lease liabilities	26	(613)	(347)
Net cash flows from financing activities		**85,901**	**(1,491)**
Net (decrease)/ increase in cash and cash equivalents		**(4,940)**	**(818)**
Cash and cash equivalents at 1 January		69,443	71,329
Effect of movement in exchange rates on cash held		700	(1,068)
Cash and cash equivalents at 31 December	17	**65,203**	**69,443**

** Cenergy Holdings has initially applied IFRS 9 at 1 January 2018. Under the transition method chosen, comparative information has not been restated (see Note 6). See Note 5.22.iii, for details regarding re-presentation of prior year's figures.*

The notes on pages 94 το 167are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. Reporting entity

Cenergy Holdings S.A. (hereafter referred to as “the Company” or “Cenergy Holdings S.A.”) is a Belgian limited liability company. The Company’s registered office is located at 30 Avenue Marnix, 1000 Brussels Belgium. The Company’s Consolidated Financial Statements include those of the Company and its subsidiaries (together referred to as “Cenergy Holdings” or the “Group”), and Cenergy Holdings’ interest in associates accounted for using the equity method.

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

Cenergy Holdings is a subsidiary of Viohalco S.A. (81.93% of voting rights). Viohalco S.A. (“Viohalco”) is 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 and authorized for issue by the Company’s Board of Directors on 19 April 2019.

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

Basis of measurement

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

- Derivative financial instruments held for hedging purposes (fair value);
- Financial assets measured at FVTPL (fair value);
- Net defined benefit liability (present value of the obligation).

3. Functional currency and presentation currency

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

4. Use of estimates and judgements

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

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

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

- Note 8 – Revenue recognition;
- Note 12 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 14 – Recognition of deferred tax assets, availability of future taxable profits against which carryforward tax losses can be used;
- Note 16 – Recoverability of overdue receivable from a former customer in the Middle-East ;
- Notes 18, 19 and 20 – Impairment test: key assumptions underlying recoverable amounts;
- Note 29.C1 – Measurement of expected credit losses on trade receivables and contract assets: key assumptions in determining expected loss rates.
- 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 Consolidated 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.

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) Associates

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

(g) Joint arrangements

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

Joint operations

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

Joint ventures

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

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

(h) Equity method

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

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

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

(i) Transactions eliminated on consolidation

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

5.2 Foreign currency

(a) Foreign currency transactions

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

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

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

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

(b) Foreign operations

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

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

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 the cables sector, Cenergy Holdings’ subsidiaries 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, when time elapsed is the most relevant method to measure the progress of the performance obligation.
    ii. The quantity of manufactured and tested cable drums or steel pipes compared with the total quantity to be produced according to the contract. This method is used for customized land cables and steel pipes, since the production of such products is performed in batches and as a result the performance obligations related are satisfied as certain batches of agreed quantities have been produced.
- For installation phases of cables sector’s turnkey projects, the method to measure progress is based on appraisal of results achieved or milestones reached, based to clearly defined technical milestones, such as transport or meters of cables installed. When milestones are being used as a method to measure progress, these milestones faithfully depict the performance

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

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances (contract liabilities). These contract assets and contract liabilities are presented on the Consolidated Statement of Financial Position in the lines “Contract assets” and “Contract liabilities” respectively. For products and services for which revenue is recognised over time, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either upon achievement of contractual milestones, or at the final delivery and acceptance of the manufactured items.

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

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

Rendering of services

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

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

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

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

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

Contract costs

Cenergy Holdings recognize the incremental costs of obtaining contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset, if those costs are expected to be recoverable, and record them in the line “Contract costs” in the Consolidated 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 other income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

5.4 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plans

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

(c) Defined benefit plans

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

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

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

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

(d) Termination benefits

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

5.5 Government Grants

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

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

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

5.6 Finance income and finance costs

Cenergy Holdings' finance income and finance costs mainly include:

- interest income;
- interest expense;
- dividend income;
- impairment losses recognised on financial assets (other than trade receivables);
- foreign currency gains and losses from loans and deposits.

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

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

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

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

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

5.7 Income tax

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

A. Current tax

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

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

B. Deferred tax

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

Deferred tax is not recognised for:

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

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

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

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

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

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

5.8 Inventories

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

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

5.9 Property, plant and equipment

A. Recognition and measurement

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

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

On the sale of property, plant and equipment, any difference that may arise between the price that is received and the carrying value thereof is recorded through profit or loss in the category "other 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 in profit or loss 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 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.

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

The policies applicable in 2017 are described in the consolidated financial statements 2017 of the Company, available at the Company's website. The policies in the present section are the ones applicable from January 1st, 2018. The changes in accounting policy due to application of IFRS 9 are mentioned in Note 6.

A. Non-derivative financial assets

Financial instruments and contract assets (Policy applicable from 1 January 2018)

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

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

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

At each reporting date, Cenergy Holdings companies assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- default or delinquency by a debtor;
- restructuring of an amount due to Cenergy Holdings on terms that they would not be considered otherwise;
- indications that a debtor will enter bankruptcy;

- adverse changes in the payments status of a debtor;
- 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 financial asset.

Presentation of allowance for ECL in the statement of financial position

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

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

Write-off

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

B. Non-financial assets

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

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

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

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

Impairment losses are recognised in profit or loss under "Other expense". 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 obtains 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 and 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

The policies applicable in 2017 are described in the consolidated financial statements 2017 of the Company, available at the Company's website. The policies in the present section are the ones applicable from January 1st, 2018. The changes in accounting policy due to application of IFRS 9 are mentioned in Note 6.

A. Recognition and initial measurement

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

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

B. Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

Financial assets – Business model assessment:

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

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

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

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

Financial assets – Subsequent measurement and gains and losses:

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

Financial liabilities

Financial liabilities are classified as measured at amortised cost.

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

C. Derecognition

Financial assets

Cenergy Holdings derecognises a financial asset when

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

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

Financial liabilities

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

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

D. Offsetting

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

E. Derivatives and hedge accounting

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

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

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

Fair value hedge

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

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

Cash flow hedge

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

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

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

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

5.16 Share capital

Shareholder's equity is composed of ordinary shares.

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

5.17 Provisions

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

Provisions are recognised when:

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

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

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

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

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

5.18 Earnings per share

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

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

5.19. Operating profit

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

5.20. Fair value measurement

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

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

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

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

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

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

5.21. New standards, amendments to standards and interpretations

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

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 established a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

Cenergy Holdings has early adopted IFRS 15 Revenue from Contracts with Customers with 1 January 2017 as the date of initial application. Therefore, financial information presented for all periods in these Consolidated Financial Statements are in accordance with IFRS 15.

IFRS 9 "Financial Instruments"

Cenergy Holdings initially applied IFRS 9 on 1 January 2018 with the exemption of general hedge accounting guidance. For further details, refer to note 6.

The following standards, amendments to standards and interpretations issued and effective for the current financial year did not have significant impact for the Consolidated Financial Statements of Cenergy Holdings:

- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions
- Amendments to IAS 40: Transfers of investment property
- Annual improvements to IFRSs 2014-2016 Cycle
- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

Standards and Interpretations effective for subsequent periods

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. IFRS 16 introduces a single, on-balance sheet lease 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 recognition 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 required to adopt IFRS 16 Leases from 1 January 2019. Cenergy Holdings has assessed the estimated impact that initial application of IFRS 16 will have on its Consolidated Financial Statements, as described below. The actual impacts of adopting the standard on 1 January 2019 may change because:

- Cenergy Holdings has not finalised the testing and assessment 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.

The standard will effect primarily the accounting for Group's operating leases.

As at the reporting date, the Group has non-cancellable operating lease commitments of EUR 3.7 million (note 32).

The most significant impact identified is that Cenergy Holdings will recognise new assets and liabilities for its operating leases of company cars, buildings and machinery. In addition, the nature of expenses related to those leases will now change because IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Based on the information currently available, applying IFRS 16 is expected to increase consolidated assets and liabilities by approximately EUR 3.5 million on the transition date. This expected increase concerns mainly leases of company cars and machinery and would mainly result from recognizing right-of-use assets in non-current assets and lease liabilities (for the discounted present value of future lease payments).

The impact on the Consolidated Statement of Profit or Loss is not expected to be material, as the cancellation of operating lease payments will be offset by the depreciation charged on right-of-use assets and recognized in operating result. The annual interest recognized on lease liabilities is not expected to be material. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), which is a supplemental measure of our operating and financial performance, is expected to increase by approximately EUR 1.2 million, as the operating lease payments were included in EBITDA, but the amortisation of the right-of-use assets and interest on the lease liability are excluded from this measure.

The impact on the statement of cash flows of restating operating leases will be limited to reclassifications, as the standard will have no effect on the Group's cash and cash equivalents.

No significant impact is expected for the Cenergy Holdings' finance leases.

Transition

As a lessee, Cenergy Holdings can either apply the standard using a:

- retrospective approach; or
- modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases.

Cenergy Holdings plans to apply IFRS 16 initially on 1 January 2019, using a modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

When applying a modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. Cenergy Holdings is assessing the potential impact of using these practical expedients.

Cenergy Holdings is not required to make any adjustments for leases in which it is a lessor.

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:

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.

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.

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.

Annual Improvements to IFRS Standards 2015-2017 Cycle
(effective for annual periods beginning on or after 1 January 2019)

- IFRS 3 Business Combinations: the amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- IFRS 11 Joint Arrangements: the amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 Income Taxes: the amendments clarify that a company accounts for all income tax consequences of dividend payments consistently with the transactions that generated the distributable profits – i.e. in profit or loss, OCI or equity.
- IAS 23 Borrowing Costs: the amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Amendments to References to the Conceptual Framework in IFRS Standards (Amendments to CF)
(effective for annual periods beginning on or after 1 January 2020)

The Conceptual Framework sets out the fundamental concepts of financial reporting that guides the Board in developing IFRS Standards. It helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way, providing useful information for investors and others. The Conceptual Framework also assists companies in developing accounting policies when no IFRS Standard applies to a particular transaction; and it helps stakeholders to understand the Standards better. The amendments are effective for annual periods beginning on or after 1 January 2020, whereas the Board will start using the revised Conceptual Framework immediately. These amendments have not yet been endorsed by the EU.

IFRS 3 (Amendments) "Definition of a business"
(effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

IAS 1 and IAS 8 (Amendments) "Definition of a material"
(effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved.

Finally, the amendments ensure that the definition of material is consistent across all IFRS. The amendments have not yet been endorsed by the EU.

5.22. Re-presentation of comparative figures

i. Consolidated Statement of Financial Position

An amount of EUR 3,842 thousand was reclassed from Non-Current "Trade and other receivables" to "Property, plant and equipment", as a result of management's reassessment of the presentation of a prior year transaction related to the concession of land to a related party.

Specifically, Corinth Pipeworks and Hellenic Cables, during 2008 granted land located in the Industrial Area (I.A.) of Thisvi to a related party (DIAVIPETHIV), an affiliate of Viohalco, which is the administrator of the Industrial Area. According to applicable Greek law, this land shall be returned to the previous owners when the I.A. of Thisvi ceases being classified as an Industrial Area.

This asset was previously presented as Non-Current "Trade and other receivables". Due to the fact that such asset does not meet the definition of a financial asset and based on management's reassessment of the presentation of such asset, a reclassification to Property, plant and equipment was performed.

