Annual Financial Report 2017

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FRIGOGLASS S.A.I.C.
Commercial Refrigerators
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General Commercial Registry: 1351401000

FRIGOGLASS S.A.I.C.
Commercial Refrigerators

Annual Financial Report for the period 1 January to 31 December 2017

It is confirmed that the present Annual Financial Report **(pages 3 – 189)** is prepared in accordance with article 4 of Law 3556/2007 and decision 8/754/14.04.2016 of the Board of Directors of the Hellenic Capital Market Commission and was approved by the Board of Directors of "FRIGOGLASS S.A.I.C." on the **23rd April 2018**.

The present Annual Financial Report is available on the company's website www.frigoglass.com. The Financial Statements and the Auditors' Reports for the subsidiaries which are consolidated and they are not listed (in accordance with Capital Markets Board of Director's Decision 8/754/14.04.2016) can be found on the following link: https://www.frigoglass.com/financial-results/

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It is asserted that for the preparation of the Financial Statements the following are responsible:

The Chairman of the Board of Directors	**The Managing Director**
Haralambos David	Nikolaos Mamoulis
The Group Chief Financial Officer	**The Head of Finance**
Emmanouil Fafalios	Vasileios Stergiou

STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS

In accordance with article 4 paragraph 2 of Law 3556/30.04.2007, we confirm that to the best of our knowledge:

1. the attached Annual Financial Statements of the Company and the Group of " FRIGOGLASS S.A.I.C." for the year **01.01.2017 - 31.12.2017**, which were compiled according to the standing accounting standards, describe in a truthful way the assets and the liabilities, the equity and the results of FRIGOGLASS S.A.I.C, as well as the subsidiary companies which are included in the consolidation as a total.

2. the enclosed Board of Directors' report presents in a true manner the development, performance and financial position of FRIGOGLASS S.A.I.C. as well as of the companies included in the consolidated financial statements taken as a whole, including the description of the principal risks and uncertainties that they face.

Kifissia, April 23, 2018

The Chairman of the Board of Directors

Haralambos David

The Managing Director

Nikolaos Mamoulis

The Member of the Board of Directors

Loukas Komis

BOARD OF DIRECTORS REPORT

Concerning the Annual Financial Report
for the year 1st January – 31st December 2017

Kifissia, 23rd April 2018

Dear Shareholders,

According to Law 3556/2007 and the implementing decisions of the Hellenic Capital Market Commission, we are submitting the present annual report of the Board of Directors referring to the consolidated and the parent company financial data of FRIGOGLASS S.A.I.C. (the "Company") for the fiscal year ended on 31 December 2017**.**

1) Introduction

Frigoglass (the 'Group') is one of the leading international producers of Ice-Cold Merchandisers (ICMs) and one of the foremost glass container producers in the high growth markets of West Africa. Frigoglass is a strategic partner of the global beverage brands throughout the world. The Group's customer base includes most of the significant bottlers in The Coca-Cola System, a number of Pepsi bottlers, several of the world's leading breweries, including Heineken, Diageo, Carlsberg and AB InBev, and leading dairy companies, including, among others, Nestlé and Danone.

Frigoglass has a strong relationship with The Coca-Cola System through long-term ICM supply arrangements with Coca-Cola bottlers, such as Coca-Cola HBC AG and Coca-Cola European Partners Plc, two of the largest bottlers of non-alcoholic beverages in the world.

Additionally, Frigoglass has strong and long-standing relationships with many of its other key customers, many of which are served through both ICM and Glass operations. This allows Frigoglass to leverage its customer base across both operating segments. The Group's position as a long-standing partner to these customers and relationship with them across both ICM and Glass operations provides Frigoglass valuable insight into their strategic business and merchandizing needs.

In ICM Operations, Frigoglass manufactures and sells commercial refrigeration products, as well as related parts and services. Frigoglass ICMs are strategic merchandizing tools for its customers, serving not only to chill their products, but also as retail space and merchandizing tools that encourage immediate consumption of customer products while enhancing Frigoglass customers' brands. Frigoglass works with its customers to provide high quality, bespoke ICM solutions that address their business needs for their various trade channels. Through this close collaboration, Frigoglass helps its customers to realize their strategic merchandizing plans, from conception and development of new, customized ICMs to offering a full portfolio of after-sale services. Frigoglass also helps its customers to achieve their sustainability goals and reduce their carbon footprint through its innovative, environmentally friendly ICM solutions, which consume substantially less energy than conventional ICMs. In Glass Operations, Frigoglass manufactures and sells glass bottles and containers of high-quality and specification in an array of shapes, sizes, colors and weights to a variety of customers operating primarily in the soft drinks, beer and spirits industries as well as in the cosmetics and pharmaceutical industries. Glass Operations are more regionally focused, concentrating on sales in West Africa, MENA and South East Asia. In Nigeria, Glass Operations also produce plastic crates and metal crowns, allowing the Group to offer its customers a complete packaging solution for their products.

Frigoglass operates in both emerging and mature markets, which exhibit different beverage consumption, macroeconomic and demographic trends, thus offering diversity and creating a range of growth opportunities for its business. Emerging markets exhibit low ICM penetration levels, combined with favorable long-term macroeconomic and demographic trends. These factors provide substantial growth opportunities for Frigoglass and its customers as a result of expectations for increased beverage consumption. Despite a high level of ICM penetration, demand for Frigoglass products in mature markets is primarily driven by its customers' sustainability initiatives, such as carbon footprint reduction, lower energy consumption and demand for innovative and sophisticated products featuring better product performance, trade channel specific customization and high quality after-sale service offerings.

Frigoglass production facilities are located in eight countries: Greece, U.A.E., India, Indonesia, Nigeria, South Africa, Romania and Russia. To strengthen this strategic geographic positioning, Frigoglass also operates stand-alone sales offices in Germany, Kenya, Norway, Nigeria and U.A.E..

In March 2014, the Group discontinued its manufacturing operations at Spartanburg, South Carolina. This follows Frigoglass decision to change its operating model in the United States and focus on commercial activities of sales and marketing, distribution and service. The Group continues to serve the requirements of its North America customers from its network of existing manufacturing facilities.

In the fourth quarter of 2014, the Group also integrated the Turkey-based manufacturing volume into its European flagship plant in Timisoara, Romania. As part of this process, Frigoglass' Silivri-based Turkish manufacturing plant ceased operations. The continued productivity improvements following the implementation of Lean manufacturing principles in our plant in Romania have made available sufficient capacity to absorb the volume from Turkey and meet any potential future demand.

In July 2016, the Group announced the discontinuation of its manufacturing operations in China. This development will enable the optimization of the production capacity in Asia, improve the company's fixed cost structure and strengthen its long-term competitiveness.

2) Financial and Business Review

2.1) Financial Review

Consolidated Income Statement

The following table presents the consolidated income statements for fiscal years **2017, 2016 and 2015.**

FRIGOGLASS S.A.I.C.
Income Statement
in € 000's

	Consolidated Year ended			% Change		% Of Net Trade Sales		
	31.12.2017	**31.12.2016 Restated**	**31.12.2015**	**2017**	**2016**	**2017**	**2016**	**2015**
Continuing Operations:								
Net sales revenue	**386.049**	**382.338**	**418.039**	**1,0%**	**-8,5%**	**100,0%**	**100,0%**	**100,0%**
Cost of goods sold	(318.508)	(319.088)	(347.298)	-0,2%	-8,1%	82,5%	83,5%	83,1%
Gross profit	**67.541**	**63.250**	**70.741**	**6,8%**	**-10,6%**	**17,5%**	**16,5%**	**16,9%**
Administrative expenses	(22.157)	(23.080)	(27.088)	-4,0%	-14,8%	5,7%	6,0%	6,5%
Selling, distribution & marketing expenses	(19.142)	(26.566)	(23.664)	-27,9%	12,3%	5,0%	6,9%	5,7%
Research & development expenses	(3.738)	(4.085)	(4.434)	-8,5%	-7,9%	1,0%	1,1%	1,1%
Other operating income	6.387	3.521	8.139	81,4%	-56,7%	1,7%	0,9%	1,9%
Other gains<losses> -net	4.110	(205)	(286)	n.m.	-28,3%	1,1%	0,1%	0,1%
Impairment of Fixed Assets & Goodwill	(1.607)	(1.785)	-	-10,0%	n.m.	0,4%	0,5%	0,0%
Operating Profit / <Loss>	**31.394**	**11.050**	**23.408**	**>100%**	**-52,8%**	**8,1%**	**2,9%**	**5,6%**
Finance <costs> / income	(19.304)	(9.745)	(30.405)	98,1%	-67,9%	5,0%	2,5%	7,3%
Profit / <Loss> before income tax & restructuring costs	**12.090**	**1.305**	**(6.997)**	**>100%**	**n.m.**	**3,1%**	**0,3%**	**1,7%**
Restructuring gains / <losses>	38.243	(22.326)	(16.757)	n.m.	33,2%	9,9%	5,8%	4,0%
Profit / <Loss> before income tax	**50.333**	**(21.021)**	**(23.754)**	**n.m.**	**-11,5%**	**13,0%**	**5,5%**	**5,7%**
Income tax expense	(15.438)	(19.516)	(23.443)	-20,9%	-16,8%	4,0%	5,1%	5,6%
Profit / <Loss> after income tax expenses from continuing operations	**34.895**	**(40.537)**	**(47.197)**	**n.m.**	**-14,1%**	**9,0%**	**10,6%**	**11,3%**
Discontinued Operations:								
Profit / <Loss> after income tax expenses from discontinued operations	**(19.958)**	**(39.735)**	**(11.118)**	**-49,8%**	**>100%**	**5,2%**	**10,4%**	**2,7%**
Profit/<Loss> for the Period	**14.937**	**(80.272)**	**(58.315)**	**n.m.**	**37,7%**	**3,9%**	**21,0%**	**13,9%**
Attributable to:								
Non controlling interests	7.289	8.958	3.771	-18,6%	>100%	1,9%	2,3%	0,9%
Shareholders	**7.648**	**(89.230)**	**(62.086)**	**n.m.**	**43,7%**	**2,0%**	**23,3%**	**14,9%**
Depreciation	21.108	24.105	27.134	-12,4%	-11,2%	5,5%	6,3%	6,5%
EBITDA	**54.109**	**36.940**	**50.542**	**46,5%**	**-26,9%**	**14,0%**	**9,7%**	**12,1%**

For the Year Ended 31 December 2017

Net sales revenue increased by 1,0% to €386,0m for the year ended 31 December 2017. This increase primarily reflects higher year-on-year commercial refrigeration (ICM) sales in Europe.

Net sales revenue from ICM Operations increased by 1,9% to €295,5m for the year ended 31 December 2017. In Eastern Europe, net sales revenue increased by 12,8% to €119,2m, mainly reflecting Russia's macroeconomic recovery throughout the year

and the expansion of our Integrated Service offering to more regions in Russia. Following signs of macroeconomics improvement, key customers in Russia's beer segment invested in coolers to improve their execution in the marketplace. Sales to Coca-Cola bottlers in the region increased by high single digit, primarily reflecting increased orders in Romania and Bulgaria. In Western Europe, net sales revenue grew 51,4% to €100,1m, mainly led by strong demand for ICOOL from the Coca-Cola bottlers in Germany and France. During the year, a stronger customer orientation resulted in gaining market share with the existing customer base as well as new customers.

Net sales revenue in Asia and Oceania decreased by 36,8% to €34,3m, mainly reflecting the closure of China's plant which had a significant adverse impact on orders in this market. Excluding China, sales in our Asia and Oceania business declined by 9,8% following lower ICM placements in Southeast Asia and intense competition. Net sales revenue in Africa and the Middle East region decreased by 36,4% to €37,6m. The market conditions in Nigeria remain difficult, with the consumer environment still weak given low oil production output, economic recession and high inflationary pressure. The lower year-on-year sales in Nigeria also reflect orders being transferred to the first quarter of 2018. Sales in East Africa declined year-on-year on lower demand from the Coca-Cola bottler and a brewery customer in the region. Net sales revenue in North America were €4,3m for the year ended 31 December 2017, compared to €4,8m a year ago.

Net sales revenue from Glass Operations decreased by 2,0% to €90,6m for the year ended 31 December 2017, primarily reflecting the adverse Naira translation impact and lower year-on-year demand for our glass container business, more than offsetting the good performance in Metal Crowns. In local currency terms, sales in our Nigerian operations increased by 21,1% year-on-year. Price increases to partially absorb the cost inflation caused by the devaluation of the Naira and increased demand from wine and spirit companies, as well as breweries, resulted in this solid performance. Metal Crowns had a good performance, with sales growing in double digits mainly on strong demand from soft-drinks and breweries. Plastic Crates' sales declined by 2,8%, primarily due to the lower year-on-year demand from customers in the soft-drinks beverage market segment.

Cost of goods sold remained broadly unchanged at €318,5m for the year ended 31 December 2017, as the reduction of fixed costs due to the discontinuation of the manufacturing operations in China and the positive impact from the devaluation of the Naira were fully offset by the higher year-on-year volume and increased raw material cost. Overall, cost of goods sold as a percentage of the Group's net sales revenue decreased to 82,5% for the year ended 31 December 2017, from 83,5% for the year ended 31 December 2016.