At 31 December 2017

Amounts in EUR thousand	**As reported**	**Reclassifications**	**Re-presented figures**
ASSETS			
Property, plant and equipment	380,610	3,842	384,452
Trade and other receivables	6,238	(3,842)	2,396
Other non-current assets	40,718	-	40,718
Non-current assets	427,565	-	427,565
Current assets	462,197	-	462,197
Total assets	**889,763**	**-**	**889,763**
EQUITY			
Total equity	200,222	-	200,222
LIABILITIES			
Non-current liabilities	133,924	-	133,924
Current liabilities	555,617	-	555,617
Total liabilities	**689,541**	**-**	**689,541**
Total equity and liabilities	**889,763**	**-**	**889,763**

ii. Consolidated Statement of Profit or Loss and OCI

In accordance to IFRS 9, any reversal of impairment loss or impairment loss on receivables, including contract assets, is now presented as a separate line on the Consolidated Statement of Profit or Loss. Therefore, comparative figures have also been re-presented for this reason. Previously, any impairment loss on receivables was included in the line "Other expenses", while amounts related to reversal of impairment loss on receivables were included in the line "Other income".

For the period ended 31 December 2017

Amounts in EUR thousand	**As reported**	**Reclassifications**	**Re-presented figures**
Gross profit	58,756	-	58,756
Other income	5,347	(8)	5,339

For the period ended 31 December 2017

Amounts in EUR thousand	**As reported**	**Reclassifications**	**Re-presented figures**
Selling and distribution expenses	(12,901)	-	(12,901)
Administrative expenses	(18,635)	-	(18,635)
Impairment loss on receivables, including contract assets	-	(9,206)	(9,206)
Other Expenses	(10,771)	9,214	(1,557)
Operating profit / (loss)	**21,796**	**-**	**21,796**
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)**	**-**	**(10,610)**
Income tax expense	5,834	-	5,834
Profit/(Loss) for the year	**(4,775)**	**-**	**(4,775)**
Other comprehensive income / (expense) after tax	(1,350)	-	(1,350)
Total comprehensive income / (expense) after tax	**(6,125)**	**-**	**(6,125)**

iii. Consolidated Statement of Cash Flows

For the period ended 31 December 2017

Amounts in EUR thousand	**As reported**	**Reclassifications**	**Re-presented figures**
Cash flows from operating activities			
Loss of the period	(4,775)	-	(4,775)
Adjustments for:			
- (Reversal of) / Impairment loss on receivables and contract assets	-	9,206	9,206
- Impairment loss on trade receivables	9,214	(9,214)	-
- (Reversal of) / Impairment of inventories	-	(41)	(41)
- Other	51,595	-	51,595
	56,033	**(49)**	**55,984**
Changes in:			
- Inventories	14,022	41	14,063
- Trade and other receivables	23,922	8	23,930
- Other	(73,075)	-	(73,075)
Net cash flows from operating activities	**20,903**	**-**	**20,903**
Net cash flows used in investing activities	**(20,230)**	**-**	**(20,230)**
Net cash flows used in financing activities	**(1,491)**	**-**	**(1,491)**
Net (decrease)/ increase in cash and cash equivalents	**(818)**	**-**	**(818)**
Cash and cash equivalents at 1 January 2017	71,329	-	71,329
Effect of movement in exchange rates on cash held	(1,068)	-	(1,068)
Cash and cash equivalents at 31 December 2017	**69,443**	**-**	**69,443**

6. Change in accounting policy

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The following table summarises the impact, net of tax, of transition to IFRS 9 on the opening balance of retained earnings and NCI. The impact relates to the recognition of expected credit losses under IFRS 9 (for a description of the transition method, see (iv) below).

Amounts in EUR thousand	**Impact of adopting IFRS 9 at 1 January 2018**
Retained earnings	(920)
Non-controlling interests	(1)

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on Cenergy Holdings' accounting policies related to financial liabilities.

The impact of IFRS 9 on the classification and measurement of financial assets is set out below:

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

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

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

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

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

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

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

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

The following accounting policies apply to the subsequent measurement of financial assets:

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

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements, as described further below.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of Cenergy Holdings' financial assets as at 1 January 2018.

Amounts in EUR thousand	**Note**	**Original classification under IAS 39**	**New classification under IFRS 9**	**Original carrying amount under IAS 39**	**New carrying amount under IFRS 9**
Forward foreign exchange contracts		Fair value – hedging instrument	Fair value – hedging instrument	1,058	1,058
Future contracts		Fair value – hedging instrument	Fair value – hedging instrument	676	676
Equity securities	a	Available-for-sale	FVOCI – equity instrument	4,662	4,662
Trade and other receivables, incl. contract assets	b	Loans and receivables	Amortised cost	209,670	208,380
Cash and cash equivalents		Loans and receivables	Amortised cost	69,443	69,443

a. These equity securities represent investments that Cenergy Holdings intends to hold for the long term for strategic purposes. As permitted by IFRS 9, Cenergy Holdings has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

b. Trade and other receivables, incl. contract assets that were classified as loans and receivables under IAS 39 are now classified at amortised cost. An increase of EUR 1,290 thousand in the allowance for impairment over these receivables was recognised in opening retained earnings at 1 January 2018 on transition to IFRS 9.

ii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets, lease receivables and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost consist of trade receivables (including contract assets) and cash and cash equivalents.

Under IFRS 9, loss allowances are 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.

Cenergy Holdings has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs.

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

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

Measurement of ECLs

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

Credit-impaired financial assets

At each reporting date, Cenergy Holdings companies assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

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

Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss and OCI. Before the adoption of IFRS 9, impairment loss on trade & other receivables and reversal of impairment loss on trade & other receivables were presented under the line "Other expenses" & "Other income", respectively

Impairment losses on other financial assets are presented under 'finance costs', similar to the presentation under IAS 39, and not presented separately in the statement of profit or loss and OCI due to materiality considerations.

Impact of the new impairment model

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. Cenergy Holdings has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an additional impairment allowance as follows.

Amounts in EUR thousand	
Loss allowance at 31 December 2017 under IAS 39	**(24,156)**
Additional impairment recognised at 1 January 2018	(1,290)
Loss allowance at 1 January 2018 under IFRS 9	**(25,447)**

ECL's calculation on trade receivables and contract assets

The ECLs were calculated based on actual credit loss experience over the last few years, current economic conditions and qualitative information such as credit risk grade and geographic region for the trade receivables and contract assets portfolio, depending on the significance of these factors on each of the business segments of Cenergy Holdings.

Cenergy Holdings companies performed the calculation of ECL rates after appropriately grouping the portfolio their customers.

iii. Hedge accounting

Cenergy Holdings has elected not to adopt the provisions of IFRS 9 regarding the hedge accounting and will continue applying IAS 39.

iv. Transition

Transition has been performed as follows:

- Cenergy Holdings has applied the exemption allowing not to restate comparative information for prior periods with respect to classification and measurement (including impairment loss) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 have been recognized in retained earnings and reserves as at 1 January 2018. However, in order to make profit or loss lines comparable, impairment loss on trade & other receivables and reversal of impairment loss on trade & other receivables of the previous year have been reclassified from Other expenses & Other income respectively, to the new line "Reversal of / Impairment loss on receivables and contract assets" (see note 5.22).
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
    - The determination of the business model within which a financial asset is held.
    - The designation of certain investments in equity instruments not held for trading as at FVOCI.

7. 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. are a cable producer, 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.

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 2018 and 2017, and for the years then ended.

2018		**Reportable segments**			
Amounts in EUR thousand	**Note**	**Cables**	**Steel Pipes**	**Other activities**	**Total**
Segment revenue		720,414	681,112	-	**1,401,526**
Inter-segment revenue		(231,760)	(205,969)	-	**(437,729)**
External revenue	8	**488,655**	**475,143**	**-**	**963,797**
Gross profit		**38,467**	**30,777**	**-**	**69,244**
Operating profit / (loss)		**17,808**	**16,417**	**(1,960)**	**32,265**
Finance income		583	307	-	**890**
Finance costs		(22,868)	(10,228)	(5)	**(33,101)**
Share of profit/(loss) of equity accounted investees, net of tax		-	682	(28)	**654**
Profit / (Loss) before tax		**(4,477)**	**7,178**	**(1,993)**	**708**
Income tax expense		5,793	508	(121)	**6,180**
Profit/(Loss)		**1,316**	**7,686**	**(2,114)**	**6,888**
Depreciation and amortization		(13,673)	(9,310)	(321)	**(23,304)**
Segment assets		551,088	494,065	13,543	**1,058,696**
Equity-accounted investees		-	11,713	216	**11,929**
Segment liabilities		513,229	341,439	731	**855,399**
Capital expenditure	18/19	44,192	6,204	1	**50,397**

2017		**Reportable segments**			
Amounts in EUR thousand	**Note**	**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 revenue	8	**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)		**(4,839)**	**1,594**	**(1,530)**	**(4,775)**
Depreciation and amortization		(13,673)	(9,310)	(321)	**(23,304)**
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	18/19	17,762	3,191	-	**20,954**

C. Geographic information

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

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

Amounts in EUR thousand	**For the year ended 31 December**	
Revenue	**2018**	**2017**
Belgium	61,784	1,707
Greece	157,559	276,424
Germany	109,084	96,693
Romania	31,601	31,549
United Kingdom	97,068	68,785
Other European Union countries	181,698	133,449
Other European countries	28,199	10,831
Asia	37,877	51,051
Americas	252,225	84,014
Africa	6,582	3,787
Oceania	122	27
Total	**963,797**	**758,318**

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

Amounts in EUR thousand	As at 31 December	
Property, Plant & Equipment	2018	2017
Belgium	1	-
Greece	379,044	359,177
Other	26,285	25,274
Total	**405,330**	**384,452**

Amounts in EUR thousand	As at 31 December	
Intangible assets and goodwill	2018	2017
Belgium	-	-
Greece	20,577	15,569
Other	1,707	1,188
Total	**22,284**	**16,757**

Amounts in EUR thousand	As at 31 December	
Investment property	2018	2017
Belgium	-	-
Greece	5,837	6,140
Other	-	-
Total	**5,837**	**6,140**

Amounts in EUR thousand	As at 31 December	
Capital expenditure	2018	2017
Belgium	1	-
Greece	45,488	17,322
Other	4,907	3,632
Total	**50,397**	**20,954**

8. Revenue

A. Significant accounting policy

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

Cenergy Holdings has early adopted IFRS 15 “Revenue from Contracts with Customers” with a date of initial application of 1 January 2017.

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 7):

Primary geographical markets

Segment	**Steel Pipes**		**Cables**		**Other activities**		**Total**	
Amounts in EUR thousand	**2018**	**2017**	**2018**	**2017**	**2017**	**2017**	**2018**	**2017**
Greece	17,434	137,487	140,125	138,782	-	155	157,559	276,424
Other European Union countries	185,911	76,080	295,324	256,103	-	-	481,235	332,184
Other European countries	13,433	4,625	14,766	6,207	-	-	28,199	10,831
America	249,898	81,050	2,327	2,964	-	-	252,225	84,014
Rest of the world	8,467	36,551	36,114	18,314	-	-	44,580	54,865
	475,143	**335,792**	**488,655**	**422,371**	**-**	**155**	**963,797**	**758,318**

Major products and service lines

Segment	**Steel Pipes**		**Cables**		**Other activities**		**Total**	
Amounts in EUR thousand	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Steel pipes projects	430,301	294,976	-	-	-	-	430,301	294,976
Hollow structural sections	28,569	35,744	-	-	-	-	28,569	35,744
Cables projects	-	-	101,756	71,474	-	-	101,756	71,474
Power & telecom cables	-	-	332,370	277,911	-	-	332,370	277,911
Enameled cables & wires	-	-	37,409	34,698	-	-	37,409	34,698
Other (raw materials, scrap etc.)	16,272	5,072	17,119	38,288	-	155	33,391	43,514
	475,143	**335,792**	**488,655**	**422,371**	**-**	**155**	**963,797**	**758,318**

Timing of revenue recognition:

	Steel Pipes		**Cables**		**Other activities**		**Total**	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Products transferred at a point in time	44,841	40,816	386,898	350,897	-	155	431,740	391,868
Products transferred over time	430,301	294,976	101,756	71,474	-	-	532,057	366,450
	475,143	**335,792**	**488,655**	**422,371**	**-**	**155**	**963,797**	**758,318**

Consolidated revenue for 2018 increased by 27% to EUR 964 million, reflecting increased sales of steel pipes for energy projects and higher sales volume of power & telecom cables products.