Administrative expenses decreased by 4,0% to €22,2m for the year ended 31 December 2017. This was primarily attributable to lower employee related expenses, assisted by the discontinuation of manufacturing operations in China. The ratio of

administrative expenses to net sales revenue decreased at 5,7%, from 6,0% in the year ended 31 December 2016.
Selling, distribution and marketing expenses decreased by 27,9% to €19,1m for the year ended 31 December 2017. This decrease mainly reflects lower warranty and miscellaneous expenses as well as an additional provision regarding the recoverability of certain receivables in 2016. As a percentage of net sales revenue, selling, distribution and marketing expenses decreased to 5,0%, from 6,9% in the year ended 31 December 2016.

Research and development expenses decreased by 8,5% to €3,7m for the year ended 31 December 2017. This decrease is principally attributable to lower employee related expenses. As a percentage of net sales revenue, research and development expenses decreased to 1,0%, from 1,1% in the year ended 31 December 2016.

Other income increased by €2,9m to €6,4m for the year ended 31 December 2017, mainly due to higher scrap related sales and insurance claims. Other gains reached €4,1m, compared to losses of €0,2m, including gains from the disposal of the building in China.

Operating profit impacted by charges related to impairments of fixed assets amounted to €1,6m for the year ended 31 December 2017, compared to impairments of €1,8m for the year ended 31 December 2016.

Finance costs reached €19,3m for the year ended 31 December 2017, from €9,7m in the year ended December 2016. This increase primarily reflects last year's foreign exchange gains.

In the year ended 31 December 2017, the Group incurred net gains of €38,2m following the write-off of €45,0m debt triggered by the Group's capital restructuring, €35,5m gains from the difference between the fair value of the issued shares and the nominal value of the convertible bonds converted into shares and €42,3m of expenses related to the capital restructuring process.

Income tax expense decreased to €15,4m for the year ended 31 December 2017.

Net losses from discontinued operations were €20,0m for year ended 31 December 2017, impacted by impairment charges of €11,4m, compared to losses of €39,7m in the year ended 31 December 2016 that were adversely affected by impairments of €29,7m.

Net profit attributable to shareholders amounted to €7,6m for year ended 31 December 2017, compared to net losses of €89,2m in the year ended 31 December 2016.

For the Year Ended 31 December 2016

Net sales revenue declined by 8,5% to €382,3m for the year ended 31 December 2016. This decline mainly reflects lower year-on-year sales in ICM Operations as well as lower sales in the glass container and plastic crates businesses in Nigeria.

Net sales revenue from ICM Operations decreased by 8,4% to €289,9m for the year ended 31 December 2016. Sales in our Eastern European business declined by 7,1% as beer industry specific challenges and the weak macroeconomic conditions in Russia adversely affected brewery customers' cooler investments in the period. Restrictions on packaging sizes and rising inflation leading to the reduction of consumer's purchasing power continued to put pressure on beer consumption.

Western Europe had a solid top-line performance, growing 16,4% year-on-year due to increased ICOOL orders and strong execution of our commercial strategy for further penetration of Coca-Cola bottlers. In Africa and the Middle East, our sales decreased by 13,7% year-on-year mainly reflecting the challenging economic environment and adverse foreign exchange translation impact in Nigeria and South Africa. Sales in our Asian business declined by 14,9% year-on-year. The decline mainly reflects lower sales in India and Kazakhstan. Following the discontinuation of our manufacturing operations in China, our sales in that market were adversely affected in the second half of the year.

Net sales revenue from Glass Operations decreased by 8,9% to €92,4m for the year ended 31 December 2016, primarily reflecting the unfavorable currency impact driven by the devaluation of the Nigerian Naira and lower year-on-year demand for glass and our complementary plastic crates business. The weak consumer environment, due to the low global oil price, continues to put pressure on beverage consumption.

Cost of goods sold decreased by 8,1% to €319,1m for the year ended 31 December 2016, mainly reflecting lower year-on-year sales. Cost of goods sold as a percentage of Group's net sales revenue increased by 40 basis points to 83,5% for the year ended 31 December 2016.

Administrative expenses decreased by 14,8% to €23,1m for the year ended 31 December 2016, primarily reflecting lower employee related expenses and third party fees. The ratio of administrative expenses to net sales revenue decreased to 6,0%, from 6,5% for the year ended 31 December 2015.

Selling, distribution and marketing expenses increased by 12,3% to €26,6m for the year ended 31 December 2016. This increase is primarily attributable to higher provision for trade debtors and warranty related expenses. As a percentage of net sales revenue, selling, distribution and marketing expenses increased to 6,9%, from 5,7% for the year ended 31 December 2015.

Research and development expenses decreased by 7,9% to €4,1m for the year ended 31 December 2016, mainly due to lower third party fees, travelling and payroll related expenses. As a percentage of net sales revenue, research and development expenses remained unchanged at 1,1% for the year ended 31 December 2016.

Other income reached €3,5m for the year ended 31 December 2016, compared to €8,1m for the year ended 31 December 2015. The reduction reflects high scrap sales, insurance claims and transportation income in 2015.

Net finance cost decreased to €9,7m for the year ended 31 December 2016, from €30,4m for the year ended 31 December 2015. The lower year-on-year net finance cost mainly reflects the impact on US$ receivables and cash balance held in Nigeria. This was caused by Naira's devaluation.

Frigoglass incurred restructuring costs of €13,5m mainly relating to the discontinuation of its manufacturing operations in China and €8,8m expenses associated with the ongoing capital structure review process.

Income tax expense decreased by €3,9m to €19,5m for the year ended 31 December 2016. The decline mainly reflects deferred tax assets write-off in 2015.

Net losses from discontinued operations amounted to €39,7m for the year ended 31 December 2016, compared to losses of €11,1m for the year ended 31 December 2015.

Net Losses attributable to shareholders amounted to €89,2m for the year ended 31 December 2016, compared to losses of €62,1m for the year ended 31 December 2015.

Consolidated Cash Flow Statement

The following table presents the consolidated statements of cash flow for fiscal years **2017, 2016 and 2015.**

FRIGOGLASS S.A.I.C.
Cash Flow Statement
in € 000's

	Consolidated		
	Year ended		
	31.12.2017	31.12.2016	31.12.2015
		Restated	
Profit/<Loss> for the Period	**14.937**	**(80.272)**	**(58.315)**
Adjustments for:			
Income tax expense	15.438	19.516	23.443
Depreciation	24.624	29.784	33.666
Provisions	8.119	15.909	19.191
Impairment of Fixed Assets & Goodwill	9.591	31.500	
Finance costs, net	20.724	17.257	37.253
Discount to Notes and Bank debt	(45.000)	-	-
Gain from the Conversion of Debt to Equity	(35.499)	-	-
Loss/<Profit> from disposal of property, plant & equipment	(4.670)	41	(101)
Changes in Working Capital:			
Decrease / (increase) of inventories	(19.260)	3.625	(13.662)
Decrease / (increase) of trade receivables	(14.431)	5.694	12.802
Decrease / (increase) of other receivables	(2.505)	2.910	(3.869)
Decrease / (increase) of other long term receivables	515	453	(380)
(Decrease) / increase of trade payables	4.437	(6.994)	(10.228)
(Decrease) / increase of other liabilities	(507)	2.805	(30.185)
Less:			
Income taxes paid	(9.871)	(13.947)	(12.697)
(a) Cash flows from operating activities	**(33.358)**	**28.281**	**(3.082)**
Investing Activities:			
Purchase of property, plant and equipment	(17.349)	(11.044)	(32.453)
Purchase of intangible assets	(1.880)	(2.728)	(4.084)
Proceeds from disposal of property, plant & equipment	10.318	5.106	417
(b) Net cash flows(used in) /from investing activities	**(8.911)**	**(8.666)**	**(36.120)**
Net cash flows after investing activities (a) + (b)	**(42.269)**	**19.615**	**(39.202)**
Financing activities:			
Proceeds from loans	99.549	146.012	143.543
<Repayments> of loans	(100.095)	(125.196)	(84.595)
Interest paid	(17.216)	(28.540)	(26.764)
Acquisition of subsidiary's non-controlling interests	-	-	(3.724)
Dividends paid to shareholders	-	(3)	-
Dividends paid to non-controlling interests	(613)	(167)	(647)
Share Capital Increase	63.459	-	-
Costs for the Share capital Increase	(2.235)	-	-
(c) Net cash flows from/(used in) financing activities	**42.849**	**(7.894)**	**27.813**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**580**	**11.721**	**(11.389)**
Cash and cash equivalents at the beginning of the year	**57.526**	**57.492**	**68.732**
Effects of changes in exchange rate	(4.561)	(11.687)	149
Cash and cash equivalents at the end of the year from discontinued operations	(415)	-	-
Cash and cash equivalents at the end of the year	**53.130**	**57.526**	**57.492**

Cash Flow

Net cash from/(used in) operating activities

Net cash used in operating activities amounted to €33,4m for the year ended 31 December 2017, compared to net cash from operating activities of €28,3m for the year ended 31 December 2016. This decrease is primarily attributable to the capital restructuring related expenses incurred in 2017.

Net cash from operating activities amounted to €28,3m, compared to net cash used in operating activities of €3,1m for the year ended 31 December 2015. This increase is primarily attributable to an increase of €2,8m in other liabilities, compared to a decrease of €30,2m for the year ended 31 December 2015, reflecting lower realized foreign exchange losses. It also reflects a decrease in inventories of €3,6m, compared to an increase of €13,7m for the year ended 31 December 2015.

Net cash from/(used in) investing activities

Net cash used in investing activities amounted to €8,9m in the year ended 31 December 2017, including proceeds from the sale of the building in China, compared to net cash used in investing activities of €8,7m in the year ended 31 December 2016.

Net cash used in investing activities amounted to €8,7m in the year ended 31 December 2016, compared to €36,1m in the year ended 31 December 2015. This decrease mainly reflects lower capital expenditure and our focus on prioritizing investments, as well as €5,1m proceed from the sale of an asset in Turkey.

Net cash from/(used in) financing activities

Net cash from financing activities amounted to €42,8m in the year ended 31 December 2017, compared to net cash used in financing activities of €7,9m in the year ended 31 December 2016. This increase primarily reflects €63,5m proceeds from the share capital increase completed in October 2017 and lower interest paid.

Net cash used in financing activities amounted to €7,9m in the year ended 31 December 2016, compared to net cash from financing activities of €27,8m in the year ended 31 December 2015. This decrease is primarily attributable to lower net proceeds from bank loans in the year ended 31 December 2016.

Net Trade Working Capital (NTWC)

Net trade working capital from continuing operations as of 31 December 2017 amounted to €112,9m, compared to €90,3m as of 31 December 2016. This increase mainly reflects inventory build-up to cater demand in the first quarter of 2018 and higher trade receivables following a double digit sales growth in the fourth quarter of 2017.

Net trade working capital from continuing operations as of 31 December 2016 amounted to €90,3m, compared to €109,6m as of 31 December 2015. This

improvement mainly reflects €20,0m lower trade receivables and €9,5m lower inventory.

Net Trade Working Capital from continuing operations

(in €m)	**31 December 2017**	**31 December 2016**	**31 December 2015**
Trade Debtors	84.824	71.845	91.816
Inventories	89.075	76.305	85.779
Trade Creditors	60.985	57.881	67.994
Net Trade Working Capital	**112.914**	**90.269**	**109.601**

Capital Expenditures

Capital expenditures from continuing operations amounted to €18,1m in the year ended 31 December 2017, of which €16,2m related to the purchase of property, plant and equipment and €1,9m related to the purchase of intangible assets, compared to €12,4m in the year ended 31 December 2016, of which €9,7m related to the purchase of property, plant and equipment and €2,7m related to the purchase of intangible assets. The increase reflects pre-buying materials and related machinery for a furnace cold repair in Nigeria in 2018, as well as efficiency enhancement and capacity increase related projects in Romania and India facilities.

Capital expenditures from continuing operations amounted to €12,4m in the year ended 31 December 2016, of which €9,7m related to the purchase of property, plant and equipment and €2,7m related to the purchase of intangible assets, compared to €33,7m in the year ended December 31, 2015, of which €29,6m related to the purchase of property, plant and equipment and €4,1m related to the purchase of intangible assets.

2.2) Parent Company Financial Data

The Parent Company's Net Sales decreased by €1,4m and reached the amount of €26,0m.

Gross Profit decreased by €0,6m and reached the amount of €1,3m.

Net Losses after tax increased by €21,9m and reached the amount of €47,9m.

The total Equity of the company from negative €13,2m in 2016, after the share capital increase is positive €24,2m at the end of 2017.

2.3) Business Outlook

Prospects that advanced economies will grow faster than initially anticipated and key customers will accelerate coolers replacement and increase net placements in the market, as well as growth pick-up in emerging and developing economies, support our expectation for sales growth this year.

In the ICM business, we maintain our focus on leveraging ICOOL success with Coca-Cola Bottlers in Europe to drive top-line growth in the region. Growth in Europe will be further assisted by the Service business (Frigoserve) roll-out to new markets and the expansion of our customer base. In Africa, we focus on our recently launched Hybrid cooler that tackles the impact of power outages in order to facilitate demand from soft-drinks and breweries in the region, by further innovating and expanding this range. Key brewery customers in Africa are expected to increase ICM investment this year, following a low level of capital spending in 2017. Demand in Africa will also be assisted by orders shifted from last year to the first quarter of this year. In Asia, we focus on our new product launches to enhance our presence in the low-to-medium priced market segment and improve our cost competitiveness.