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 105.4 million. This amount is expected to be recognised during 2019 based on the time schedules included in the open contracts as of 31 December 2018, which have original expected durations of more than one year and revenue recognition started during 2018 or prior periods.

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 2018	31 December 2017
Contract assets	114,327	65,166
Contract liabilities	62,147	4,724

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:

Amounts in EUR thousand	Contract assets	Contract liabilities
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	(4,724)
Increases due to cash received, excluding amounts recognised as revenue during the period	-	62,147
Transfers from contract assets recognised at the beginning of the period to receivables	(63,340)	-
Increases as a result of changes in the measure of progress	111,176	-
Foreign exchange differences	1,567	-

Contract liabilities primarily relate to the advance consideration received from customers for construction of customized products or energy projects for which revenue is recognized over time.

Contract assets increased by EUR 49 million compared to 31 December 2017, due to higher amounts of unbilled receivables related to construction of customized products or energy projects.

E. Contract costs

Management expects that fees, commissions & other costs associated with obtaining contracts for energy projects are recoverable. Cenergy Holdings recorded costs incurred to obtain a contract of EUR 1,361 thousand as Contract costs at 31 December 2018.

In addition, costs to fulfill a contract are capitalised if they are directly associated with the asset and are recoverable. Such contract costs may include materials used for tests necessary for the production, labor costs, insurance fees and other costs necessary to fulfil performance obligations under a contract once it is obtained, but before transferring the control of goods or rendering services to the customer. Cenergy Holdings recorded costs incurred to fulfil a contract of EUR 619 thousand as Contract costs at 31 December 2018.

Therefore, as at 31 December 2018 Cenergy Holdings has recorded as contract costs an amount of EUR 1,980 thousand, out of which an amount of EUR 108 thousand is classified as non-current assets.

Contract costs of obtaining or fulfilling a contract are expensed to cost of sales when the related revenue is recognised. In 2018, there was no impairment loss in relation to contact costs.

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, i.e. if the initial expected duration of a contract obtained is less than one year.

F. Significant judgments in revenue recognition

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

- Contracts 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 8.B and Note 5.3. In such cases the total transaction price is allocated to these performance obligations on the basis of the relative standalone selling prices of the promised goods or services. If these goods and services are not sold separately, a cost plus margin approach is used.
- Revenue deriving from the production of customized products for energy projects is recognized overtime. In such projects, contracts signed by Cenergy Holdings' subsidiaries may prescribe the promises of both:
    - producing customized products based on customers' specifications and
    - transporting them to the customer's site.

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

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

- Some contracts with customers involve a variable transaction cost as they include a volume or trade discount based on the total 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.

9. Income and expenses

A. Other income

Amounts in EUR thousand	Note	For the year ended 31 December 2018	2017
Government grants		36	111
Rental income		649	738
Income from fees, commissions & costs recharged		1,757	2,058
Indemnities and income from claims		225	455
Gain from disposal of property, plant & equipment		32	16
Amortization of grants	28	781	775
Income from legal case		-	250
Reversal of impairment losses on investment property		-	149
Income from write-offs of balances owed to suppliers		-	205
Refund of excise energy consumption tax		518	-
Other		528	581
Other Income		**4,526**	**5,339**

The refund of excise energy consumption tax that took place during 2018 was in accordance with relative legislation enacted in Greece.

B. Other expenses

Amounts in EUR thousand	Note	For the year ended 31 December 2018	2017
Loss from disposal of Property, plant & equipment		(2)	(115)
Loss from disposal of Investment Property		-	(98)
Loss from write-offs of Intangible assets	19	(35)	-
Depreciation and amortisation		(282)	-
Expenses recharged		(593)	(228)
Indemnities and claims		(102)	(415)
Other taxes		(386)	(274)
Out of court settlement		(2,000)	-
Other penalties		(110)	(221)
Consulting fees		(563)	-
Employee benefits	12	(142)	(105)
Other		(506)	(102)
Other expense		**(4,722)**	**(1,557)**

Consulting fees were incurred for the improvement of internal structure and processes.

During 2018, Hellenic Cables entered into an out-of-court settlement with a factoring company for an amount of EUR 2 million. This amount concerns a credit-related loss from a supplier of the Subsidiary, shared between the Subsidiary and the factor, due to a contract default of the supplier against both counterparties. The out-of-court settlement was wiser than embarking into court proceedings with the factor’s Group, as it avoided both legal costs and a lengthy dispute with a long-term partner of Cenergy Holdings.

C. Expenses by nature

Amounts in EUR thousand	Note	For the year ended 31 December 2018	2017
Cost of inventories recognized as an expense		(706,632)	(556,007)
Employee benefits	13	(60,031)	(51,652)
Energy		(12,305)	(10,722)
Depreciation and amortisation		(23,803)	(23,044)
Amortization of contract costs		(16)	-
Taxes - duties		(1,390)	(1,489)
Insurance premiums		(7,127)	(5,677)
Rental fees		(2,984)	(2,744)
Transportation		(33,215)	(25,414)
Promotion & advertising		(827)	(382)
Third party fees and benefits		(62,789)	(34,251)
Gains/(losses) from derivatives		(6,433)	(5,118)
Maintenance expenses		(6,278)	(3,521)
Travel expenses		(2,657)	(2,314)
Commissions		(3,382)	(6,297)
Foreign exchange gains/(losses)		1,335	3,886
Other expenses		(3,084)	(6,352)
Total cost of sales, selling & distribution expenses and administrative expenses		**(931,617)**	**(731,098)**

The increase in “Third party fees and benefits” is attributed mainly to fees paid to subcontractors and installers for turnkey contracts executed during 2018 by subsidiaries in the cables segment, since during 2018, installation services provided in the context of energy projects assigned were more extended compared to 2017.

In addition, the line “Third party fees and benefits” for 2018 includes legal consulting services regarding the US antidumping investigation of EUR 906 thousand included in Administrative expenses.

The fluctuation in transportation costs relate to the difference in geographical mix of sales compared to 2018 and the increased sales performed towards the US market.

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 2018 amounts to EUR 2 million (2017: EUR 1.2 million).

10. Net finance costs

Amounts in EUR thousand	For the year ended 31 December 2018	2017
Finance income		
Interest income	90	98
Foreign exchange gains	800	651
	890	**749**
Finance costs		
Interest expense and related costs	(32,143)	(31,917)
Foreign exchange losses	(957)	(1,777)
	(33,101)	**(33,694)**
Net finance costs	**(32,211)**	**(32,946)**

Through the reprofiling of EUR 118.7 million of debt during 2018 (see note 26), Cenergy Holdings achieved longer maturities and lower interest costs. As a result of the above, net finance costs remained constant at EUR 32.2 million (2017: EUR 32.9 million), despite the 25% higher net debt at EUR 473 million on December 31, 2018 driven by the capital expenditure programme implemented during 2018 and higher working capital related to increased sales.

11. 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 2018	2017
Profit/(Loss) attributable to the owners of the Company	6,861	(4,761)

B. Weighted-average number of ordinary shares outstanding

The number of ordinary shares in issue for 2018 and 2017 was 190,162,681 shares. No shares were issued during 2018.

C. Earnings per share

The basic and diluted earnings per share are as follows:

In EUR per share	For the year ended 31 December 2018	2017
Basic and diluted	0.03608	(0.02504)

12. Employee benefits

Amounts in EUR thousand	Note	31 December 2018	31 December 2017
Net defined benefit liability		4,320	4,273
Liability for social security contributions	27	2,263	1,946
Total employee benefit liabilities		**6,583**	**6,218**
Non-current		4,320	4,273
Current		2,263	1,946

For details on the related employee benefit expenses, see Note 13.

A. Post-employment plans

The following post-employment plans exist:

Defined contribution plan

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

Defined benefit plan

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

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.

	For the year ended 31 December	
Amounts in EUR thousand	2018	2017
Balance at 1 January	**4,273**	**3,908**
Included in profit or loss		
Current service cost	241	220
Past service cost	15	19
Settlement/curtailment/termination loss	192	261
Interest cost	63	62
	511	**562**
Included in OCI		
Remeasurement loss/gain (-):		
Actuarial loss/gain (-) arising from:		
- Demographic assumptions	(189)	-
- Financial assumptions	(6)	68
- Experience adjustments	38	119
	(156)	**187**
Other		
Benefits paid	(307)	(384)

	For the year ended 31 December	
Amounts in EUR thousand	**2018**	**2017**
Balance at 31 December	**4,320**	**4,273**

During the financial year 2018, Cenergy Holdings' companies provided EUR 307 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 192 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:

	2018	**2017**
Discount rate	1.61%	1.50%
Inflation	1.50%	1.50%
Future salary growth	1.35%	1.26%
Plan duration *(expressed in years)*	14.82	15.41

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	**2018**	**2017**
Up to 1 year	70	70
Between 1 and 2 years	56	18
Between 2 and 5 years	229	235
Over 5 years	5,304	4,770
Total	**5,659**	**5,093**

c) Sensitivity analysis

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

Amounts in EUR thousand	**Increase**	**Decrease**
Discount rate (0.5% movement)	(306)	338
Future salary growth (0.5% movement)	330	(303)

If zero withdrawal rates were used when determining the defined benefit liability as of 31 December 2018, the liability would have been increased by EUR 367 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.

13. Employee benefit expenses

	For the year ended 31 December	
Amounts in EUR thousand	**2018**	**2017**
Employee remuneration & expenses	49,637	40,822
Social security expenses	9,971	10,046
Defined benefit plan	511	562
Other	2,527	2,094
Total	**62,647**	**53,523**

Employee benefits were allocated as follows:

	For the year ended 31 December	
Amounts in EUR thousand	**2018**	**2017**
Cost of goods sold	42,761	37,605
Distribution expenses	9,584	7,185
Administrative expenses	7,685	6,862
Other expenses	142	105
Capitalised in assets under construction	2,473	1,767
Total	**62,647**	**53,523**

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), certifications, licenses and new products development.