In the Glass business, we expect increased demand for glass and our complementary plastic crates offering, following beer capacity expansion in Nigeria. Recent investments in enhancing our metal crowns business capabilities are expected to support demand growth from soft-drink customers in Nigeria.

We are also implementing initiatives to further improve our profit margin this year. We are focusing on achieving raw material cost savings through strategic sourcing and category management processes. Lean manufacturing and product range simplification investments will drive further productivity improvements in our commercial refrigeration business this year. Overhead cost reduction measures will contribute to profit margin improvement.

Capital expenditure is estimated at approximately €29m in 2018, significantly higher from €18m in 2017, as we have deferred spending last year due to the capital restructuring process. This year’s capital expenditure includes, among others, a cold repair in one of our furnaces in Nigeria as well as commercial refrigeration cost optimization and efficiency improvement related projects.

3) <u>References to specific Notes and other sections of this document</u>

Details over Frigoglass principal sources of liquidity, material commitments and financing agreements, as well as material debt instruments and credit facilities are set out on to Note 13 “Non-Current & Current Borrowings”.

For Frigoglass critical accounting policies and judgments please refer to Notes 2 and 4.

The related party transactions are set out on Note 20 “Related Party transactions”.

For an overview of the Group’s management activities and responsibilities, please refer to section 4 “Corporate Governance Statement” of the Board of Directors Statement.

4. <u>Corporate Governance Statement</u>

This present statement has been drafted in accordance with Article 43bb of Codified Law 2190/1920 (the "**Law**") and contains all the information required by the law.

4.1 Code of Corporate Governance

In the framework of its policy of adopting high corporate governance standards, FRIGOGLASS S.A.I.C. (hereinafter the "**Company**" or "**Frigoglass**") has drafted and adopted its own code of corporate governance, by virtue of the BoD resolution dated 10/12/2014, which, as amended, remains in force until today (hereinafter the "**Code**"). The Code was drafted in accordance with the provisions of Laws 2190/1920, 3016/2002, 3873/2010, 4403/2016 and 4449/2017, in accordance with the resolution 5/204/14.11.2000 of the Hellenic Capital Market Commission (hereinafter the "**HCMC**"), as amended and in force, and in accordance with any other relevant resolution of the Board of Directors of the HCMC, as amended and in force.

The purpose of the Code is to set out the best practices in corporate governance as implemented by the Company, in the pursuit of transparency in communication with its shareholders and on-going improvement of the corporate framework for the Company's operations and competitiveness.

The Code is also intended to lay down the methods by which the Company will operate and to establish administrative rules and procedures governing the relations between the administration, the Board of Directors, the shareholders and all other persons associated with and affected by actions taken by the Company's decision-making bodies.

The Code is publicly available on the Company's website <u>http://www.frigoglass.com/corporate-governance.</u>

4.2 Practices of Corporate Governance additional to those provided by the law

Apart from this Code and the Internal Regulation of Operation, adopted according to Article 6, par. 1 of Law 3016/2002, the Company is further applying:

a) its code of business conduct and ethics (hereinafter "the **Code of Business Conduct and Ethics**"), and
b) its supplier code (hereinafter "the **Supplier Code**").

A. Code of Business Conduct and Ethics

The purpose of applying the Code of Business Conduct and Ethics is, *inter alia*, to shape a framework for business operations consistent with the principles and rules of morality and transparency, to ensure compliance with international commercial law and the law applicable in the states where the Company is active, to maintain high-level services and products, to

improve the Company's profitability, to develop an environmentally friendly operating framework and to safeguard human rights through granting of equal rights and avoiding discriminatory treatment of all parties associated with the Company.

The Code of Business Conduct and Ethics is available on the Company's website at the address http://www.frigoglass.com.

B. The Supplier Code

Through the implementation of the Supplier Code, the Company seeks to create a business environment of cooperation with its suppliers governed by the principles of morality, transparency, protection of the environment and respect for human rights and the rules of health and safety. More specifically, the Company focuses on avoiding unfair competition and any involvement in situations of conflict of interest or bribery.

The Supplier Code is available on the Company's website at the address http://www.frigoglass.com.

4.3. Main characteristics of the Company's systems of internal audit and risk management in relation to the procedure of drafting the financial statements

The Company attaches considerable importance to the systems of internal audit and risk management.

More specifically, the Company's Board of Directors (hereinafter the "**Board**") adopts procedures and implements policies which aim at establishing and maintaining systems that optimize the identification, evaluation, monitoring and management of risks that the Company may be facing, the effective management thereof, and contribute to the reliable provision of financial information.

In this framework, the Board carries out periodic reviews and is regularly briefed on the existence of any issues which may have significant financial and business consequences for the Company.

Furthermore, the Company's operational and functional units report to the Chief Executive Officer within a defined timetable and in compliance with specific instructions and guidelines. The general management of the Company receives monthly reports on the financial and operational situation from each business area and function. These reports and financial information are based on a standardized process and are discussed at the meetings of the Board of Directors to ensure adequate execution of Board decisions by the management team.

The Board reviews the Company's systems of internal audit and risk management on an ongoing basis by:

- setting the strategy of the business at both Company and divisional level and, within the framework of this, approving an annual budget and medium term projections. The critical point of this practice is the review of the risks and opportunities that each business is facing and the steps being taken to manage these;
- reviewing on a regular basis operational and financial performance and updated forecasts for the current year. In particular, comparison is made between the budget and the results of the prior years and appropriate action plans are put in place to optimize operational and financial performance;
- retaining primary responsibility for acquisition and divestment policy, and the approval of major capital expenditure, major contracts and financing arrangements. Below Board level there are clearly defined management authorities for the approval of capital expenditure, major contracts, acquisitions, investments and divestments, together with an established framework for their appraisal, which includes a risk analysis and post-implementation plan and, where appropriate, a post-acquisition review;
- performing a review of the Company's insurance and risk management programs.

Furthermore, the Company has in place systems and procedures of internal audit and risk management in respect of financial reporting and the preparation of individual and consolidated financial statements.

The above systems and procedures include:

- the formulation, development and implementation of uniform accounting policies and procedures;
- regular review of accounting policies to ensure that they are kept up to date and are communicated to the appropriate personnel;
- procedures are in place to ensure that all transactions are recorded in accordance with International Financial Reporting Standards ("IFRSs");
- company and divisional policies governing the maintenance of accounting records, transaction reporting and key financial control procedures;
- monthly operational review meetings which include, as necessary, reviews of internal financial reporting issues and financial control monitoring;
- ongoing training and development of financial reporting personnel;
- closing procedures, including due dates, responsibilities, accounts' classifications and disclosures updates;
- standard corporate reporting formats are utilized both for financial reporting and management reporting purposes;
- a web-based reporting application (HFM) is used within the Company both for financial reporting and management reporting purposes;
- access to the above reporting application is restricted to the appropriate individuals of each of the Company's subsidiaries;
- access controls are in place to maintain the integrity of the chart of accounts;
- write-offs and reserves are clearly defined, consistently applied and monitored in accordance with the Company's policy;

- fluctuation analysis of actual budget compaired to prior years is performed on a monthly basis to identify unusual transactions and monitor accuracy and completeness;
- policies and procedures are in place for all critical processes such as key reconciliations, inventory counts, payments, segregation of duties etc;
- annual Budget for the next year: the Company prepares a consolidated detailed annual budget as well as an individual annual budget per segment/subsidiary for each financial year that are reviewed and approved by the Board;
- estimation for the curent year: the consolidated business plan as well as the individual business plan per segment/subsidiary are updated at least 2 times per year;
- detailed consolidated management accounts as well as the individual management accounts per segment/subsidiary are prepared monthly to cover each major area of business;
- the consolidation process is automated.

4.4. Information regarding the operation of the General Meeting of shareholders and its powers, as well as a description of the shareholders rights and how they can exercise them

A. Operating rules and basic powers of the General Meeting of shareholders

The General Meeting of shareholders (hereinafter the **"General Meeting"**) is convened by the Board, which decides the items to be placed on the agenda, and mandatorily meets at the registered offices of the Company or in the region of another municipality within the prefecture of the Company's registered offices, or another municipality neighbouring the Company's registered offices, at least once in every financial year and until the first ten (10) calendar days of the ninth month following the end of the financial year. An Extraordinary General Meeting may be held whenever the Board deems that necessary.

The General Meeting is the Company's supreme corporate body and may decide on any matter affecting the Company. More specifically, the General Meeting is the only body competent to decide on:

(a) any matter laid before it by the Board or by those entitled, under the provisions of the Law and the Company's Articles of Association, to convene a General Meeting;
(b) amendments of the Articles of Association. Such amendments are those relating to increases or reductions of share capital, the winding up of the Company, a change to its nationality or extension of its term, the merger with another company, its division (demerger), conversion or revival;
(c) the election of the members of the Board and the auditors and determination of their remuneration;
(d) approval or amendment of the annual financial statements, as drawn up by the Board, and distribution of the Company's net profits;
(e) approval by special roll-call vote of the Board's management and the release of the Board and auditors from any liability, following the voting of the annual financial statements;
(f) hearing of the auditors, regarding the audit they have carried out on the Company's books and accounts;
(g) issuance of a bond convertible into shares or a bond entitling the holder to a share in the Company's profits;
(h) appointment of liquidators, in the event of the Company's dissolution;
(i) taking legal action against members of the Board or the auditors, for infringement of their duties under the Law or the Company's Articles of Association.

B. Shareholders' rights and exercise methods

Every shareholder is entitled to attend the General Meeting - whether in person or by proxy - provided that he owns at least one share. Minors, wards of court and legal entities must be represented by their legal representatives. The documents of authorization need not be formal, notarized instruments, provided they are dated and have been signed by the issuing party.

Only those that appear as shareholders in the files of the Company's securities depository body have the right to attend the General Meeting. In order for the shareholder capacity to be proven, a written certificate issued by the depository body shall be provided or this can electronically be verified, if the Company is electronically connected with the files of the depository body. The capacity of a shareholder shall exist at the beginning of the fifth day prior to the meeting and the aforementioned written certificate or the electronic verification must be provided to the Company at least three days prior to the meeting.

The other rights of the shareholders are set out in the Company's Articles of Assocation and in Law.

The Chairman of the Board, the Chief Executive Officer, the chairmen of each Board Committee, as well as the internal and external auditors of the Company are always available to answer shareholders' questions.

4.5. Information regarding the composition and operation of the Board of Directors of the Company

A. Composition of the Board of Directors

The Board is responsible for dealing with the Company's affairs exclusively in the interest of the Company and its shareholders within the existing regulatory framework. The Board's key responsibilities are:

- setting the Company's long-term goals;
- making all strategic decisions;
- making available all required resources for the achievement of the Company's strategic goals;
- appointing top executive management.

The Board is appointed by the General Meeting of the Company and at the time of execution of this present consists of 9 members, 8 of which are non-executive and 5 of which are independent. The only executive member is the Chief Executive Officer. The members of the Board serve for a three (3) year term that can be prolonged until the Annual General Meeting to be held following the termination of their term. Their term shall in no case exceed four (4) years.

The experience of the members of the Board encompasses diverse professional backgrounds, representing a high level of business, international and financial knowledge contributing significantly to the successful operation of the Company. The Board is fully balanced as far as the number of independent and non-independent members is concerned.The independent, non-executive members contribute to the Board's decision-making with the provision of impartial opinions and resolutions , thus to ensure that the interests of the Company, the shareholders and the employees are protected, whereas the executive member is responsible for ensuring the implementation of the strategies and policies decided by the Board.

Within the context of the Restructuring Agreement, the Board of Directors of the Company has accepted, pursuant to its resolution of 23.10.2017, the resignation of three (3) independent, non-executive members of the Board of Directors, namely Messrs. Ioannis Androutsopoulos, Doros Konstantinou and Vassilios Fourlis, who resigned with effect from 22.11.2017. Messrs. Ioannis Androutsopoulos and Doros Konstantinou, who also participated in the Audit Committee of the Company, did not resign from their position in the Audit Committee and remained members until the Extraordinary General Meeting of the Company, which took place on 14.12.2007 and resolved, *inter alia*, the appointment of Messrs. Kyriakos Riris, Loukas Komis and Ioannis Costopoulos as members of the Audit Committee in accordance with Article 44 of Law 4449/2017 (see section 4.6 for further information).

Furthermore, in replacement of the aforementioned resigned members, the Board of Directors by virtue of the aforementioned resolution elected Messrs. Jeremy Jensen, Ioardanis Aivazis and Stephen Graham Bentley as new members of the Board for the remainder of the current Board of Directors' term of office, i.e. until the Extraordinary General Meeting of the Company took place on 14.12.2017. The Board also confirmed that the aforementioned new Board members met the independence criteria of Article 4 par. 1 of Law 3016/2002.

The election of the new members of the Board entered into force on 22.11.2017, effective date of the resignation of the resigned members, when the new Board of Directors was constituted into a body, as follows:

- HARALAMBOS DAVID son of GEORGE, Chairman of the Board of Directors, non-executive member of the Board
- GEORGE-PAVLOS LEVENTIS son of KONSTANTINOS, Vice chairman, non-executive member of the Board
- NIKOLAOS MAMOULIS son of GEORGE, Chief Executive Officer, executive member of the Board
- LOUKAS KOMIS son of DIMITRIOS, non-executive member of the Board of Directors
- EVANGELOS KALOUSSIS son of IOANNIS, independent, non-executive member of the Board
- IOANNIS COSTOPOULOS son of ATHANASSIOS, independent non executive member of the Board
- JEREMY MICHAEL JORGEN MALHERBE JENSEN son of JORGEN ANDREAS, independent non executive member of the Board

- STEPHEN GRAHAM BENTLEY son of DONALD HENRY, independent non executive member of the Board
- IORDANIS AIVAZIS son of STERGIOS, independent non executive member of the Board.

Further, by virtue of the Extraordinary General Meeting that took place on 14.12.2017, all the aforementioned persons were re-elected as members of the the Board of Directors of the Company with a three year mandate, according to Artile 6 para. 3 of the Articles of Association of the Company, that is until 14.12.2020. This date can be postponed until the expiry date of the deadline during which the next Annual General Meeting of the shareholders of the Company should take place. In view of the above, the new and current Board of Directors of the Company was constituted as a body by virtue of the resolution dated 14.12.2017, as follows:

- HARALAMBOS DAVID son of GEORGE, Chairman of the Board of Directors, non-executive member of the Board
- GEORGE-PAVLOS LEVENTIS son of KONSTANTINOS, Vice chairman, non-executive member of the Board
- NIKOLAOS MAMOULIS son of GEORGE, CEO, executive member of the Board of Directors
- LOUKAS KOMIS son of DIMITRIOS, non-executive member of the Board
- EVANGELOS KALOUSSIS son of IOANNIS, independent, non-executive member of the Board
- IOANNIS COSTOPOULOS son of ATHANASSIOS, independent non executive member of the Board
- JEREMY MICHAEL JORGEN MALHERBE JENSEN son of JORGEN ANDREAS, independent non executive member of the Board
- STEPHEN GRAHAM BENTLEY son of DONALD HENRY, independent non executive member of the Board
- IORDANIS AIVAZIS son of STERGIOS, independent non executive member of the Board.

The table below lists the members of the Board during 2017 including the changes to Board Members effective as of 22.11.2017 and 14.12.2017, the dates of commencement and termination of office for each member respectively, as well as the frequency of attendance of each member in the meetings held in 2017.

Title	**Name**	**Executive Non-Executive**	**Independence**	**Office Commencement**	**Office Termination**	**Board Member Attendance in 2017**
Chairman	Haralambos (Harry) G. David	Non-Executive		14/12/2017	14/12/2020	21/21
Vice Chairman *Member of the Board until 22/11/2017	George G. Leventis	Non-Executive		14/12/2017	14/12/2020	20/21
Chief Executive Officer	Nikolaos Mamoulis	Executive		14/12/2017	14/12/2020	21/21
Member	Loukas Komis	Non-Executive		14/12/2017	14/12/2020	21/21
Member	Evangelos Kaloussis	Non-Executive	Independent	14/12/2017	14/12/2020	21/21
Member	Ioannis Costopoulos	Non-Executive	Independent	14/12/2017	14/12/2020	20/21
Member	Jeremy Jensen	Non-Executive	Independent	14/12/2017	14/12/2020	3/21
Member	Stephen Graham Bentley	Non-Executive	Independent	14/12/2017	14/12/2020	3/21
Member	Iordanis Aivazis	Non-Executive	Independent	14/12/2017	14/12/2020	3/21
Vice Chairman (until 22/11/2017)	Ioannis Androutsopoulos	Non-Executive	Independent	26/5/2015	22/11/2017	17/21
Member (until 22/11/2017)	Doros Konstantinou	Non-Executive	Independent	26/5/2015	22/11/2017	18/21
Member (until 22/11/2017)	Vassilios Fourlis	Non-Executive	Independent	26/5/2015	22/11/2017	16/21

According to the Company's Code of Business Conduct and Ethics the members of the Board must avoid any acts or omissions from which they have, or may have, a direct or indirect interest and which conflict or may possibly conflict with the interests of the Company.

The members of the Board receive remuneration which is approved by the Company's General Meeting, in accordance with the specific provisions of the Articles of Association and the Law.

The remuneration of the members of the Board is presented in the annual financial statement **(see Note 20)**.

Responsibilities of the Chairman, the Chief Executive Officer (CEO) and the Corporate Secretary

1) The Chairman of the Board is responsible, *inter alia*:
- for the management of the Board, setting the items for discussion, taking into account the affairs of the Company and the items proposed by the other members, thus ensuring its efficient operation;
- for the prompt provision of accurate and clear information to the Board, in collaboration with the Chief Executive Officer (CEO) and the Corporate Secretary;
- for ensuring effective communication between the Board and the shareholders, forwarding the views of important investors to the Board and ensuring that such views are properly understood by the Board.

2) The Chief Executive Officer (CEO) is responsible, *inter alia*:
- for operating the day-to-day business of the Company, within the limits of his competences as laid down by the Board;
- for ensuring the accurate implementation of the strategic decisions and procedures within the Company, as laid down by the Board;
- for the management and day-to-day cooperation with the senior administration of the Company;
- for providing directions and guidelines to the management team, ultimately aimed at training and developing staff capable of filling management positions in future.

3) The Corporate Secretary is responsible, *inter alia*:
- for ensuring a good flow of information between the Board and its committees, as well as between the senior management and the Board;
- for the effective organization of the General Meetings of the shareholders and the overall effective communication between the latter and the Board, always ensuring the compliance of the Board with the requirements of the law and the Articles of Association;
- for overall supervision of the Company’s compliance with any statutory and regulatory requirements;
- for overseeing the convention and holding of Annual General Meeting, according to the Company’s Articles of Association.

B. Board Members' CVs

Haralambos (Harry) G. David
Chairman (non-executive member)
Mr. David was elected Chairman of the Board of Directors, in November 2006. He has been a Member of the Board of Directors of Frigoglass since 1999. He has worked as a certified investment advisor with Credit Suisse in New York. During his career, he held several executive positions within Leventis Group of Companies. He is also a Board member of A.G. Leventis (Nigeria) PLC, the Nigerian Bottling Company PLC, Beta Glass (Nigeria) PLC, Ideal Group, Quest Energy and Pikwik (Nigeria) Ltd. He has also served on the boards of directors of Alpha Finance, Hellenic Public Power Corporation and Emporiki Bank (Credit Agricole). Mr. David is a graduate of Providence College in the US.

George Leventis
Vice Chairman (non-executive member)
Mr. Leventis joined the Board of Frigoglass as a non-executive member in April 2014. Mr. Leventis is a member of the executive committee of a family office and has previously worked in the fund management business as an equities analyst and more recently in a private equity. He graduated with a degree in Modern History from Oxford University and holds a postgraduate Law degree from City University. He is also an Investment Management Certificate holder.

Nikos Mamoulis
Chief Executive Officer (executive member)
Mr. Mamoulis joined Frigoglass as Chief Financial Officer in October 2013 and was appointed Chief Executive Officer of Frigoglass in July 2015. He has more than twenty-five years of experience in senior financial positions within different business sectors. Before joining Frigoglass, Nikos was with Coca-Cola HBC for twelve years with his last position being that of Group Financial Controller. Previous to that he also held the CFO position in Lafarge Heracles Group and the Boutaris Group. Mr. Mamoulis is a graduate of the Athens University of Economics and Business.

Loukas D. Komis
Member (non-executive)
Mr. Komis was appointed to the Board of Directors in July 1996. Currently, he is also Chairman of Ideal S.A. and of Recovery & Recycling S.A. and Vice-Chairman of the Federation of Hellenic Food Industries. During his nine-year career in the appliance manufacturing sector he has held top management positions with Izola S.A. and the Hellenic Bottling Company (Coca-Cola HBC), where he also served as an Executive Board member. He also remains an advisor to the Chairman since 2001. He holds degrees from Athens University (BSc Physics), the University of Ottawa (MSc Electrical Engineering) and McMaster University, Ontario (MBA) Canada.

Evangelos Kaloussis

Member (independent non-executive)

Mr. Kaloussis was appointed to the Board of Directors of Frigoglass S.A.I.C. in June 2006. Currently, Mr. Kaloussis is chairman of the Federation of the Hellenic Food Industries (SEVT-since 2006) and Chairman of Terra Creta SA. He is also member of the board of the European Federation of Food & Drink Industries (FoodDrinkEurope) in Brussels since June 2015. Mr. Kaloussis is also a member of the board of directors of Food Bank & Vice President of the Foundation for Economic & Industrial Research (IOBE), while he was a member of the board of directors of Alpha Bank. During his professional career he assumed top management positions at the Nestlé Headquarters in Switzerland, France, Nigeria, South Africa and Greece. He holds a master's degree in Electrical Engineering from the Federal Institute of Technology in Lausanne (CH) and in Business Administration from the University of Lausanne, as well as a graduate degree from IMD Business School in Switzerland.

Ioannis Costopoulos

Member (independent non-executive)

Mr. Costopoulos is currently working for the company Société d'Etudes Techniques et Economiques S.A. (SETE S.A.) in Geneva. He is a Board member of Fourlis Holdings S.A. and Austriacard AG in Vienna. From 2004 to 2015, he worked for the Hellenic Petroleum Group. From 2004 to 2006, he was an Executive member of the Board of the Hellenic Petroleum Group being responsible for the areas of International Business Activities and Strategic Development. From 2007 to 2015, he served as Chief Executive Officer of the Hellenic Petroleum Group and President of several of his subsidiaries. From 1992 to 2003, he held senior management positions, namely: Chief Executive Officer of Petrola SA, Regional Director of Johnson & Johnson Consumer for Central and Eastern Europe and Chief Executive Officer of Diageo-Metaxa in Athens. From 1980 to 1992, he served in the senior management of Booz Allen & Hamilton business consultants in London and Chase Bank in New York and London. He has also been a Board member of the Hellenic Federation of Enterprises (SEV) and the Foundation for Economic & Industrial Research (IOBE) in Athens. He holds a BSc Honours in Economics from the University of Southampton, U.K. and a MBA from the University of Chicago, U.S.A.

Jeremy Jensen

Member (independent non-executive)

Jeremy Jensen was appointed to the Board of Directors in November 2017. Mr. Jensen is a financial and managerial consultant. He has comprehensive experience in both managerial and financial roles as a non-executive director in Board of Directors of a wide range of industries and has chaired several board committees. Mr. Jensen was Chief Financial Officer of Cable and Wireless Worldwide, a British telecommunications company, and also held a number of senior financial and general management roles at Reuters, in Europe, Middle East, Far East and Africa. He is currently a non-executive member of the Board of Directors of Stemcor Group, the world's largest steel logistics trading company, and Vice Chairman of the Chelsea and Westminster Hospital. Mr. Jensen is a UK qualified chartered accountant and holds a degree in Economics (Bsc) from the London School of Economics.

Iordanis Aivazis

Member (independent non-executive)

Mr. Aivazis was appointed to the Board of Directors in November 2017. He was born on 24th February 1950 in Cairo. He is a graduate from the University of Athens with a degree in Economics (Political and Economics Science Department). He completed his postgraduate studies at the University of Lancaster (Postgraduate Diploma in Economics) and M.A. in Marketing and Finance. He worked at senior positions with national and foreign banks in Greece and he was CFO and Chief Operating Officer of OTE A.E. After the Deutsche Telekom's (DT) acquisition of OTE A.E he was a member of OTE's Board of Directors and DT's European Management Board. In addition, he was a member of Greek listed companies' Board of Directors. Currently he is Chairman of the Board of Directors of HCL, a subsidiary of Davidson & Kempner and Bain Capital Credit, being at the same time a Special Adviser of Bain for investment in Greece, as well as a non-executive director of Regency Entertainment S.A. He is an English and French speaker.

Stephen Bentley

Member (independent non-executive)

Mr. Bentley was appointed to the Board of Directors in November 2017. Mr. Bentley is a Chartered Accountant (with BA Hons in Accountancy) who has over thirty years' experience as chief financial officer of publicly quoted and private equity backed businesses in the UK. Mr. Bentley was previously Group Finance Director of Tricentrol PLC, which was a UK independent Oil & Gas exploration and development company and was quoted in London and New York. In addition, he has been Group Finance Director of several companies quoted in London, namely Ellis & Everard PLC, a chemical distributor in the UK and in the USA; TDG PLC, a leading logistics company in the UK with operations in Continental Europe; and Brunner Mond PLC, a medium sized chemical manufacturer with production in the UK, the Netherlands and Kenya where he led the company's initial public offering of shares. More recently Mr. Bentley worked with a private company as a Group Finance Director and helped with the sale of James Dewhurst Limited to a large Belgian textile group. Mr. Bentley has most recently joined the Board of Directors of Frenkel Topping Group, an independent financial advisor and fund management business, which is quoted on AIM of the LSE. He is a Fellow of the Institute of Chartered Accountants and qualified with Whinney Murray & Co (now Ernst & Young) in London. He is also a Fellow of the Association of Corporate Treasurers.He is a member of the Institute of Chartered Accountants and accredited by Whinney Murray & Co (now Ernst & Young) of London. He is also a member of the Association of Corporate Treasurers.

C. Operation of the Board of Directors

The Board shall meet at the registered offices of the Company whenever so required by the law or the needs of the Company. The Board held twenty one (21) meetings in 2017.