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

	2018	**2017**
Number of employees	1,914	1,668

	18 - 30	**30-50**	**51+**	**Total**
Male	191	1,081	415	**1,687**
Female	35	147	45	**227**
Total	**226**	**1,228**	**460**	**1,914**

	White collar	**Blue collar**	**Management**	**Total**
Number of employees	504	1,361	49	**1,914**

14. Income taxes

A. Amounts recognised in profit or loss

	For the year ended 31 December	
Amounts in EUR thousand	**2018**	**2017**
Current year	(1,359)	(16)
Adjustment for prior year income tax	-	453
Current tax (expense)/ income	**(1,359)**	**437**
Origination and reversal of temporary differences	(92)	2,333
Change in tax rate or composition of new tax	3,553	33
Recognition of previously unrecognised tax losses, tax credit or temporary differences of a prior period	4,078	3,727
Derecognition of previously recognised tax losses	-	(696)
Deferred tax credit	**7,539**	**5,397**
Income Tax	**6,180**	**5,834**

B. Reconciliation of effective tax rate

	For the year ended 31 December	
Amounts in EUR thousand	**2018**	**2017**
Profit / (Loss) before tax	**708**	**(10,610)**
Tax using the domestic tax rate in Greece (29%)	(205)	3,077
Non-deductible expenses for tax purposes	(1,770)	(1,079)
Tax-exempt income	413	472
Recognition of previously unrecognised tax losses, tax credit or temporary differences of a prior period	4,078	3,727
Effect of tax rates in foreign jurisdictions	742	(67)
Current-year losses for which no deferred tax asset is recognised	(534)	(543)
Permanent differences	-	457
Change in tax rate or composition of new tax	3,553	33
Derecognition of previously recognised tax losses	-	(696)
Other taxes	(97)	-
Adjustment for prior year income tax	-	453
Income tax expense reported in the statement of profit or loss	**6,180**	**5,834**
Effective tax rate	***873%***	***(55%)***

According to Greek laws N. 4334/2015 and N. 4336/2015, the corporate income tax rate for legal entities in Greece for fiscal year 2018 is set at 29%. According to Article 23 of Law 4579/2018, it will be gradually reduced by 1% per annum as follows:

- 28% for fiscal year 2019
- 27% for fiscal year 2020
- 26% for fiscal year 2021
- 25% for fiscal year 2022 and onwards

The corporate income tax rate of legal entities in Romania is set at 16% and in USA is set at 21%.

The effective interest rate of the Group is influenced by:

- the gradual decrease in the following years of the income tax rate in Greece and the recalculation of deferred tax, which resulted in a deferred tax credit of EUR 3.55 million.
- the use of tax losses of EUR 4 million for which no deferred tax asset was previously recognised by subsidiaries in the cables segment.

C. Movement in deferred tax balances

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

					Change in tax rate				Balance at 31 December	
2018 *Amounts in EUR thousand*	**Net balance at 1 January**	**Recognised in profit or loss**	**Recognised in OCI**	**Foreign exchange differences**	**Effect recognised in profit or loss**	**Effect recognised in OCI**	**Change in accounting policy**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant & equipment	(32,950)	(2,084)	-	-	3,766	-	-	**(31,268)**	-	(31,268)
Intangible assets	(1,880)	(171)	-	-	977	-	-	**(1,074)**	1,369	(2,444)
Investment property	51	-	-	-	22	-	-	**74**	74	-
Inventories	-	294	-	-	(989)	-	-	**(696)**	285	(981)
Contracts with customers	(6,854)	11,483	-	(145)	1,182	-	-	**5,667**	6,227	(560)
Derivatives	(162)	498	774	1	(18)	(21)	-	**1,072**	1,193	(121)
Loans and borrowings	(3,818)	194	-	-	456	-	-	**(3,167)**	-	(3,167)
Employee benefits	1,235	60	(45)	-	(152)	(19)	-	**1,078**	1,078	-
Provisions	5,990	254	-	-	(650)	-	342	**5,936**	5,936	-
Other items	(1,254)	239	-	-	106			**(909)**	239	(1,149)
Carryforward tax loss	9,258	(6,015)	-	-	(125)	-	-	**3,118**	3,118	-
Thin-cap interest	8,541	(767)	-	(1)	(1,023)	-	-	**6,751**	6,751	-
Tax assets / (liabilities) before set-off	**(21,842)**	**3,985**	**728**	**(145)**	**3,553**	**(40)**	**342**	**(13,419)**	26,271	(39,690)
Set-off tax	-	-	-	-	-	-	-	**-**	(22,909)	22,909
Net tax assets / (liabilities)	**(21,842)**	**3,985**	**728**	**(145)**	**3,553**	**(40)**	**342**	**(13,419)**	**3,362**	**(16,781)**

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

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**	**Net**	**Balance at 31 December** Deferred tax assets	**Balance at 31 December** 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	-
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	-
Thin-cap interest	**4,683**	3,859	-	-	-	**8,541**	8,541	-
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)**

The variation noted in deferred tax assets on carryforward tax losses is mainly attributed to the use of EUR 21.7 million of tax losses for which deferred tax asset was previously recognized by subsidiairies in the Cables segment.

The variation noted in deferred tax balance from Contracts with customers is related to the increase in contract liabilities, i.e. advance payment invoices related to contracts not yet executed which are included in current year's taxable income, while revenue according to IFRS will be recognized when the execution of such contracts will begin.

On 31 December 2018, the accumulated tax losses carried forward available for future use amounted to EUR 16.6 million. Cenergy Holdings' companies have recognised a deferred tax asset on tax losses of EUR 10 million because management considered it probable that future taxable profits would be available against which such losses can be used.

Deferred tax assets on tax losses relate mainly to cables segment and the recoverability of such asset is mainly based on:

- the expected profitability during the following years, due to the existing backlog which secure higher utilisation of the subsidiaries' plants carrying such tax losses and the achievement of tax profitability in 2018; and
- 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 6.6 million with expiration date during the period 2019 to 2023.

According to the provisions of articles 49 and 72 of the Greek Law 4172/2013 concerning thin capitalization, net interest expense is deductible from current year's tax profits, if it is equal or less than 30% of EBITDA and any excess can be settled with future tax profits without time limitations.

As from 1 January 2018, similar thin capitalization rules apply to the tax deductibility of interest in Romania. Specifically, net interest cost higher than the deductible limit of EUR 200 thousand is deductible only up to 10% of EBITDA. The excess net interest costs are nondeductible in the relevant tax period, but may be carried forward to an unlimited number of tax years.

During 2018, an amount of EUR 1.7 million was utilised, while based on the current approved business plans, an additional amount of EUR 1 million was recognised as deferred tax asset, relating to thin capitalisation. In addition, due to the change of the applicable tax rate in Greece, the balance of deferred tax asset recognised decreased by EUR 1 million. As at 31 December 2018, the balance of the respective tax asset was equal to EUR 6.8 million.

15. Inventories

Amounts in EUR thousand	2018	2017
Merchandise	3,187	2,764
Finished goods	47,205	46,563
Semi-finished goods	28,205	23,194
Raw and auxiliary materials	130,790	105,362
Consumables	2,556	1,669
Packaging materials	1,583	1,124
Spare parts	7,577	5,573
Total	**221,105**	**186,251**

In 2018, the amount of inventories recognised as expense during the period and included in "Cost of sales" was EUR 706.6 million (2017: EUR 556 million). Inventories have been reduced by EUR 1,417 thousand in 2017 as a result of the write-down to net realizable value (2017: EUR 393 thousand) due to a decreasing trend of LME copper prices. As a result, a net amount of EUR 1 million was charged to profit or loss in "Cost of sales". This amount concerns mainly the subsidiaries of cables segment. Inventories were higher as at 31 December 2018, compared to prior year's end, due to increased purchases of raw materials in order to meet the production requirement of the forthcoming period for booked projects.

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

16. Trade and other receivables

Amounts in EUR thousand	Note	2018	2017
Current assets			
Trade receivables		163,748	104,878
Less: Impairment losses	29 C.1	(25,261)	(23,913)
		138,488	**80,965**
Other downpayments		3,707	870
Cheques and notes receivables		204	605
Receivables from related entities	35	35,301	27,641
Tax assets		3,960	4,809
Other receivables		5,510	3,682
Other debtors		12,685	19,938
Less: Impairment losses	29 C.1	(206)	(243)
		61,161	**57,302**
Total		**199,648**	**138,267**
Non-current assets			
Other non-current receivables		1,877	2,396
Total		**1,877**	**2,396**

The increase in trade receivables compared to 31 December 2017 is in line with the increased revenue recorded during 2018.

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 by the factor 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	**2018**	**2017**
Carrying amount of trade receivables transferred	78,952	57,470
Carrying amount of associated liabilities	57,533	43,451

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

As of 31 December 2018 and 2017, 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 21.7 million as at 31 December 2018), plus legal interest.

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

In order to recover this long overdue balance, Corinth Pipeworks has recently initiated the enforcement procedures against the assets of the former customer that are located within any of the countries, where the Court of Cassation judgment issued against the former customer is enforceable (i.e. UAE and various other countries in the Middle East).

Corinth Pipeworks has recorded in the past an impairment loss of USD 23.1 million (EUR 20.2 million as at 31 December 2018) to reflect the recoverability of that receivable. Since no substantial developments have taken place during 2018, management considers that there is no reason to revise the impairment recorded in the past related to this overdue receivable. However, the subsidiary will continue any and all actions required to collect the full amount of that receivable.

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

17. Cash and cash equivalents

Amounts in EUR thousand	**2018**	**2017**
Cash in hand and cash in bank	1,299	2,899
Short-term bank deposits	63,904	66,544
Total	**65,203**	**69,443**

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

18. 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 2017*	167,351	458,520	18,587	8,403	**652,862**
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	**168,520**	**469,558**	**19,429**	**11,762**	**669,270**
Balance at 1 January 2018	168,520	469,558	19,429	11,762	**669,270**
Effect of movement in exchange rates	(17)	(41)	5	(3)	**(55)**
Additions	1,462	4,806	1,252	38,026	**45,546**
Disposals	-	-	(154)	-	**(154)**
Reclassifications	7,160	7,150	1,455	(18,103)	**(2,339)**
Balance at 31 December 2018	**177,125**	**481,473**	**21,987**	**31,682**	**712,267**

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 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)**
Balance at 1 January 2018	(61,698)	(207,727)	(15,393)	-	**(284,818)**
Effect of movement in exchange rates	12	26	6	-	**44**
Depreciation	(3,521)	(16,727)	(2,068)	-	**(22,317)**
Disposals	-	-	153	-	**153**
Balance as at 31 December 2018	**(65,207)**	**(224,428)**	**(17,302)**	**-**	**(306,938)**

Carrying amounts					
At 1 January 2017	108,687	267,103	4,250	8,403	388,443
At 31 December 2017	**106,822**	**261,832**	**4,036**	**11,762**	**384,452**
At 31 December 2018	**111,918**	**257,045**	**4,685**	**31,682**	**405,330**

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

B. Leased machinery

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

Amounts in EUR thousand	2018	2017
Cost		
Balance as at 1 January	1,981	949
Effect of movement in exchange rates	(4)	(45)
Additions	949	1,077
Balance as at 31 December	**2,926**	**1,981**
Accumulated depreciation and impairment losses		
Balance at 1 January	(136)	(63)
Effect of movement in exchange rates	1	3
Depreciation	(273)	(75)
Balance as at 31 December	**(407)**	**(136)**
Net carrying amounts	**2,519**	**1,845**

C. Security

Property, plant & equipment with a carrying amount of EUR 142.3 million are mortgaged as security for borrowings received by Cenergy Holdings (see Note 26).

D. Property, plant and equipment under construction

The most important items in property, plant and equipment under construction as of 31 December 2018 concern productivity and capacity improvement investments in the cables segment's plants and are expected to be completed during 2019.

The amount of EUR 18.1 million which was reclassified from assets under construction in 2018 mostly relates to the conclusion of part of the productivity improvements at the Fulgor plant and the conclusion of development projects related to the acquisition of licences.

Borrowing costs related to property, plant and equipment under construction were capitalised during 2018, as follows:

- In cables segment, borrowing costs of EUR 479 thousand related to the acquisition of new machinery were capitalised, calculated using a capitalisation rate of 5.8%.
- In steel pipes segment, borrowing costs of EUR 97 thousand related to selective investments in Thisvi plant were capitalised, calculated using a capitalisation rate of 5%.