The items on the agenda of the Board meetings are notified to its members beforehand, enabling the members who are unable to attend to comment on the items to be discussed.

The Board is in quorum and meets validly when half (1/2) of the directors plus one are present or represented, provided that no fewer than three (3) directors are present.

The Board resolves validly by absolute majority of the directors who are present (in person) and represented, except for occassions where the Articles of Association provide for an increased majority. In case of personal matters the Board resolves with a secret vote by ballot. Each director has one vote, whereas when he represents an absent director, he has two (2) votes. Exceptionally, in the case of articles 10(3) and 9(2) of the Company's Articles of Association, the decisions of the Board shall be taken unanimously by the members who are present and represented.

The Board must evaluate at regular intervals the effectiveness of the performance of its duties, as well as that of its committees. This procedure is overseen by the Chairman of the Board and the chairman of the relevant committee, and where an improvement is necessary for any reason whatsoever, the taking of relevant measures shall directly be decided.

4.6. Information regarding the composition and operation of the other management, administrative or supervisory bodies or committees of the Company

A. Audit Committee

According to Article 44 of Law 4449/2017, the Company has established and operates an Audit Committee ("the **Audit Committee"**) which is, *inter alia*, responsible for:

- the update of the Board regarding the outcome of the mandatory audit and the contribution of the latter in the integrity of the financial information, and for the role of the Audit Committee during the process,
- monitoring the process for provision of financial information and the submission of proposals or recommendations in order to ensure the integrity of the process;
- monitoring the effective operation of the internal audit and risk management systems, and in some cases the department of internal audit of the Company regarding the financial information, without, however, violating the independence of the Company;
- monitoring the course of the mandatory audit of individual and consolidated financial statements, and especially the performance of the audit;
- reviewing and monitoring of matters relating to the existence and safeguarding of the impartiality and independence of the legal auditor or audit office, particularly in relation to the provision to the Company of other services by the statutory auditors or audit firms;
- the selection process of statutory auditors or audit firms and the recommendation for hiring specific legal auditors or audit offices.

Further, the Audit Committee is also responsible for the submission of proposals to the Board regarding any change to the chart of authorities and the organizational chart of the Company.

The members of the Audit Committee have been appointed by the Extraordinary General Meeting of the Company that took place on 14.12.2017 as per the provisions of Law 4449/2017 and are the following:

Chairman: Kyriakos Riris – independent member
Member: Loukas Komis – non-executive Board member
Member: Ioannis Costopoulos – independent, non-executive Board member

The majority of the members of the Audit Committee are independent, as per the provisions of Law 3016/2002.

The above members have sufficient knowledge and hold substantial past experience in senior financial positions and other comparable experience in corporate activities.

Finally, Mr. Kyriakos Riris fulfils the requirements provided by law regarding the requisite knowledge of accounting and auditing.

The Audit Committee shall meet whenever this is deemed necessary and in no circumstances less than four times a year. It must also hold at least two meetings attended by the Company's regular auditor, without the presence of the members of the management.

The Audit Committee meets validly when at least two of its members are present, of whom one must be its Chairman. The Audit Committee held a total of four (4) meetings in 2017. The said meetings were scheduled in such a way so as to coincide with the publication of the Company's financial information.

The Audit Committee considered a wide range of financial reporting and related matters in respect of the 2016 annual financial statements and the 2017 half-year financial information.

In this respect the Audit Committee reviewed any significant areas of judgment that materially impacted reported results, key points of disclosure and presentation to ensure the adequacy, clarity and completeness of the financial statements and the financial information, and the content of results announcements prior to their submission to the Board. The Audit Committee also considered reports from PwC on their annual audit of 2016 and their review of the 2017 half year Board of Directors report that forms part of the statutory reporting obligations of the Company.

Moreover, in 2017, the Audit Committee has:

- reviewed the results of the audits undertaken by Internal Audit and considered the adequacy of management's response to the matters raised, including the implementation of any recommendations made;
- reviewed the effectiveness of Internal Audit, taking into account the views of the Board and senior management on matters such as independence, proficiency, resourcing, and audit strategy, planning and methodology;
- reviewed regular reports on control issues of major level significance, as well as details of any remedial action being taken. It considered reports from Internal Audit and PwC (for 2016) on the Company's systems of internal control and reported to the Board on the results of its review.

B. Internal Audit Department

The main duties and obligations of the Internal Audit Department include:

- monitoring the accurate implementation of and compliance with the Company's Articles of Association, Internal Regulation of Operation and directives, and in general evaluate, review and audit the internal control system and its efficiency;
- reporting cases of conflict of interests between members of the Board or managers and the interests of the Company;
- submitting written reports to the Board of Directors at least once each quarter on any important findings of the internal audits it has conducted;
- attending the General Meetings;
- cooperating with state supervisory authorities and facilitating them in their work.

The internal auditor acts according to the International Standards for the Professional Practice of Internal Auditing and the policies and procedures of the Company and reports to the Audit Committee.

C. Human Resources and Remuneration Committee

The role of the human resources and remuneration committee ("the **Human Resources and Remuneration Committee**") is to establish the principles governing the Company's human resources policies which guide management's decision-making and actions.

More specifically, its duties are to:
- oversee the management's succession planning policy;
- establish the Compensation and Benefits Strategy;
- submit to the Board proposals for executive Board members remuneration.

The Human Resources and Remuneration Committee, which is appointed by the Board, is comprised of the following 3 non-executive Board members:

Chairman: Iordanis Aivazis – Independent/ Non-executive member
Member: Haralambos (Harry) G. David - Non-executive member
Member: Evaggelos Kaloussis - Independent/Non-executive member

The Chief Executive Officer and HR Director shall normally attend all meetings of said Committee, except when discussions are conducted concerning matters affecting them personally. The Group HR Director act as the Secretary of the Committee.

The Human Resources and Remuneration Committee held five (5) meetings in 2017.

D. Investment Committee

The duties of the investment commitee ("the **Investment Committee**") are to recommend to the Board the Company's strategy and business developmant initiatives, as well as to evaluate and suggest to the Board new proposals for investments and/or Company expansion according to the defined strategy of the Company.

Moreover, the Investment Committee is also responsible for evaluating and suggesting to the Board opportunities for business development and expansion through acquisitions and/ or strategic partnerships.

The Investment Committee, which is appointed by the Board, is comprised of four members, two of which are non-executive, and is formed as follows:

Chairman: Haralambos (Harry) G. David - Non-executive member
Member: Nikolaos Mamoulis - Executive member
Member: Loucas Komis - Non-executive member

Member: Manolis Fafalios - Chief Financial Officer

The Investment Committee held two (2) meetings in 2017.

4.7. Communication with Shareholders

Frigoglass recognizes the importance of the effective and timely communication with shareholders and the wider investment community. The Company maintains an active website www.frigoglass.com which is open to the investment community and to its own shareholders; the site features this Code, as well as a description of the Company's corporate governance, management structure, ownership status and all other information useful or necessary to shareholders and investors. Finally, Frigoglass also communicates with the investment community through its participation in a number of conferences and meetings held in Greece and abroad and the schedule of conference calls.

5) Main Risks and uncertainties

The financial statements have been prepared by management according to the International Financial Reporting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union and IFRS issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared according to the going concern basis of accounting. The use of this basis of accounting takes into consideration the Group's current and forecasted financing position.

For the year ended 31 December 2017, the Group reported net losses of €7,6m, compared to €89,2m in the year ended December 2016. This significant improvement mainly reflects the write-off of €45,0m debt triggered by the Group's capital restructuring and €35,5m gains from the difference between the fair value of the issued shares and the nominal value of the convertible bonds converted into shares. The Group's profit before tax in 2017 was impacted by €42,3m of expenses related to the capital restructuring process.

For the year ended 31 December 2017, the Group has a negative equity position of €42,3m, compared to a negative equity position of €128,9m in the year 2016. This improvement reflects the rights issue through a cash payment and the share capital increase following the conversion of convertible bonds, whereas net losses after tax (before the restructuring related gains) and currency translation differences adversely affected Group's equity.

Frigoglass SAIC has an equity position of €24,2m for the year ended December 2017 and, therefore, is lower than half (1/2) of the share capital. As a consequence, the requirements of article 47 of the Companies Act 2190/1920 are applicable.

The Group's operating restructuring has started in 2014. Following the restructuring, the Group's financial results were impacted by €36,1m in 2014, €16,8m in 2015 and €13,5m in 2016. In ICM Operations, the Group discontinued its manufacturing operations at Spartanburg, South Carolina in 2014 in order to focus on commercial activities of sales and marketing, distribution and service. As a result, the Group incurred restructuring related costs of €17,0m (recorded in 2013). In the fourth quarter of 2014, the Group also integrated the Turkey-based manufacturing volume into its European flagship plant in Timisoara, Romania. As part of this process, Frigoglass' Silivri-based Turkish manufacturing plant ceased operations. As a result, the Group incurred restructuring related costs of €36,0m. Frigoglass continued to rationalise its product range in 2015, focusing on the production and sale of high quality goods. The result of this process is the gradual phase out of old models and, consequently, the inventory write-off of €14,1m that were included in the related provisions for the year. In July 2016, the Group announced the discontinuation of its manufacturing operations in China in order to optimize its production capacity in Asia and improve the company's fixed cost structure. As a result, the Group incurred restructuring related costs of €13,5m. In 2016, the Group also proceeded with

various changes regarding its organizational structure in the ICM Operations that will have a significant impact on the way the business activity is carried out.

In the first quarter of 2016, the Group initiated discussions and negotiations with certain bank lenders, the Ad-hoc Committee and Boval in order to reach an agreement regarding its debt restructuring, which includes the €250,0m Senior Notes issued in 2013 with a coupon of 8,25% and due 2018, the participating to the restructuring banks and Boval's loan (total amount of €30,0m).

On October 23, 2017, the Group successfully completed its capital restructuring. The following important events contributed to the restructuring:

- The rights issue through a cash payment and pre-emptive rights in favour of the existing shareholders was completed on October 18, 2017. As a result, the Company's share capital was increased by €63,5m. Boval S.A. has contributed a total amount of €60,0m, of which €30,0m remained as cash and €30,0m used for the repayment of its term loan. €3,5m in cash deriving from the proceeds of the rights issue injected by existing shareholders other than Boval S.A. were used to repay part of the €250,0m Senior Notes issued by Frigoglass Finance B.V. in 2013 with a coupon of 8,25% and due on 2018 and bank debt.
- The conversion of 163.984.878 Convertible Bonds of a nominal value of €0,36348 each held by the participating bank lenders and owners of the €250,0m Senior Notes issued by Frigoglass Finance B.V. in May 2013 with a coupon of 8,25% and due 2018 through the issuance of 163.984.878 new Company shares with a nominal value of €0,36 each. As a result, part of the Group's debt was exchanged with new ordinary shares of nominal value of €59,6m. The fair value of the new shares that started trading in the Athens Stock Exchange on 16.11.2017 (date of equitization) was €24,1m, generating a profit of €35,5m for the Group.
- €45,0m discount of the €250,0m Senior Notes issued by Frigoglass Finance B.V. in 2013 with a coupon of 8,25% and due on 2018 and bank debt, allocated on a pro-rate basis.
- €40,0m new debt has been provided in the form of first lien senior secured notes due in 2021 by the holders of the Senior Notes issued by Frigoglass Finance B.V. in May 2013 with a coupon of 8,25% and in the form of first lien senior secured revolving credit facilities made available by the Core Banks
- Frigoglass companies paid all fees related to the restructuring process. The accumulated 2017 fees paid to legal and financial advisors were €42,3m (Note 28).

Therefore, the Group received €70,0m of additional liquidity to fund its business needs, as well as restructuring related expenses. This comprises €30,0m in new cash contributed by Boval as equity through the Company's rights issue and €40,0m provided in the form of new first lien secured funding.

As a result, the capital restructuring reduced Frigoglass outstanding gross indebtedness by approximately €138,0m (before the incurrence of the €40,0m in new first lien secured funding).

The annual interest costs of the Group were reduced to approximately €13,0m (excluding any interest on the new first-lien secured funding).

The maturities of almost all of the Group's indebtedness have been extended and committed for around 4,5 years (see details below).

At the same time, within the framework of the Group's business policy, management is targeting to reduce costs, improve long-term profitability and generate cash flows, coupled with maintaining and improving product quality and increasing customer value. Management has undertaken specific actions to achieve the above, including (a) cost reduction through the simplification of the product portfolio; (b) reduction of inventory levels; (c) Lean manufacturing alongside improvements in product quality; and (d) creating value from recent strategic investments.

On April 2018, the Company reached an agreement to sell the entire share capital of its glass container subsidiary Frigoglass Jebel Ali FZE. The transaction is expected to be completed in the second half of 2018, while it is anticipated that the proceeds of the sale, after certain deductions including transaction related fees and expenses, will be applied towards the reduction of Frigoglass' first lien debt.

The Group's financial projections for the upcoming 12 months indicate that it will be able to meet its obligations as they fall due, however, this assessment is subject to a number of risks as described in the "Risks and uncertainties" section of the Directors' Report and in Note 3 to the Group's financial statements, particularly if such risks were to materialize in combination.

Taking into consideration the above, the Directors have a reasonable expectation that the Group will be able to successfully navigate the present uncertainties and continue its operation. Therefore, the financial statements have been prepared on a going concern basis.