19. 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 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**
Balance as at 1 January 2018	555	18,539	7,469	303	**26,866**
Effect of movement in exchange rates	-	-	(3)	(1)	**(4)**
Additions	487	2,767	1,594	3	**4,851**
Write-offs	-	-	(35)	-	**(35)**
Reclassifications	-	1,633	706	-	**2,339**
Balance at 31 December 2018	**1,042**	**22,940**	**9,731**	**304**	**34,017**

Amounts in EUR thousand	Development costs	Trademarks and licenses	Software	Other	Total
Accumulated amortisation and impairment losses					
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)**
Balance as at 1 January 2018	(410)	(4,091)	(5,420)	(187)	**(10,109)**
Effect of movement in exchange rates	-	-	(7)	1	**(7)**
Amortisation	(83)	(699)	(823)	(13)	**(1,617)**
Balance as at 31 December 2018	**(493)**	**(4,790)**	**(6,250)**	**(200)**	**(11,733)**
Carrying amounts					
At 1 January 2017	-	14,310	970	135	15,416
At 31 December 2017	**144**	**14,448**	**2,049**	**115**	**16,757**
At 31 December 2018	**549**	**18,150**	**3,481**	**105**	**22,284**

The net amount in reclassifications concerns intangible assets reclassified during the year from assets under construction (see Note 18).

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 2018)

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 2018)

Fulgor holds a license for permanent and exclusive use of a port located in the premises of the factory in Soussaki, Corinth. The port is necessary for the production of submarine cables of medium and high voltage. Since the acquisition of the subsidiary, significant investments for the upgrade and expansion of production capacity in producing high-voltage submarine cables took place. Since 2014, the production started as planned. The useful life of the asset is considered indefinite, since the use of these port facilities is for an indefinite period of time, in the context of the significant development of the sector.

D. Impairment testing

As these intangible assets do not generate independent cash inflows, it was considered appropriate to carry out the impairment test on the basis of the Cash Generating Unit (CGU) of Fulgor submarine cables production plant, which incorporates these assets. In order to evaluate the value in use, cash flow projections based on estimates by management covering a five-year period were used. These estimates take into consideration the contracts already signed, as well as contracts estimated to be awarded in Greece and abroad.

The submarine cables CGU operates in a project-based business. Therefore, assumptions related to revenue and profitability growth are based on the contracts already signed, as well as those estimated to be undertaken in the forthcoming period. The main assumptions regarding the operations of submarine cables CGU and the projects to be executed within the five-year period are:

- ✓ Progressively high capacity utilization of Fulgor's plant, starting from 2019 based on contracts already awarded.
- ✓ Capital expenditure of approx. EUR 37 million in the following 5 years, in order to cover estimated production and capacity needs.
- ✓ Compound annual growth rate of revenue from offshore business for the five-year period at ca. 23% attributable to assignment of new projects mainly in Greece, North Europe and the USA.
- ✓ Profitability per offshore project in terms of EBITDA at ca. 15%-25% of revenue. Estimated profitability per project varies mainly due to different type of cable and technical specifications, geographic region and project's timeframe.
- ✓ Compound annual growth rate of fixed operating expenses at ca. 4.1% for the five-year period.

Cash flows after the first five years were calculated using an estimated growth rate of 1.45%, which mainly reflects management's estimates for the growth prospects of the offshore cable sector. The pre-tax rate used to discount these cash flows is from 11.6% to 9.2% for the five year period and 9.8% for the terminal value and was based on the following:

- ✓ Risk free rate was determined according to AAA Eurozone rates in the range of -0.68% to -0.16% for the five years and 0.49% for the terminal value.
- ✓ The country risk for operating in Greece determined in the range of 1.2% to 1.6% for the first five years and 1.7% for the terminal value.
- ✓ The market risk premium was determined at 5.1%

Despite the fact that the commodity prices for copper and aluminium are part of the assumptions for the impairment test performed, due to the hedging activities undertaken and the customized nature of the products sold by Fulgor, the value of the business unit is not significantly affected by fluctuations in commodity prices. Neutral result from metal price fluctuations is assumed in the context of the impairment test.

The results of this test indicated that the recoverable amount as of 31 December 2018 exceeds the carrying amount of the CGU amounting to EUR 172 million by EUR 292 million.

A sensitivity analysis was carried out on the key assumptions of the model (discount rates and growth in perpetuity), so as to examine the adequacy of the headroom. The result of the sensitivity analysis indicated that the recoverable amount still exceeds the carrying value of the CGU.

Results of the sensitivity analysis for the impairment testing:

	Assumptions used	Change in rates (percentage points change) required for the recoverable amount to equal the carrying amount
Discount rate	*11.6% to 9.2%*	*+9.7 ppc*
Terminal growth	*1.45%*	*-19.3 ppc*

20. Investment property

A. Reconciliation of carrying amount

Amounts in EUR thousand	**2018**	**2017**
Balance at 1 January	6,140	6,472
Disposals	-	(178)
Reversal of impairment	-	149
Depreciation	(303)	(303)
Balance at 31 December	**5,837**	**6,140**
Gross carrying amount	10,143	10,143
Accumulated depreciation and impairment losses	(4,307)	(4,003)
Carrying amount at 31 December	**5,837**	**6,140**

Investment property consists of one building and several land properties. None of these is currently leased. These properties are not currently used by Cenergy Holdings and are held either for capital appreciation or to be leased in the foreseeable future. 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 478 thousand for 2018.

The accumulated impairment loss amounts to EUR 290 thousand. Based on management's assessment, during the current period, there were no indications for impairment or reversal of impairment for any property. The fair value of investment property amounts to EUR 6 million as at the reporting date. The fair value measurement for land has been categorised as a Level 2, while the fair value measurement for the building has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

B. Restrictions - Contractual obligations

There are neither restrictions nor contractual obligations.

21. Equity-accounted investees

A. Reconciliation of carrying amount

Amounts in EUR thousand	2018	2017
Balance at 1 January	13,012	13,292
Share in profit / (loss) after taxes	654	541
Dividends received	(230)	(238)
Foreign exchange differences	(1,507)	(582)
Balance at 31 December	**11,929**	**13,012**

B. Financial information per associate

2018

Company	Principal place of business	Revenue	Profit / (Loss) from continuing operations	Total comprehensive income	Ownership interest
Amounts in EUR thousand					
STEELMET S.A.	Greece	15,809	374	275	29.56%
DIA.VIPE.THIV. S.A.	Greece	2,591	113	111	26.19%
AO TMK-CPW	Russia	53,565	1,333	1,333	49.00%

Company	Segment	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Amounts in EUR thousand					
STEELMET S.A.	Other activities	7,952	951	6,922	1,250
DIA.VIPE.THIV. S.A.	Steel Pipes	2,827	12,011	859	8,332
AO TMK-CPW	Steel Pipes	44,813	6,070	29,981	16

2017

Company	Principal place of business	Revenue	Profit / (Loss) from continuing operations	Total comprehensive income	Ownership interest
Amounts in EUR thousand					
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	Segment	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Amounts in EUR thousand					
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

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

	At 31 December	
	2018	**2017**
Net assets of AO TMK-CPW on 1 January (100%)	23,007	24,174
Total comprehensive income of AO TMK-CPW (100%)	1,333	445
Foreign exchange differences (100%)	(3,076)	(1,145)
Dividends (100%)	(378)	(467)
Net assets of AO TMK-CPW on 31 December (100%)	**20,886**	**23,007**
Carrying amount of interest in AO TMK-CPW on 31 December (49%)	**10,234**	**11,274**
Carrying amount of interest in other indiviually immaterial associates	1,695	1,739
Total	**11,929**	**13,012**

There are no restrictions on the ability of joint ventures or associates to transfer funds to the Company in the form of cash dividends, or to repay loans or advances made by the Company.

There are no unrecognised share of losses of an associate, both for the reporting period and cumulatively.

22. Other investments

Amounts in EUR thousand	**2018**	**2017**
Balance as at 1 January	4,662	4,662
Additions	1	-
Reclassification to Other receivables due to liquidation	(84)	-
Balance as at 31 December	**4,579**	**4,662**

Other investments are equity investments at FVOCI (2017 classification: Available-for-sale financial assets) and include the following:

	As at 31 December	
Amounts in EUR thousand	**2018**	**2017**
Unlisted shares:		
- Greek equity instruments	225	308
- International equity instruments	4,354	4,354
	4,579	**4,662**

23. Derivatives

The following table sets out the carrying amount of derivatives:

	At 31 December	
Amounts in EUR thousand	**2018**	**2017**
Current assets		
Forward foreign exchange contracts	654	1,058
Future contracts	485	676
Total	**1,140**	**1,733**
Current liabilities		
Forward foreign exchange contracts	4,454	1,105
Future contracts	490	128
Total	**4,944**	**1,233**

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 2018 will be recycled to the consolidated statement of profit or loss during 2019, as all the hedged events will occur (the forecasted transactions will take place or the hedged items will affect profit or loss) in 2019.

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	**2018**	**2017**
Gain / (loss) on future contracts	144	(807)
Gain / (loss) on foreign exchange forward contracts	(4,470)	(2,789)
Total	**(4,326)**	**(3,596)**

Profit or loss related to derivatives used for cash flow hedging and recognized in other comprehensive income (Hedging reserve) as at 31 December 2018 will be recognized in profit or loss during the next financial year.

24. Capital and reserves

A. Share capital and share premium

The outstanding share capital and number of shares of the Company are as follows:

- Total outstanding share capital: EUR 117,892,172.38; and
- Total number of shares: 190,162,681.

The shares of the Company have no nominal value. Holders of shares are entitled to one vote per share at the shareholders meetings of the Company.

Share premium of the Company amounts to EUR 58,600 thousand.

B. Nature and purpose of reserves

(a) Statutory reserve

Pursuant to the Belgian tax legislation, the companies are obliged, from their fiscal year profits, to form 5% as a legal reserve until it reaches 10% of their paid share capital. The distribution of the legal reserve is prohibited.

Pursuant to Greek company law, the companies are obliged to allocate each year at least 5% of its annual net profits to its statutory reserve, until this reserve equals at least 1/3 of the company's share capital. The distribution of the statutory reserve is prohibited but it can be used to offset losses.

(b) 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 reserves

Amounts in EUR thousand	Statutory reserve	Translation reserve	Hedging reserve	Special reserves	Tax exempt reserves	Total
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**
Balance as at 1 January 2018	**6,903**	**(17,525)**	**370**	**9,525**	**36,318**	**35,591**
Other comprehensive income, net of tax	-	(1,151)	(1,833)	-	-	**(2,984)**
Transfer of reserves	666	-	-	-	-	**666**
Balance as at 31 December 2018	**7,569**	**(18,676)**	**(1,463)**	**9,525**	**36,318**	**33,273**

25. 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.

26. Loans and borrowings

A. Overview

	At 31 December	
Amounts in EUR thousand	**2018**	**2017**
Non-current liabilities		
Secured bank loans	6,750	-
Unsecured bank loans	22,680	28,830
Secured bond issues	110,115	43,751
Unsecured bond issues	33,840	12,480
Loans from related parties	220	-
Finance lease liabilities	1,187	1,080
Total	**174,792**	**86,141**
Current liabilities		
Secured bank loans	3,991	1,176
Factoring with recourse	57,533	43,451
Unsecured bank loans	276,794	207,094
Loans from related parties	-	5,152
Current portion of secured bond issues	13,979	92,563
Current portion of unsecured bond issues	3,907	3,055
Current portion of secured bank loans	1,050	-
Current portion of unsecured bank loans	6,148	9,901
Current portion of finance lease liabilities	452	340
Total	**363,854**	**362,732**
Total loans and borrowings	**538,645**	**448,873**

Information about Cenergy Holdings' exposure to interest rate, foreign currency and liquidity risk is included in Note 29.

The maturities of non-current loans are as follows:

Amounts in EUR thousand	**2018**	**2017**
Between 1 and 2 years	32,381	12,400
Between 2 and 5 years	101,581	34,508
Over 5 years	40,830	39,232
Total	**174,792**	**86,141**

The effective weighted average interest rates of the main categories of loans and borrowings at the reporting date are as follows:

	2018		2017	
	Carrying amount	Interest rate	Carrying amount	Interest rate
Bank lending (non-current) - EUR	29,430	2.8%	28,830	2.2%
Bank lending (current) - EUR	289,096	4.4%	241,182	5.3%
Bank lending (current) - GBP	1,870	4.8%	2,629	4.6%
Bank lending (current) - USD	50,446	6.1%	14,891	6.0%
Bank lending (current) - RON	2,884	2.6%	1,743	5.2%
Bank lending (current) - LEV	1,220	4.7%	1,176	4.7%
Bond issues - EUR	161,840	5.0%	151,849	5.3%
Finance lease obligations	1,639	3.9%	1,420	4.0%

During 2018, Cenergy Holdings' subsidiaries obtained new bank loans in euro, which amounted to EUR 137.5 million and repaid bank loans of EUR 51 million with maturity date in 2018. The new loans mainly concern withdrawals from existing and new revolving credit lines of current bank loans having similar terms and conditions for project financing and two new long term loans, as described below. The current bank loans had an average interest rate of 4.6%.

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

Loans and borrowings increased by EUR 89.8 million, driven by significant working capital needs and increased capital expenditure in the cables segment.

As at 31 December 2018, Cenergy Holdings' consolidated current liabilities exceed current assets by EUR 37.2 million. 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 any repayments for 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.

During 2018, the negotiations with several banks regarding the conversion of a significant portion of short-term borrowings to long-term ones were successfully concluded. As a result, loans and borrowings amounting to EUR 118.7 million were successfully reprofiled. Specifically:

- ✓ Corinth Pipeworks and Hellenic Cables reprofiled EUR 30.8 million and EUR 55.1 million, respectively, through a 5-year extension of the syndicated bond loans initially received in 2013 with improved pricing terms;
- ✓ Hellenic Cables received a new 7-year bond loan of EUR 25 million by a major Greek bank; and
- ✓ Icme Ecab received a new 5-year secured bank loan of EUR 7.8 million by a major Romanian bank.

Mortgages and pledges in favour of banks have been recorded on property, plant and equipment and inventories of subsidiaries. The carrying amount of assets mortgaged or pledged is EUR 163.8 million (amount of EUR 21.5 million relates to pledged inventories and amount of EUR 142.3 million relates to mortgaged property, plant and equipment).

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 2018 of breach of covenants 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	
	Note	**2018**	**2017**
Balance at 1 January		**448,873**	**447,219**
Changes from financing cash flows			
Proceeds from new borrowings		137,593	44,791
Repayment of borrowings		(51,079)	(45,935)
Payment of finance lease liabilities		(613)	(347)
Total changes from financing cash flows		**85,901**	**(1,491)**
Other changes			
New finance leases		775	1,077
Effect of changes in foreign exchange rates		(37)	(361)
Capitalised borrowing costs in assets under construction	18.D	577	-
Interest expense		24,421	25,891
Interest paid		(21,863)	(23,464)
		3,872	**3,144**
Balance at 31 December		**538,645**	**448,873**

C. Finance leases liabilities

Finance lease liabilities are payable as follows:

Amounts in EUR thousand	**2018**	**2017**
Finance Lease Obligations - Minimum leases		
Up to 1 year	506	392
Between 1 and 5 years	1,186	1,159
Over 5 years	79	-
Total	**1,771**	**1,551**
Future finance lease interest charges	(133)	(132)
Present value of minimum lease payments	**1,639**	**1,420**

27. Trade and other payables

Amounts in EUR thousand	**Note**	**2018**	**2017**
Suppliers		153,418	121,707
Notes payable		29,820	45,017
Social security contributions	12	2,263	1,946
Amounts due to related parties	35	14,015	8,999
Dividends payable		2	2
Sundry creditors		2,456	1,538
Accrued expenses		5,252	9,880
Other taxes		6,594	3,913
Total		**213,820**	**193,001**
Current balance of trade and other payables		209,587	186,915
Non-current balance of trade and other payables		4,233	6,086
Balance at December 31		**213,820**	**193,001**

The increase in suppliers is attributed to purchases of raw materials for the execution of the on-going projects, in both segments, while net repayments of notes payables during the period amounted to EUR 15,197 thousand.

28. Grants

Amounts in EUR thousand	**Note**	**2018**	**2017**
Balance at January 1		**15,436**	**16,215**
Amortisation of grants	9.A	(781)	(775)
Other		-	(3)
Balance at December 31		**14,655**	**15,436**

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 2018.

29. Financial instruments

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy.

31/12/2018

Amounts in EUR thousand	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity investments at FVOCI	4,579	-	-	4,579	**4,579**
Derivative financial assets	1,140	55	1,084	-	**1,140**
	5,719	**55**	**1,084**	**4,579**	**5,719**
Derivative financial liabilities	(4,944)	(28)	(4,916)	-	**(4,944)**
	775	**27**	**(3,832)**	**4,579**	**775**

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**

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.

Specifically, the carrying amount of loans and borrowings is considered as a good approximation of their fair value as:

- 93% of consolidated loans and borrowings concern floating-rate debt, which are a very good approximation of current market rates;
- As for fixed-rate instruments (EUR 35.4 million as of 31 Dec 2018), the fair value test based on current market rates indicates that their fair value also approximates their carrying amount.

The following table shows the reconciliation between opening and closing balances for Level 3 financial assets, which are classified as Equity investments at FVOCI (2017 classification: Available-for-sale financial assets):

Amounts in EUR thousand	2018	2017
Balance at 1 January	**4,662**	**4,662**
Additions	1	-
Sales	(84)	-
Balance at 31 December	**4,579**	**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)

The Equity investments at FVOCI include mainly the investment in INTERNATIONAL TRADE S.A. (carrying amount of investment at 31 Dec 2018: EUR 4,354 thousand), an affiliate of Viohalco. Due to the nature of the affiliate's business which is a trading & holding company with stable profitability, the movement in fair value of the investment is immaterial compared to 31 December 2017.

(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 2018 and no transfers in either direction in 2017.

C. Financial risk management

Cenergy Holdings and its companies are exposed to credit, liquidity and market risk due to the use of its financial instruments. This Note sets forth information on their exposure to each one of the above risks, their objectives, the policies and procedures applied to risk measurement and management and Cenergy Holdings' Capital Management (Note 25).

The risk management policies are applied in order to identify and analyze the risks facing Cenergy Holdings and its companies, set risk-taking limits and apply relevant control systems. The risk management policies and relevant systems are examined from time to time so as to take into account any changes in the market and the companies' activities.

The implementation of risk management policies and procedures is supervised by the Internal Audit department, which performs recurring and non-recurring audits and the results of such audits are notified to the Board of Directors.

C.1. Credit risk

Credit risk is the risk of the financial loss to Cenergy Holdings, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the companies' receivables from customers and contract assets.

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

		At 31 December	
Amounts in EUR thousand	**Note**	**2018**	**2017**
Trade & Other receivables - Current	16	199,648	138,267
Trade & Other receivables - Non-current	16	1,877	2,396
Contract assets	8.D	114,327	65,166
Less:			
Other downpayments	16	*(3,707)*	*(870)*
Tax assets	16	*(3,960)*	*(4,809)*
Other receivables	16	*(5,510)*	*(3,682)*
Subtotal		**302,676**	**196,468**
Equity investments at FVOCI	22	4,579	4,662
Cash and cash equivalents	17	65,203	69,443
Derivatives	23	1,140	1,733
Subtotal		**70,922**	**75,838**
Grand total		**373,598**	**272,306**

(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 2018, this threshold was exceeded from only one client of steel pipes segment (namely Plains All American), due to the execution of projects executed by 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 include wholesale 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	**2018**	**2017**
Greece	96,114	88,714
Other EU Member States	110,393	60,770
Other European countries	24,121	1,906
Asia	4,125	6,797
America (North & South)	63,396	38,003
Africa	4,527	278
Oceania	-	1
Total	**302,676**	**196,468**

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

Amounts in EUR thousand	**2018**	**2017**
Neither past due nor impaired	283,159	181,498
Overdue		
- Up to 6 months	15,988	10,258
- Over 6 months	3,529	4,713
Total	**302,676**	**196,468**

Subsidiaries' management believes that the amounts that are past due up to 6 months and over 6 months are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available.

On 31 December 2018 and 2017, the remaining receivables past due but not impaired mainly related to leading industrial groups, major public and private utilities and major resellers.

Cenergy Holdings' companies insure the majority of their receivables in order to be secured in case of default. As of 31 December 2018, 83% of the balances owed to third parties were insured.

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

	2018			**2017**		
Amounts in EUR thousand	**Trade & other receivables**	**Contract assets**	**Total**	**Trade & other receivables**	**Contract assets**	**Total**
Balance as at 1 January	**24,156**	**-**	**24,156**	**18,080**	**-**	**18,080**
Change in accounting policy	*1,114*	*148*	*1,263*	-	-	-
Restated balance as at 1 January	**25,271**	**148**	**25,419**	**18.080**	**-**	**18,080**
Impairment loss recognized	51	97	148	9,214	-	9,214
Impairment loss reversed	(424)	(4)	(428)	(8)	-	(8)
Reversal of / (Impairment loss) on receivables and contract assets	*(374)*	*93*	*(280)*	*9,206*	*-*	*9,206*
Write-offs	(296)	-	(296)	(1,508)	-	(1,508)
Foreign exchange differences	865	-	865	(1,621)	-	(1,621)
Balance as at 31 December	**25,467**	**242**	**25,708**	**24,156**	**-**	**24,156**

The allowance for expected credit losses for trade receivables and contract assets are calculated at individual level when there is an indication of impairment. For receivables and contract assets without any indication of impairment the expected credit losses are based on the historical credit loss experience combined with forward-looking information in macroeconomic factors effecting the credit risk, such as country risk and customers' industry related risks.

In 2018, a net reversal of impairment loss was recorded as a result of the improvement of the expected loss rates of domestic customers due to the improvement noted in Greek market. For 2017, an impairment loss of EUR 8,883 thousand was recorded concerning a former customer in the Middle-East (see Note 16.B).

The expected loss rates are updated at every reporting date.

The following collateral exists for securing non-insured receivables & contract assets:

Amounts in EUR thousand	**2018**	**2017**
Bank letters of guarantee	5,072	1,656
Payables which can be offset by receivables	8,413	1,147
Total	**13,484**	**2,804**

(b) Cash and cash equivalents

Cenergy Holdings and its companies held cash and cash equivalents of EUR 65,203 thousand at 31 December 2018. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated from AA- to CCC+ based on ratings of Fitch.

C.2. Liquidity risk

Liquidity risk is the risk that Cenergy Holdings and its companies will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach to manage liquidity is to ensure, as much as possible, that they will have sufficient liquidity to meet their liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to their reputation.