Risks and uncertainties

The Group is exposed to a number of risks. The risks and uncertainties outlined below are the ones the Company was aware of on the date the 2017 Financial Statements were published, and relate specifically to the Group or the ICM and Glass Operations.

The group is exposed to risks associated with the political and economic conditions and developments in the markets in which it operates

The Group has a strong international presence, selling to more than 110 countries outside of Greece through its subsidiaries. The Group's operating results depend on the prevailing economic conditions in the markets it operates, such as the level of GDP growth, unemployment rates, interest rates, inflation, tax rates as well as other conditions which specifically affect the Commercial Refrigeration (ICM) and Glass operations.

Sales from international operations accounted for 96,9% and 97,1% of group sales in 2017 and 2016 respectively. Sales in Nigeria and Russia in particular, which are the Company's largest markets, accounted for 40,3% and 39,5% of group sales in 2017 and 2016 respectively.

The Group's international operations are in emerging markets, such as Nigeria and Russia, which from time to time experience major changes in their policies and regulations.

More specifically, the introduction of capital controls in Nigeria and the pegging of the local currency to the USD and EUR resulted in a Nigerian naira's exchange rate that did not reflect supply and demand dynamics. The Group has entered into long-term supply agreements with certain clients in the Glass and the ICM Operations in Nigeria, which, among other commercial terms, include provisions that allow the Group to adjust the base prices based on the Nigerian naira's exchange rate. However, price increases as a result of those devaluation mechanisms do not reflect the actual devaluation rate of the Nigerian naira. On 20 June 2016, Nigeria introduced a new flexible exchange rate regime which resulted in an immediate devaluation of 42% to the official fixed rate that had been previously set. Moreover, Nigeria has recently experienced political instability, violence, kidnappings, religious unrest and terrorism, and also suffers from a lack of infrastructure, such as roads and power supply. These are factors that could adversely impact the orderly operation of markets and negatively affect consumer demand and, in turn, could also have a negative impact on the business, results and financial performance in Nigeria. Additionally, customs related restrictions in Nigeria have an impact on Nigerian operations because they can lead to delays on importing raw materials. That has led to an increase in the price of raw materials.

The political and social unrest in the Ukraine and Russia in recent years after Russia's annexation of Crimea, have brought economic instability to the region and caused a fall in the Russian ruble's exchange rate against other currencies, adversely affected financial markets, and also led to the USA and European Union adopting specific

sanctions against named Ukrainian and Russian entities and individuals. A deterioration in this negative situation could intensify the ongoing geopolitical instability in the region and lead to civil unrest and a worsening of macroeconomic conditions.

Having regard to those points, these adverse conditions and negative developments in these regions could negatively impact overall consumer demand, which could directly impact demand for the ICM business from customers in the region, which could negatively affect business activity, the operation’s financial situation and prospects and, consequently, those of the Group.

Although the Group’s Greek operations are relatively limited, the registered office of the Group’s parent company is located in Greece. Moreover, the Group has production facilities in Greece. Sales in Greece are limited and accounted for just 3,1% and 2,9% of consolidated sales in 2017 and 2016 respectively. Total assets in Greece accounted for 9,3% of the Group’s overall assets on 31.12.2017 and 9,5% on 31.12.2016. Consequently, it is reasonable for it to be affected by the macroeconomic and financial environment in Greece. The restrictions affecting the Greek banking system after the imposition of capital controls have led to a decrease in capital movements abroad, meaning there are also restrictions on currency conversions and the free movement of capital between the Group's subsidiaries. Around 12% of the Group’s debt is with Greek banks. Consequently, the Group is affected by, as well as dependent on, the confidence and the liquidity of the Greek banking system. The Company also relies on revenues from intercompany charges for services offered (management fees) and royalties and license fees from its subsidiaries. If international double tax treaties are amended, the inflow of capital into Greece could become harder, impacting on the Group’s after tax profits.

Furthermore, the implementation of the Third Financial Assistance Programme[1] which aims to fulfil the external financing needs of Greece until the middle of 2018 cannot ensure the recovery of trust towards the Greek banking system and the return to growth (or to a low growth rate or a decline) of the economy, even if it is successfully effected. In such case, the liquidity across businesses, the collection of receivables, the value of their assets, the payment of debt obligations or/and the satisfaction of their terms and covenants, the recoverability of deferred tax benefits, the valuation of their financial instruments, the adequate provisions and the ability to operate on a going concern basis shall all be negatively affected. Consequently, problems might be presented in relation to the Company’s and the Group’s operation.

[1] Source: EU Commission
http://ec.europa.eu/economy_finance/assistance_eu_ms/greek_loan_facility/pdf/assessment_financing_needs_en.pdf

The governments of emerging markets exert significant influence over the economies of those countries. This influence, coupled with the economic and political conditions in those countries, may negatively impact the Group's business activity, financial results and prospects

The governments of certain emerging markets in which the Group operates, including Nigeria and Russia, exert influence over the economy, changing their policies and regulations, leading to measures such as, among others, interest rate rises, application of exchange controls, changes in taxation policies, imposition of price controls, currency devaluation, capital controls and restrictions on imports. Those changes may exert a negative impact on the Group's operations since they affect various factors such as interest rates, monetary policies, foreign exchange controls and limitations on remittances abroad, fluctuations in exchange rates, inflation and deflation, social instability, price fluctuations, crimes and non-enforcement of the law, political instability, and volatility in domestic economic and capital markets.

The financial risks of operating in emerging and developing markets also include the risk of liquidity, inflation, devaluation, price volatility, currency convertibility and transferability, the risk of the country breaching its obligations, as well as austerity measures imposed as a result of major deficits, and other factors as well. Those factors have and will continue to affect the Group's results, resulting in its operations being suspended, its operating costs rising in those countries or its ability to repatriate profits from those markets being restricted.

The potential impact on Greece of the result of the referendum of the 23rd June 2016 regarding the exit of the United Kingdom from the European Union, with effect as of the 29th March 2019, cannot be predicted and may be proved to be significant, especially in case other EU countries decide to follow the decision of the United Kingdom affecting the cohesion and the modus operandi of the EU members states and the European Unions in general. Such an event can result in unfavourable impacts for the Greek economy, the Company's results and ability to meet its financial agreements and other liabilities which derive from its other financial contracts.

The 23rd June 2016 referendum result in the United Kingdom ("U.K.") regarding the country's exit from the European Union ("E.U.") with effect from the 29th March 2019 ("Brexit") is expected to have significant impacts for E.U. members, including Greece and the rest of the world, in both economic and political scale, and especially in fields such as commerce, investments, banking and financial sectors as well as the labour market. More specifically, the impacts of the referendum regarding the exit of the U.K. from E.U. could be significant for Greece and it is likely to have a negative impact on the prospects of Greek economy directly via commerce, shipping and tourism as well as indirectly via the slowdown in Eurozone's economy.

The recent public debt crisis in many Eurozone's countries, such as Greece, Italy, Cyprus, Ireland, Spain, and Portugal, together with the danger of transmission to other more stable countries, such as France and Germany, has raised uncertainty in relation to the stability and the general condition of the European Monetary Union.

Concerns that public debt crisis in the Eurozone of 19 countries, together with the decision of the referendum regarding the exit of the U.K. from the E.U., may be worsened and result in one or more Eurozone's countries returning to their national currency or in the worst case scenario to the abandonment of the Euro as a common currency.

Any future deterioration in the economic and political conditions in member states of the E.U. and the Eurozone, could have negative impacts on the Greek economy and the domestic financial activity resulting to a deterioration in the Company's results, financial position, operations and prospects and may significantly affect the Company's ability to comply with the covenants included in First and Second Lien Facilities and especially to comply with the leverage ratio and liquidity covenant.

The Group's primary direct customers sell to consumers. If economic conditions affect consumer demand, customers may be affected and thereby reduce demand for the Group's products

Changes in general economic conditions directly affect consumer confidence and spending on consumer goods. Those factors may directly affect the Group's customers and demand for its products.

Uncertainty over volatility of raw material prices, energy costs, geo-political issues and the availability and cost of financing have contributed to increased volatility and diminished recovery related expectations for the economy and global markets.

The decrease in consumption of customers' product has negatively affected the Glass Operation. Primarily in Nigeria, the consumption of soft drinks and beverages has been negatively affected, because of the decrease in the oil's prices globally, the pressure on the currency exchange rate and the increased inflation, which all resulted in lower disposal income. All the above have negatively affected demand for glass bottles in Nigeria.

In addition, in the ICM Operation, customers have shown great price sensitivity resulting in increased pressure on ICM pricing and, subsequently, to a negative effect on profit margin in Europe. Furthermore, the depression of the financial environment as a whole and the decrease in the public's discretionary income, such as in Russia, resulted to cancelling or changing the customer's expenses in relation to ICMs.

Adverse economic conditions can lead customers to forego or postpone new purchases in favour of repairing and maintaining their existing equipment. Each of these factors can lead to reduced demand for beverage coolers or a drop in product prices or both, which in turn can affect the Group's operations and financial position, as well as its financial results and cash balance.

Taking these points into account, adverse macroeconomic developments and other events that the Group cannot control may significantly reduce consumer spending and have major negative repercussions on the Group's operations, financial results, financial position and prospects going forward.

The Group is exposed to the impact of foreign exchange controls which may affect profitability or the repatriation of profits

In countries where the local currency can only be converted and/or cash can only become transferable within specified limits or for predefined purposes, it may be necessary for Group companies to comply with foreign exchange control requirements and ensure that all relevant permits have been obtained before profits from Group companies in those countries can be repatriated.

For example, South Africa's exchange control regulations prohibit the export of capital from the country without the approval of the competent authorities and do not allow the use of excessive interest rates for intercompany loans as a means of expatriating foreign exchange. In addition, in some countries like Russia, the local entity cannot enter into loan agreements with an affiliate. It is also possible that some European countries where the Group operates or is established will stop using the euro as the official currency that country would apply for exchange controls. Other European countries in which the Group operates or is established and which do not use the euro as their currency may apply exchange controls. Those foreign exchange controls may result in major negative impacts on the Group's business operations, financial and operating results, due to restrictions on the ability to repatriate profits and on the free flow of monies between the Group's subsidiaries and other restrictions on export and import activities.

The current liquidity conditions in the Greek market, as well as any deterioration in the macroeconomic conditions of the Greek economy, may negatively affect Group's ability to raise capital either through lending or through share capital increase, as well as the cost of debt.

The ability of the Company and the Group to raise capital through lending (which is anyhow limited due to the cap for additional lending up to €15,0m by virtue of the First Lien Facilities and the pledge and encumbrance on the most significant assets of the Group by virtue of the First and Second Lien Facilities) or through share capital increase is significantly affected by the current macroeconomic conditions in Greece, the developments in the banking system, the instability in the Greek securities market, which effects the smooth trading activity of Greek corporations, and the general conditions in the global markets. If the current adverse conditions continue to exist in the Greek capital market or globally, or if the Group is not able to successfully implement its policy regarding the management of the capital, then it is likely to have significantly decreased ability to raise additional funding, as mentioned above, resulting in a negative impact to the Company's and Group's financial results and prospects.

The Group depends on a small number of major customers, and losing them could negatively impact on the Group's activities and financial results

The Group derives a significant amount of revenues from a small number of large multinational customers. In 2017, around 65% of revenues in the Commercial Refrigeration business and around 62% of revenues in Glass Operations came from the five largest customers, and in 2016 the corresponding figures were approximately 57% and 60% of revenues.

The loss of any large customer, a decline in sales to these customers or the deterioration of their financial condition could adversely affect the business, financial results and cash balance of the Group.

In 2017, CCH accounted for around 32% of sales in ICM Operations and around 27% of sales in Glass Operations. Other Coca-Cola bottlers accounted for around 36% of sales in ICM Operations and around 8% of sales in Glass Operations in 2017. The Group's relationship with CCH began in 1999 and, following successive renewals, it is currently governed by an agreement that was renewed in January 2018 and expires on 31 December 2020 under which CCH purchases ICM units and relevant spare parts from the Group at prices and quantities negotiated annually. As for other buyers of ICM units, sales agreements are negotiated annually and do not include a clause of exclusive supplier of ICM and spare parts.

In the Glass Operations, although the Group has entered into certain long-term supply agreements with Heineken Global Procurement B.V., Nigerian Bottling Company Ltd (NBC) and Guinness Nigeria Plc., glass sales are primarily based on short-term fixed price contractual arrangements with various bottlers, which are negotiated annually.

The Group cannot assure that it will be in a position to renew those agreements on a timely basis, or on terms reasonably acceptable to it. Inability to renew or extend the Group's sales agreements with its customers, for any reason, could have a material adverse effect on the business and financial results of the Group.

The production process and, in many cases, the Group's products are subject to strict certification tests and if the Group does not successfully comply this could negatively impact the Group's operations and financial results

The Group's major customers either require that Group's companies to undergo a manufacturer certification process for every new design the Group sells to them or require the Group's products to meet specific standards. The certification inspection process is particularly strict and time-consuming, taking up to two years to complete. The Group cannot guarantee that it will not face difficulties in obtaining new certificates, if and where they are required. The inability to obtain such new certificates may adversely impact on the Group's operations and financial results.

Large customers have substantial leverage over suppliers and exert downward pressure on prices

Several large international sellers, including certain of the Group's customers, account for significant share of the beverage market. The main end-product producers in these markets outweigh the size of their bottling and ICM suppliers, including the Group. In this context, the Group provides discounts to its customers according to the customers' sales mix. There can be no assurance that the Group will not be pressured in the future by customers to accept further cuts in prices, which would have a material adverse effect on the Group's business, financial condition and results of operations.

The Group faces intense competition in the markets it operates

The Group's ICM Operations are subject to intense competition from regional competitors in specific markets. The criteria determining whether a product outperforms another from a competitor are price, design, the quality of service, product features, maintenance costs and warranties.

In Europe, the Group's main competitors in the commercial refrigerator market are Metalfrio Solutions S.A., Ugur Cooling Inc. Co, UBC Group and Vestfrost Solutions, which are local manufacturers, most of which have low-cost manufacturing capabilities and compete with the Group on price. Although the Group's customers that operate in Europe are price sensitive, they also take into account other factors such as the product's lifetime, energy consumption, serviceability and aesthetics. In Asia and Africa, the Group's primary competitors are Sanden Intercool, Sanyo and Western Refrigeration Pvt. Ltd and customers are also price sensitive. Western Refrigeration Pvt. Ltd is the key competitor in the Indian market. In the Middle East the main competitors are Everest Industrial, Sanden Intercool and Western Refrigeration Pvt. Ltd.

In Glass Operations, the Group's main competitors in terms of glass container manufacturers in Africa and the Middle East are Glass Force, Saudi Glass and Al Tajir Glass. In addition to competition from other large, established manufacturers in the glass container industry, the Group also competes with manufacturers of other forms of rigid packaging, principally plastic containers (PET) and aluminium cans, on the basis of quality, price, service and consumer preference. The Group also competes against manufacturers of non-rigid packaging alternatives. The use of glass bottles for alcoholic and non-alcoholic beverages in emerging markets is primarily subject to cost.

The Group's Glass Operations in the UAE is subject to intense competition from other glass container manufacturers, as well as from producers of other forms of rigid and non-rigid packaging, against whom the Group competes on the basis of price, product characteristics, quality, customer service, reliability of delivery and marketing. The advantages or disadvantages in relation to any of these competitive factors can be sufficient to force customers to consider changing suppliers or to use an alternative form of packaging.

The Group's ICM and Glass operations in Nigeria are subject to limited competition due to the Group's long-term operations in the region. Moreover, the Glass Operations in Nigeria and ICM Operations in Russia and India benefit from major barriers to entering or importing into those markets as a result of import duties and tariff restrictions. Sales to customers in Nigeria, Russia and India may be adversely impacted if the local governments lift the entry barriers or reduce import duties and so competition intensifies, which could negatively affect the Group's financial results.

In all events, any rise in competitive trends which result in pricing pressure and any inability by the Group to respond, could negatively affect its profit margin and, consequently, the Group's financial results and cash flows in future periods.

The Group's operations depend on the possession of the necessary permits to operate its facilities and on compliance with their terms and conditions, as well as with the general legislative and regulatory framework that its operations are subject to

The Group has operating permits for its plants which were issued by the local supervisory bodies in accordance with the legislation applicable in each country. In addition, permits have been issued by the competent authorities, which cover environmental and Health & Safety (H&S) issues as well as quality management systems. All Group products are certified by independent bodies.

The Group's operations and properties, as well as its products, are subject to extensive international, EU, U.S., national and local laws, regulations and standards relating to environmental protection and H&S. These laws, regulations and standards govern, among other things: emissions of air pollutants and greenhouse gases; water supply and use; water discharges; waste management and disposal; noise pollution; natural resources; product safety; workplace health and safety; the generation, storage, handling, treatment and disposal of regulated materials; asbestos management; and the remediation of contaminated land, water and buildings.

The scope of those laws, regulations and standards varies across the different countries in which the Group operates. The Group requires numerous environmental, health and safety permits issued by regulators to conduct its operations, including water and trade effluent discharge permits, water abstraction permits and waste authorisations. Failure to comply with these permits, laws and regulations, or to obtain and maintain the required permits, could subject Group Companies to criminal, civil and administrative sanctions and liabilities, including fines and penalties, as well as operational constraints or even the suspension of operations.

The Group operates in numerous countries where environmental, health and safety laws, regulations and standards and their enforcement are still developing.

Failure to manage relations with local communities, governments and Non-governmental organizations (NGOs) can harm the Group’s reputation and also its ability to implement projects which can in turn negatively impact on the Group’s financial results.

In addition, Group Companies are exposed to claims alleging injury or illnesses associated with asbestos and other materials present or used at production facilities or associated with use of the products that the Group manufacture or sell.

The continuation of these licenses and permits may be subject to annual examinations or random inspections by the relevant authorities to ensure that the premises comply with all relevant regulations of the issuing authority. Any breach or material noncompliance with the regulations of the issuing authorities could harm the Group's financial results and operations.

Foreign currency exchange rate fluctuations may affect the Group’s operating results

The Group operates internationally and a significant percentage of its revenue is generated in currencies other than the euro, which is the Group’s functional currency. Consequently, the Group’s financial position and results are subject to currency translation risks. Exchange rate risk arises through fluctuations in the exchange rate of currencies in countries which are not part of a monetary union and from the impact that has on the Group’s results and balance sheet positions when it translates its financial results generated by subsidiaries in those countries to the euro. The Group also faces transactional currency exchange rate risks if sales generated in one foreign currency are accompanied by costs in another currency. Net currency exposure from sales denominated in non-euro currencies arises to the extent that the Group does not incur corresponding expenses in the same foreign currencies. In 2017 more than two two-thirds of net sales revenue was denominated in currencies other than the euro, mainly the Nigerian naira, the U.S. dollar, the Indian rupee, the South African rand, the Norwegian krone, the Russian ruble and the Romanian lei. Consequently, the group is exposed to foreign currency exchange rate risk in terms of sales, expenses, financing and investment transactions conducted in currencies other than the euro. Significant fluctuations in exchange rates may have an adverse impact on the Group's financial performance. In Nigeria, the introduction of capital controls and the pegging of the local currency to the USD and EUR at rates which may not reflect supply and demand dynamics for the currency resulted in increased volatility of the Nigerian naira. The Group has entered into long-term supply agreements with certain clients in the Glass Operations in Nigeria, which contain provisions that allow the Group’s Nigerian companies to adjust the prices in line with the devaluation of the Nigerian naira. However, price increases as a result of these devaluation mechanisms do not reflect the actual devaluation rate of the Nigerian naira. On 20 June 2016, Nigeria introduced a new flexible exchange rate regime which resulted in an immediate devaluation of approximately 42% to the previously fixed official rate.

The Group companies use natural hedging to limit their exposure to foreign currency exchange rate risk. Hedging can be achieved by matching cash inflows and outflows in the same currency to the maximum degree possible in order to limit the impact of exchange rate movements. When natural hedging cannot be achieved, the Group makes use of derivatives, mainly in the form of forward foreign currency exchange contracts. Recently, derivatives have not been used, only natural hedging of exchange rate risks to the extent that this feasible. It is not possible to predict whether the Group's hedging activities cover its entire exposure to all foreign currency exchange rate risks and potentially in relation to exchange rates could have a negative impact on the Group's financial results.

The Group's profitability could be affected by supply and demand and the cost of raw materials

The raw materials that are used by the Group or contained in the components and materials that the Group uses have historically been available in adequate supply from multiple suppliers. For certain raw materials, however, there may be temporary shortages due to production delays, transportation or other factors. In such an event, no assurance can be given that the Group would be able to secure its raw materials from sources other than current suppliers on terms as favourable as the current terms, or at all. Any such shortages, as well as material increases in the cost of any of the principal raw materials, including the cost to transport materials to the Group's production facilities, could have a material adverse effect on the Group's business, financial condition and results of operations.

The primary raw materials relevant to ICM Operations are steel, copper, plastics and aluminium which accounted for around 20%, 7%, 8% and 4% of the total cost of raw materials, respectively, in 2017. For 2016, steel, copper, plastics and aluminium accounted for around 18%, 6%, 7% and 4% of the total cost of raw materials, respectively. These raw materials are commodities, many of which are sold at prices linked to the US Dollar. Occasionally, the purchase prices of some of these key raw materials increase significantly, also increasing Group's expenses.

The Group generally purchases steel via annual contracts at predefined prices, although in some cases the contracts may have smaller time validity (semester or quarter) due to the volatility of the global steel market, in the last couple of years. However, from time to time, the Group may also purchase steel under multi-year contracts or purchase higher volumes to stock at its warehouses or with suppliers in order to advantage of favourable fluctuations in steel prices. When these multi-year contracts are renewed, the cost of steel under these contracts will be subject to prevailing the global/local steel prices at the time of renewal, which may differ from historical prices. While the Group does not generally purchase copper and aluminium directly as a raw materials for its products, these metals are contained in certain components and other materials that the Group uses in the ICM operations, the prices of which are directly or indirectly related to copper and aluminium prices on the London Metal Exchange (LME), where historically prices have been quite volatile.

The Group's Glass Operations also require significant quantities of raw materials, especially soda ash (natural or synthetic), cullet (recycled glass), glass-sand and limestone, which accounted for 28%, 11%, 3% and 2% of the operations total raw material expenses in 2017. The cost of soda ash, cullet, glass-sand and limestone for 2016 was 29%, 9%, 5% and 2%. Increases in the price of raw materials can also be caused by suppliers' concentration that could intensify in the future and develop for the raw materials that the Group uses. The price of cullet varies significantly depending on the region due to regulatory and financial disparities concerning the collection and recycling of used glass, as well as the distance of cullet procurement centres from production sites. Consequently, changes in the regulations related to glass collection and recycling can have a major impact on the availability and price of cullet. Any major change in the price of raw materials in the Glass Operations could negatively impact on the Group's operations, financial situation and operating results.

The Group may not be able to pass on all or part of raw materials price increases to its customers now or in the future. In addition, the Group may not be able to successfully hedge increases in the cost of raw materials. Moreover, while adequate quantities of steel, copper and aluminium were available on the market in general in the past, those quantities may not be available in the future, or even if available, it may not be at current prices. Further increases in the cost of raw materials may adversely affect the Group's operating margins and cash flows. If in the future the Group is not able to reduce product costs in other areas or pass the increase in the price of raw materials to customers, the Group's margins could be adversely affected.

Increases in the cost of energy could affect the Glass Operations efficiency

The Glass Operations manufacturing process depends on the constant operation of the furnaces due to the long time required for the furnaces to reach the temperature needed to melt glass. Consequently, the glass manufacturing plants in Nigeria and the UAE depend on the continuous power supply and, to operate, require major quantities of electricity, natural gas, fuel oil and other power sources. Substantial increases in the price of natural gas and other energy sources could have a material adverse impact on the Group's operating results, particularly if it is not able to pass on to customers the entire amount of such price increases or reduce other costs to offset higher energy costs.

The Glass Operations in Nigeria depend on natural gas and Group's operations in the UAE depend on oil and/or by-products of the oil refining process such as petroleum coke (petcoke) in order to provide fuel to the furnaces and to produce electricity using turbines, if there is a power outage. While natural gas prices have been stable in Nigeria over recent years, the Group cannot assure that future increases in the price of natural gas, or oil and/or petcoke will not occur.

Although the Group is generally able to pass on increased energy cost to customers through price increases, increased cost of energy that cannot be passed to customers by increasing prices affects Group's operating costs and could have a material adverse impact on its operating results, financial situation and cash flows. In particular, since the Group's contracts with customers are usually negotiated each year, Group companies may not be able to pass the higher costs to customers during the time lag between changes in prices under the Group's contracts with energy providers and changes in prices under the Group's contracts with customers. Furthermore, given that the Group operates in a wider geographical region, which has multinational competitors, some of whom have access to cheaper energy resources, an increase in the cost of energy which affects the Group cannot be easily passed on to customers, and so it is almost certain that it will adversely impact the Group's profit margins. The Group cannot assure that it will be able to directly increase the prices of its products or that it will be able to pass on the entire cost increase or part of it to its customers.

Increased or unexpected claims under product warranties and from "epidemic" cases can adversely affect the Group

The Group offers its ICM customers the option of a warranty or limited supply of free spare parts with every purchase. The warranties the Group offers for its products are for a limited time period, normally two to five years. Longer warranties are offered to customers as an option, by adjusting prices accordingly. Warranties to a large extent cover work done, and in some cases materials for products manufactured by the Group. There are also other warranty options, such as price discounts or free spare parts, instead of warrants associated with the sale of products. Certain of the sales agreements impose further obligations on the Group if there is a delay in the supply of the ICM unit or if the unit is rejected by the customer, including an obligation on the relevant Group Company to, at the option of the customer, repair, replace or refund the price. In addition, the Group must indemnify certain customers for defects pursuant to the terms of some of the agreements. If a product does not comply with the warranty, the Group may be obliged, at own expense, to repair any defects or replace the defective product. Group expenses relating to key warranties stood at €6,1m in 2015, €5,8m in 2016 and €5,5m in 2017.

From time to time, the Group may also recall products voluntarily or based on a court order. The Group expends considerable resources in connection with product recalls, which as a rule include the cost of spare parts and work required to remove and replace all defective parts. In addition, product recalls may harm the Group's reputation and a loss of customers if, as result, consumers question the safety or reliability of ICM units. The Group has voluntarily recalled products over the last 3 years in cases which are characterised as "epidemics" where the failure rate, which relates to defects in a specific product, exceeds 3% of the total ICM units of that model.