In order to avoid liquidity risks, Cenergy Holdings and its companies estimate the expected cash flows for the next year when preparing the annual budget and monitor the monthly rolling forecast of its cash flows for the next quarter, so as to ensure sufficient cash on hand to meet its operating needs, including coverage of its financial obligations. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

The companies monitor their cash needs through Steelmet S.A., an affiliate company, which agrees upon financing terms with the credit institutions in Greece and other countries.

Exposure to liquidity risk

Financial liabilities and derivatives based on contractual maturity are broken down as follows:

31/12/2018

		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	**374,946**	347,286	8,260	22,379	-	**377,925**
Loan from related party	**220**	-	243	-	-	**243**
Bond issues	**161,840**	22,115	29,859	90,544	54,236	**196,754**
Finance lease obligations	**1,639**	506	433	753	79	**1,771**
Derivatives	**4,944**	4,944	-	-	-	**4,944**
Trade and other payables	**213,820**	209,587	2,148	2,265	-	**214,000**
	757,409	**584,439**	**40,943**	**115,941**	**54,315**	**795,638**

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**
Loan 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**
	643,106	**562,479**	**18,035**	**49,367**	**49,635**	**679,515**

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.

31/12/2018

Amounts in EUR thousand	USD	GBP	RON	OTHER	TOTAL
Trade and other receivables	33,144	6,583	11,166	1,448	**52,342**
Contract assets	47,113	-	-	-	**47,113**
Cash & cash equivalents	25,558	807	364	43	**26,772**
Loans and Borrowings	(50,446)	(1,870)	(2,884)	-	**(55,200)**
Trade and other payables	(35,728)	(303)	(9,945)	(38)	**(46,013)**
Contract liabilities	-	-	(83)	-	**(83)**
	19,642	**5,217**	**(1,300)**	**1,454**	**25,013**
Derivatives for risk hedging (Nominal Value)	(82,521)	(7,902)	-	(1,251)	**(91,674)**
Total risk	**(62,879)**	**(2,685)**	**(1,300)**	**203**	**(66,661)**

31/12/2017

Amounts in EUR thousand	USD	GBP	RON	OTHER	TOTAL
Trade and other receivables	15,698	14,778	7,731	591	**38,798**
Contract assets	28,086	-	-	-	**28,086**
Cash & cash equivalents	14,101	220	216	51	**14,589**
Loans and Borrowings	(14,891)	(2,629)	(1,743)	-	**(19,263)**
Trade and other payables	(33,239)	(936)	(9,599)	(12)	**(43,785)**
Contract liabilities	-	-	(37)	-	**(37)**
	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)**

The following exchange rates have been applied during the year.

	Average exchange rate		**Year end spot rate**	
	2018	**2017**	**2018**	**2017**
USD	1.1810	1.1297	1.1450	1.1993
GBP	0.8847	0.8767	0.8945	0.8872
RON	4.6535	4.5681	4.6639	4.6597

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**
2018				
USD (10% movement in relation to EUR)	3,181	(2,603)	(6,987)	5,716
GBP (10% movement in relation to EUR)	(298)	244	(298)	244
RON (10% movement in relation to EUR)	(135)	110	(135)	110
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

(b) Interest rate risk:

Exposure to interest rate risk

Cenergy Holdings' companies during the prolonged low interest period have adopted a flexible policy of ensuring that between 5% and 20% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a float rate. The interest rate profile of Cenergy Holdings' companies' interest-bearing financial instruments, as reported is as follows.

	At 31 December	
Amounts in EUR thousand	**2018**	**2017**
Fixed-rate instruments		
Financial liabilities	(35,436)	(39,304)
Variable-rate instruments		
Financial liabilities	(503,210)	(409,569)

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**
2018		
Financial liabilities	(1,223)	1,223
2017		
Financial liabilities	(1,121)	1,121

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:

2018

		Expected cash flows			
Amounts in EUR thousand	**Carrying Amount**	**1-6 months**	**6-12 months**	**> 1 year**	**Total**
Foreign exchange forwards					
Assets	224	224	-	-	**224**
Liabilities	(2,258)	(279)	(1,980)		**(2,258)**
Future contracts					
Assets	485	485	-	-	**485**
Liabilities	(490)	(490)	-	-	**(490)**
	(2,040)	**(60)**	**(1,980)**	**-**	**(2,040)**

2017

		Expected cash flows			
Amounts in EUR thousand	**Carrying Amount**	**1-6 months**	**6-12 months**	**> 1 year**	**Total**
Foreign exchange forwards					
Assets	-	-	-	-	**-**
Liabilities	-	-	-	-	**-**
Future contracts					
Assets	676	676	-	-	**676**
Liabilities	(128)	(128)	-	-	**(128)**
	548	**548**	**-**	**-**	**548**

The table below provides information about the items designated as cash flow hedging instruments during the year and also as at 31 December 2018 and the reconciliation of hedging reserve.

Amounts in EUR thousands	**Nominal Amount**	**Carrying amount**		**Line item in the statement of financial position where the hedging instrument is included**	**Balance 1 January 2018**	**Changes in the value of the hedging instrument recognised in OCI**	**Amount reclassified from hedging reserve to profit or loss**	**Effect of movement in exchange rates**	**Balance 31 December 2018**
		Assets	**Liabilities**						
Forward foreign exchange contracts	(86,479)	224	(2,258)	Derivatives (Assets & Liabilities)	-	(2,035)	-	-	(2,035)
Future contracts	15,050	485	(490)	Derivatives (Assets & Liabilities)	548	(5)	(544)	(4)	(5)
	(71,429)	**709**	**(2,749)**		**548**	**(2,040)**	**(544)**	**(4)**	**(2,040)**
Related tax					(176)	578	175	1	**578**
Non-controlling interests					(2)	(1)	2	-	**(1)**
Hedging reserve					**370**	**(1,463)**	**(367)**	**(3)**	**(1,463)**

(d) Commodity price risk

The commodity markets have experienced and are expected to continue to experience price fluctuations. Cenergy Holdings subsidiaries have exposure to the following commodities: steel, aluminum, copper and lead. Cenergy Holdings subsidiaries therefore use future contracts to minimize exposure to commodity price volatility, when possible. Subsidiaries in cables segment use back to back matching of purchases and sales, or derivative instruments (future contracts) in order to minimize the effect of the metal price flunctuations on their results.

As of 31 December 2018 the derivative net balance of future contracts and the respective nominal amount as reported in the statement of financial position, per commodity is:

Amounts in EUR thousand	**Nominal Amount**	**Carrying amount**
Aluminium	3,323	(390)
Copper	635	295
Lead	11,092	90
Total	**15,050**	**(5)**

These hedges are designated in a cash flow hedge accounting relationship.

C.4. Risk of macroeconomic and financial environment

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

This includes, the uncertainty surrounding the effect of the exit of United Kingdom from the European Union (Brexit), including changes to the legal and regulatory framework that apply to the United Kingdom and its relationship with the European Union, as well as new and proposed changes affecting tax laws and trade policy in the U.S.A.

Concerning potential implications from the Brexit, Cenergy Holdings is closely monitoring relevant developments and taking measures to mitigate any disruption. The lack of progress in Brexit negotiations raises the risk of a disruptive exit with possible consequences including the imposition of potential trade barriers and custom duties. Thus, Cenergy Holdings does not expect its financial position to be significantly vulnerable with regard to the Brexit. Exports to the United Kingdom accounted for approximately 10% of total revenues for 2018 while most of direct competitors in the cables and steel pipes segments operate within the Eurozone. Thus, it is likely they will react to currency fluctuations accordingly. Based on the analysis performed up to date, Brexit is not expected to have any material adverse effect on the operations of Cenergy Holdings.

Regarding duties imposed on steel products imports in the U.S.A., the management of the Group and Corinth Pipeworks follow developments closely and keep the investment community constantly informed through press releases, whenever such communication is deemed necessary. Moreover, it is worth noting that local production of steel pipes of the type exported to the US market is neither sufficient in quantities nor similar in quality. This acts as a containment to any negative effects the imposition of tariffs may have. Corinth Pipeworks anticipates it will remain competitive versus local producers and other importers of large diameter pipes, thanks to strong demand in the USA (increased number of new pipeline projects), the duties being imposed on its competitors and the high quality of products and services offered to its U.S.A. customers.

Finally, the macroeconomic and financial environment in Greece, where most of Cenergy Holdings' subsidiaries are located, is showing clear signs of improvement. The capital controls that are in force in Greece since June 2015 have been loosened further, but still remain in place 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. During 2018, Greece officially exited from the third bailout programme that began in 2015 and its credit rating upgraded by Standard & Poor's during H1 2018 (from 'B' to 'B+'). Nevertheless, management constantly assesses any new development in the Greek economy and its possible implications on subsidiaries' activities in order to ensure that all necessary and effective measures and actions are taken on time in order to minimize any impact. Cenergy Holdings' subsidiaries' strong customer base outside Greece (88% of revenue) along with their established facilities abroad minimize the liquidity risk which may arise from any remaining uncertainty of the economic environment in Greece.

30. 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 2018	Direct & indirect interest 2017
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%

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 2018.

31. Joint operations

Hellenic Cables has a 62.52% interest in a joint arrangement called VO Cablel VOF, which was set up as a partnership together with Van Oord. The scope of this joint operation scheme is to supply and install sea and land cables for the Hollandse Kust (South) Alpha project and Hollandse Kust (South) Beta project. The principal place of business of the joint operation is in the Netherlands.

Hellenic Cables has a 50.77% interest in a joint arrangement called V.O.F. Tideway - Hellenic Cables, which was set up as a partnership together with Tideway. The scope of this joint operation scheme is to execute a turnkey contract for the supply and installation of submarine cables for the connection of the Seamade offshore wind project to the Belgian grid. The principal place of business of the joint operation is in Belgium.

The agreements in relation to the VO Cablel VOF and V.O.F. Tideway - Hellenic Cables require unanimous consent from all parties for all relevant activities. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. These entities are therefore classified as a joint operations and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 5.1(g).

32. Operating leases

Cenergy Holdings lease company cars, machinery and buildings 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	**2018**	**2017**
Less than one year	1,212	1,209
Between one and five years	2,522	2,386
	3,734	**3,596**

B. Amounts recognized in profit or loss

Amounts in EUR thousand	**2018**	**2017**
Lease expense	1,280	1,473

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	**2018**	**2017**
Property, plant and equipment	13,380	11,405

B. Guarantees

	At 31 December	
Amounts in EUR thousand	**2018**	**2017**
Guarantees for securing liabilities to suppliers	15,885	19,046
Guarantees for securing the good performance of contracts with customers	107,430	87,349
Guarantees for securing grants	13,929	13,929

34. Contingent liabilities

A. Litigations

Reference is made to the ongoing claim described in Note 16.B.

B. Contingent tax liabilities

The tax filings of the subsidiaries are routinely subjected to audit by the tax authorities in most of the jurisdictions in which Cenergy Holdings conduct business. These audits may result in assessments of additional taxes. Cenergy Holdings provide for additional tax in relation to the outcome of such tax assessments at the amount expected to be settled (or recovered).

Cenergy Holdings believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of underlying factors, including interpretations of tax law and prior experience.

35. Related parties

A. Related party transactions

The following transactions have been made with Viohalco and its subsidiaries, equity-accounted investees and other related parties:

Amounts in EUR thousand	For the year ended 31 December 2018	2017
Sales of goods		
Equity-accounted investees	3	46
Other related parties	105,233	77,342
	105,237	**77,388**
Sales of services		
Equity-accounted investees	570	-
Other related parties	1,304	536
	1,874	**536**
Sales of property, plant & equipment		
Other related parties	11	84
	11	**84**
Purchases of goods		
Other related parties	28,122	13,461
	28,122	**13,461**
Purchases of services		
Viohalco	358	301
Equity-accounted investees	6,567	4,947
Other related parties	8,551	7,635
	15,476	**12,883**
Purchase of property, plant and equipment		
Equity-accounted investees	6	92
Other related parties	5,228	2,454
	5,234	**2,546**

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

During 2018, the sales of goods to related parties have increased, due to sales performed through Viohalco's commercial companies in the main European markets.

Amounts in EUR thousand	2018	2017
Balance at January 1	**5,152**	**5,175**
Loans granted during the year	220	-
Capital paid	(5,000)	-
Interest charged for the period	83	296
Interest paid	(236)	(318)
Balance at December 31	**220**	**5,152**

During 2015, a loan was granted by Viohalco to Icme Ecab for EUR 5,000 thousand at market rates. This loan was renewed during 2016 and 2017 and fully repaid during 2018. During 2018, VET S.A. received a loan from the affiliate company NOVAL S.A. of EUR 220 thousand at market rate.

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

	At 31 December	
	2018	**2017**
Current receivables from related parties		
Equity-accounted investees	3	16
Other related parties	35,298	27,625
	35,301	**27,641**
Current liabilities to related parties		
Parent company	78	894
Equity-accounted investees	2,175	1,995
Other related parties	11,762	6,110
	14,015	**8,999**

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.

	For the year ended 31 December	
Amounts in EUR thousand	**2018**	**2017**
Compensation to BoD members and executives	908	844

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

36. Auditor's fees

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

	For year ended 31 December	
Amounts in EUR thousand	**2018**	**2017**
KPMG Réviseurs d'Entreprises		
Audit	101	85
Audit related services	-	-
	101	**85**
KPMG Network		
Audit	281	242
Tax related services	70	75
Other services	17	20
	368	**336**
Total	**469**	**421**

37. Subsequent events

On February 21st, 2019, the U.S. Department of Commerce (the 'DoC') announced its affirmative final determinations in the antidumping duty investigations initiated in early 2018 on imports of large diameter welded pipe from Canada, Greece, Korea and Turkey. Similar determinations about imports from China and India were announced in December 2018. In the Greece investigation, the DoC assigned an antidumping duty rate of 9.96% for Corinth Pipeworks S.A.

On April 16th, 2019 the United States International Trade Commission (ITC) completed and filed its injury determinations in the antidumping and countervailing duty investigations concerning large diameter welded (LDW) pipe from Canada, Greece, Korea and Turkey. Concerning Greece, the ITC determined that an industry in the United States is threatened with material injury by reason of less than fair value imports of LDW line pipe from Greece. On the contrary, it ruled that LDW structural pipe imports from Greece do not cause and are not a threat to cause material injury to the U.S. industry.

As a result of ITC's affirmative determinations aforementioned, the DoC will issue an antidumping duty order on future imports of LDW steel line pipe from Greece at a corrected rate of 10.26%. In contrast, structural pipe from Greece will not be covered by such an antidumping duty order.

It is noted that imports of LDW line pipe from Greece, which were entered prior to the publication date of DOC dumping order, will not be assessed dumping duties – hence, any deposited preliminary dumping duties will be refunded and subsequently, reimbursed to the final customers.

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

Statutory Auditor's Report

In the context of the statutory audit of the consolidated financial statements of Cenergy Holdings 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 2018, as well as other legal and regulatory requirements. Our report is 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 ended 31 December 2018. We have performed the statutory audit of the Company's consolidated financial statements for 3 consecutive financial years.

Report on 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 2018, 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 2018, 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 the notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR 1,058,696 thousand and the consolidated statement of profit or loss shows a profit for the year of EUR 6,888 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 2018 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") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB applicable for the current accounting year while these have not been adopted in Belgium yet. 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 matter

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.

Availability of financing resources, liquidity risk and compliance with covenants

We refer to notes 26 "Loans and borrowings", 29 C.2. "Liquidity risk" and 29 C.4. "Risk of macroeconomic and financial environment" of the consolidated financial statements.

— Description

The Company's subsidiaries have significant non-current and current financial borrowings and are thus highly dependent on financial institutions to support their operations.

During 2018, the negotiations with several banks regarding the conversion of a portion of current borrowings to non-current were concluded. Despite this conversion, consolidated current liabilities as of 31 December 2018 exceed consolidated current assets by EUR 37.2 million due to the significant portion of the loans and borrowings due within one year.

Management expects that the Group will be able to meet the obligations in respect of the current liabilities with operating cash flows and unutilized credit lines which are in place. If the expectations of management are not met, 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 non-current loans and borrowings 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 availability of facilities required to finance the Company's working capital and capital expenditure needs;
- 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.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium.

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.

Other legal and regulatory requirements

Responsibilities of the Board of Directors

The board of directors is responsible for the preparation and the content of the 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 (revised in 2018) 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 2018 (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 "Stand-alone Condensed Statutory Balance Sheet and Income Statement";

— the section "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.

The non-financial information required by article 119 §2 of the Companies' Code has been included in a separate report attached to the board of directors' annual report on the consolidated financial statements, which 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 the Global Reporting Initiative ("GRI") framework. In accordance with article 148 §1, 5° of the Companies' Code, we do not comment on whether this non-financial information has been prepared in accordance with the GRI framework mentioned in the separate report attached to the board of directors' annual report on the consolidated financial statements.

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, 24 April 2019

KPMG Réviseurs d'Entreprises
Statutory Auditor
represented by

Benoit Van Roost
Réviseur d'Entreprises

Declaration of responsible persons

Statement on the true and fair view of the consolidated financial statements and the fair overview of the management.

In accordance with the article 12, §2, 3° of the Royal Decree of 14 November 2007, the members of the Executive Management, (i.e. Dimitrios Kyriakopoulos, Apostolos Papavasileiou, Alexios Alexiou and Alexandros Benos) declare that, on behalf and for the account of the Company, to the best of their knowledge:

a) the consolidated financial statements for the year ended 31 December 2018 which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the Equity, Financial position and Financial Performance of the Company, and the entities included in the consolidation as a whole,

b) the management report on the consolidated financial statements includes a fair overview of the development and performance of the business and the position of the Company, and the entities included in the consolidation, together with the description of the main risks and uncertainties with which they are confronted.

Stand-alone 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, once 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 2018**
Non- current assets	**176,396**
Start-up costs	540
Tangible assets	1
Financial assets	175,855
Current assets	**7,782**
Amounts receivable	6,752
Cash at the bank and in hand	943
Deferred charges and accrued income	86
Total assets	**184,178**
Capital and reserves	**180,333**
Capital	117,892
Share premium account	59,591
Reserves	8,575
Profit / (loss) carried forward	-5,725
Creditors	**3,845**
Amounts payable within one year	3,672
Accrued charges and deferred income	172
Total liabilities	**184,178**

Summary income statement

Amounts in EUR thousand	**For the year ended 31 December 2018**
Sales and services	**63**
Operating charges	**-1,848**
Miscellaneous goods and services	-1,310
Remuneration, social security and pensions	-106
Depreciation and amounts written off on start-up costs, intangible and tangible assets	-175
Other operating expenses	-257
Profit / (Loss) of operating activities	**-1,786**
Financial income	**247**
Income from financial assets	224
Non recurring income	23
Financial expenses	**-756**
Other financial expenses	-
Adjustments to amounts written off financial fixed assets	-756
Profit / (loss) for the year before income taxes	**-2,295**
Income taxes on result	-
Profit / (loss) for the year	**-2,295**

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 and Adjusted EBITDA have limitations as analytical tools, and investors should not consider it in isolation, or as a substitute for analysis of the operating results as reported under IFRS and may not be comparable to similarly titled measures of other companies.

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.

All APMs are consistently calculated year by year.

Reconciliation of Operating Profit to EBIT and EBITDA:

	Cables		Steel Pipes		Other activities		Total	
Amounts in EUR thousand	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Operating result	**17,808**	**16,684**	**16,417**	**6,803**	**(1,960)**	**(1,691)**	**32,265**	**21,796**
Share of profit/(loss) of equity accounted investees, net of tax	-	-	682	425	(28)	116	654	541
EBIT	**17,808**	**16,684**	**17,099**	**7,228**	**(1,988)**	**(1,576)**	**32,919**	**22,336**
Depreciation & Amortization	13,673	12,772	9,310	9,148	321	350	23,304	22,269
EBITDA	**31,481**	**29,456**	**26,409**	**16,376**	**(1,667)**	**(1,226)**	**56,223**	**44,605**

Reconciliation of EBIT to a-EBIT and a-EBITDA:

	Cables		Steel pipes		Other activities		Total	
Amounts in EUR thousand	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
EBIT	**17,808**	**16,684**	**17,099**	**7,228**	**(1,988)**	**(1,576)**	**32,919**	**22,336**
Metal price lag (1)	1,679	3,147	173	217	-	-	1,852	3,364
Unrealized (gains)/losses on foreign currency balances and derivatives	(355)	931	2,136	-	-	-	1,781	931
Restructuring costs	-	99	-	-	-	-	-	99
Impairment on receivables (2)	-	-	-	8,883	-	-	-	8,883
Exceptional legal fees (3)	-	-	906	-	-	-	906	-
Other exceptional or unusual (income)/expenses (4)	1,999	(438)	(19)	(1)	(10)	(51)	1,970	(489)
Adjusted EBIT	**21,131**	**20,424**	**20,295**	**16,326**	**(1,998)**	**(1,627)**	**39,428**	**35,124**
Depreciation & Amortization	13,673	12,772	9,310	9,148	321	350	23,304	22,269
Adjusted EBITDA	**34,804**	**33,195**	**29,605**	**25,475**	**(1,677)**	**(1,277)**	**62,732**	**57,393**

(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) Exceptional Impairment loss recorded during 2017, concerning a former customer in the Middle-East (see Note 16.B of the Consolidated Financial Statements).

(3) Legal consulting services regarding the US antidumping investigation.

(4) Other exceptional or unusual (income)/expenses for 2018, mainly include mainly include EUR 2 million loss from out of court settlement, while for 2017 included mainly the income from a legal case which resulted in favour of Fulgor.

Reconciliation of loans and borrowings to Net debt:

	Cables		Steel pipes		Other activities		Total	
Amounts in EUR thousand	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Loans and borrowings - Long term	123,954	49,853	50,615	36,287	223	-	174,792	86,141
Loans and borrowings - Short term	196,784	215,613	167,070	147,119	-	-	363,854	362,732
Cash and cash equivalents	(29,571)	(10,264)	(34,679)	(58,182)	(954)	(998)	(65,203)	(69,443)
Net debt	**291,167**	**255,203**	**183,007**	**125,224**	**(731)**	**(998)**	**473,442**	**379,429**

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
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 or **Board**	the Board of Directors of the 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.
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
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
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
IPTO S.A.	Independent Hellenic Transmission Operator
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.
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.
Tideway	Tideway is a subsidiary of the Belgian dredging, environmental and marine engineering group DEME, an international market leader for complex marine engineering works.
TIGF	Transport et Infrastructures Gaz France 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
Van Oord	Van Oord is a Dutch family-owned company with 150 years of experience as an international marine contractor.

The annual report, full versions of the statutory and consolidated annual accounts, as well as the audit reports regarding said annual accounts are available on the website (www.cenergyholdings.com).