Although the Group maintains warranty and epidemic reserves, it cannot provide an assurance that future warranty claims and epidemic recalls will follow historical examples or that the Group will be able to accurately predict the level of future

warranty claims or the cost of such cases. An increase in the rate of warranty claims and the cost of recalls in epidemic cases could adversely impact on the Group's operations and financial results to a significant degree.

Legal entity exerts major influence over the Company and also participates in other companies whose interests may differ from those of the Company

According to the 16th November 2017 notification received by the Company by virtue of Law 3556/2007, Truad Verwaltungs AG holds indirectly through the companies it controls 48,55% of shares and voting rights in the Company. Consequently, that shareholder may exert significant influence on the shareholders voting result, on the election of Board of Directors members and on other decisions affecting the Company, but does not control the Company. In addition, on 31 December 2017, Truad Verwaltungs AG indirectly owned 23,0% of the overall share capital in CCH, which is the Group's largest customer. Furthermore, on 31 December 2017, CCH indirectly held 23,9% of Frigoglass Industries Nigeria Ltd and Frigoglass West Africa Ltd, through its holding in Nigeria Bottling Company (NBC). In addition, Frigoglass Industries has signed an office lease with A.G Leventis plc for its offices in Lagos, Nigeria. Truad Verwaltungs A.G. holds around 50,7% of the share capital of A.G Leventis plc. The lease is renewed each year under arm's length terms.

The Group is exposed to various operating risks

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes, among other things, losses that are caused by a lack of controls within internal procedures; violation of internal policies by employees; the disruption or malfunction of IT systems, computer networks and telecommunications systems; mechanical or equipment failures; human error; natural disasters; catastrophic events; or malicious acts by third parties. The Group is generally exposed to risks related to information technology, since unauthorised access to or misuse of data processed on its IT systems, human errors associated therewith or technological failures of any kind could disrupt the Group's operations, including the manufacturing, design and engineering process. Like any other business with complex manufacturing, research, procurement, sales and marketing, financing and service operations, the Group is exposed to a variety of operational risks and, if the protection measures put in place prove insufficient, the Group's results of operations and financial conditions could be materially affected.

The Group is also exposed to the risk of catastrophic events, such as severe weather conditions, floods, natural disasters caused by significant climate changes, fires, earthquakes, pandemics or epidemics, or terrorist and war activities in any of the jurisdictions in which the Group operates, but especially in emerging markets and geographical areas with less-established infrastructure, such as certain areas in South East Asia. Such events may have a negative effect not only on manufacturing capacity in the affected area, but also on retailers, particularly for retailers who sell non-essential goods.

The occurrence of such an event could adversely affect the Group's business and operating results. The Group cannot accurately predict the extent to which such events may affect it, directly or indirectly, in the future. The Group also cannot assure that it will be able to obtain or choose to purchase any insurance coverage with respect to occurrences of terrorist acts and any losses that could result from these acts. If there is a prolonged disruption at the Group's properties due to natural disasters, severe weather conditions, terrorist attacks or other catastrophic events, the Group's results of operations and financial condition could be materially adversely affected.

The Company's or Group's potential non-compliance with restrictive covenants (whether positive or negative) and other terms in existing or future financing agreements would lead to a breach of obligations in the relevant financing agreements and cross-default on obligations contained in other financing agreements, resulting in a material adverse impact on the Group's operations, financial situation and prospects

Where the Company or other companies in the Group do not comply with financial covenants in the Group's First and Second Lien Facilities, such as maintaining the leverage ratio and the minimum liquidity covenant or in other current or future financing agreements, it could lead to those agreements or other financing agreements being cancelled (cross-default). That would allow lenders to suspend financing or even terminate the loan agreements, to demand immediate repayment of all loans, to seize any guarantees and collateral provided and to take compulsory enforcement measures. In that case there will be major uncertainty about the ability of the Company and other companies in the Group to continue as going concerns, since they may find themselves unable to pay their debt obligations.

The Company's and Group's obligation to comply with restrictive covenants (whether positive or negative) and other terms in existing or future financing agreements could materially restrict the Company's and Group's ability to operate

The Company's and Group's obligation to comply with restrictive covenants, such as maintaining the leverage ratio and the minimum liquidity covenant as well as the limitations for additional funding due to the cap for new loans up to €15,0m and the pledge and endurance on the most significant assets of the Group by virtue of the First and Second Lien Facilities, limit the ability of the Company to fund new investments, to pay its liabilities and prohibit the Company from funding mergers and acquisitions. Under those circumstances, the Group may not have the adequate capital and resources to meet its liabilities against its lenders and creditors. In that case, there will be a negative impact on the financial condition and prospects of the Company and the Group, since they may find themselves unable to pay their debt obligations. That would allow lenders to suspend financing or even terminate the loan agreements, to demand immediate repayment of all loans, to seize any guarantees and collateral provided and to take compulsory enforcement measures.

Group insurance policies may not cover, or fully cover, the Group against natural disasters, certain business interruptions, global conflicts or inherent hazards of its operations and products

Through a number of international and local insurers, the Group Companies have insurance policies relating to certain operating risks, including certain proprietary damages (including certain aspects of business interruption for certain sites), public and product liability, cargo in transit insurance(for certain companies), insurance for rolling stock and vehicles (in certain locations) and directors' and officers' liability. In line with the Group's insurance policy, insurance coverage has been taken out locally against all risks to assets to insure tangible assets at replacement value. As for inventories, an insurance contract has been signed in accordance with Group's policy on insurance against all risks to property, insuring them at cost/production prices. Moreover, there is a business interruption feature of Group's contract in cases of suspension of operations due to various prejudicial events has been taken out, which covers fixed costs and lost profits for a period of up to 12 months from the start of the incident. In addition to insuring its assets and lost profits against a suspension in operations, the Company and its subsidiaries are also fully covered against normal civil liability to third parties including the case of employer contributions and losses due to defective products. Although Group considers that the types and levels of insurance coverage at present are in keeping with normal practice in the industry in which it operates and are adequate to enable it to continue its business operations, this insurance does not cover all potential risks associated with the Group's business activities or for which companies in the Group may otherwise be liable. For example, insurance policies may not cover or nor fully cover political risks, global conflict, environmental risks or risks innate to operations and products. In addition, the Group's policies include exceptions which may affect the ability of a company in the Group to make a claim. Consequently, the Group cannot provide any assurance that its insurance coverage will adequately protect the Group against all risk which may arise or that the relevant amounts will be sufficient to prevent any material loss.

The Group is subject to risks associated with developing new products and technologies in the ICM business, which could lead to delays in new product launches and to significant costs

The Group's primary focus is to improve the performance, usefulness, design and other physical attributes of its products, and to develop new products that meet customer needs. To ensure that Group Companies remain competitive, new and innovative products need to be constantly developed, investments in new product R&D are needed, including environmentally friendly and energy-efficient ICM platforms. Consequently, the activities of Group Companies re exposed to risks associated with developing new products and technologies such as (a) achieving energy consumption levels that match customer expectations, (b) cost optimization, (c) developing new refrigeration technologies before the competition does and (d) developing innovative ICMs whose performance and unexpected technical problems can be monitored online. Any of these factors could result in the delay or abandonment of the development of a new technology or product. The Group cannot guarantee that the Group will be able to implement new technologies, or that it will be able to launch new products successfully. The Group's failure to

develop successful new products may impact relationships with customers and cause existing as well as potential customers to choose to purchase used equipment or competitors' products, rather than invest in new products manufactured by the Group, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Disruptions to the Group's supply or distribution infrastructure could adversely affect its operations

The Group relies on effective supply and distribution networks to obtain materials vital for its production processes and to deliver its products to customers. Damage or disruption to such supply or distribution capabilities due to adverse weather conditions, natural disasters, fire, water or power cuts, terrorism, political instability, military conflict, pandemics, strikes, economic and/or operational instability of key suppliers, distributors, warehousing and transportation providers or intermediate agents, or other reasons, could affect the manufacture or sale of its products. Although the risk of such disruptions is particularly acute for operations in Africa, the Middle East and Asia, where distribution infrastructure may be relatively undeveloped, the Group's operations in Europe are also subject to such risks. The occurrence of such a disruptions could have a negative impact on the Group's operations and financial results.

Strikes or suspensions of operations organised by trade unions can have a material adverse impact on the Group's business activities

The Group currently has collective labour agreements with trade unions or employee representatives, representing employees in 6 countries in which it operates: Greece, Romania, India (since 2016), Indonesia, South Africa and Nigeria. The terms of those agreements vary from facility to facility, but they generally address maters such a salary adjustments, working hours, lunch breaks and time off, and are generally agreed for a 2-year period. Upon the expiration of any collective bargaining agreement, the inability of Group Companies to negotiate acceptable contracts with trade unions could result in strikes by the affected workers and increased operating costs as a result of higher wages or benefits paid to union members. Note that the Group has never had to suspend operations as a result of conflicts with its workforce or with trade unions and any suspensions of operations that have taken place were related to nationwide trade union demands in the countries in which it operates. If employees in trade unions decided to get involved in a strike or any suspension of operations the Group could experience a significant disruption of operations and/or higher on-going labour costs, which may have a material adverse impact on the Group's operations and financial results.

Dependence on senior executives and expert personnel

The management of the Group and its functions rely on a team of experienced executives and expert personnel. Where the relationship with Group executives is upset for any reasons or the loss of any of the executives, this could have an adverse impact on the Group's operations, at least in the short term and until they can be replaced.

Loss of any member of the management team or any experienced employee could result in a loss of knowledge, experience and know-how, or a deterioration of the quality of customer service, meaning an increase in hiring and training related costs, as well as impact the Group’s operations and business strategy implementation.

The Group may not be in a position to immediately find qualified employees to replace those who left and the integration of replacements could affect the Group’s operations. In addition, the loss of key executives and employees with knowledge of its modus operandi could lead to an increase in competition to the extent that the employees were recruited by a competitor.

The Group’s future success also depends in part on its ability to attract and retain highly trained personnel who are in high demand in the labour market. If the Group cannot attract and retain highly trained staff, Group operations and results could be negatively affected.

6) Events after balance sheet date and other information

On 2 April 2018, the company entered into an agreement to sell the entire share capital of its wholly owned glass container subsidiary Frigoglass Jebel Ali FZE to ATG Investments Limited. The total cash consideration of the transaction amounts to US$12,5m, on a debt-free basis. US$5,0m will be payable on completion of the transaction, with a further US$7,5m in 4 instalments over 4 years following completion of the transaction.
The above payments are subject to working capital and other customary adjustments.

There are no other post-balance events which are likely to affect the financial statements or the operations of the Group and the Parent company apart from the ones mentioned above.

7) Important Transactions with Related Parties

Related Party Transactions:

The most important related parties' transactions of the Company, in the sense used in IAS 24, are listed in the following table:

Related Parties Transactions:

in € 000's	Year ended	31.12.2017	
Consolidated	**Sales of Goods**	**123.621**	Coca-Cola HBC AG Group
	Purchases of Goods & Services	**219**	Coca-Cola HBC AG Group
	Receivables	**18.165**	Coca-Cola HBC AG Group
	Balance of Loan	**0**	Boval S.A.
	Share capital increase	**60.000**	Boval S.A.
	Loan Interest	**248**	Boval S.A.

Parent Company	Sales of Goods	Other Services	Purchases of Goods & Services	Receivables	Payables	Loans Payable	Interest expense	Management Fees Income	Income from Commissions on Sales
Frigoglass Cyprus Limited	2	-	37	14	-	1.272	106	-	-
Frigoglass South Africa Ltd	71	34	30	929	1	-	-	1.102	-
Frigoglass (Guangzhou) I.C.E. Co.	-	-	7	-	-	-	-	-	-
Frigoglass Turkey S. S. D. Ticaret AS	-	-	18	-	-	-	-	-	-
Frigoglass Indonesia PT	1	341	703	366	67	-	-	1.173	350
Frigoglass East Africa Ltd.	13	1	182	15	177	-	-	-	-
Frigoglass Romania SRL	89	251	8.496	1.943	19.061	-	-	5.389	-
Frigoglass Eurasia LLC	35	109	2.266	4.359	3.714	-	-	6.684	-
Frigoglass India PVT.Ltd.	-	12	1.613	4.797	783	-	-	1.413	-
Scandinavian Appliances A.S	5.001	-	-	538	12	-	-	-	-
Frigoglass Sp Zoo	-	2	-	2	-	-		-	-
3P Frigoglass Romania SRL	-	-	64	93	33	-	-	50	-
Frigoglass Jebel Ali FZE	1	-	166	-	-	-	-	-	-
Frigoglass Global Ltd.	-	-	-	937	-	-	-	986	-
Frigoglass West Africa Ltd.	139	21	-	319	15	-	-	-	-
Frigoglass GmbH	-	-	-	-	3	-	-	-	-
Frigoglass Nordic	-	-	-	-	23	-	-	-	-
Frigoglass Industries (Nig.) Ltd	-	-	1	-	6	-	-	-	-
Frigoinvest Holdings B.V.	-	-	-	-	-	32.430	7.229	-	-
Total	**5.352**	**771**	**13.583**	**14.312**	**23.895**	**33.702**	**7.335**	**16.797**	**350**
Coca-Cola HBC AG Group	13.611	-	15	2.272	-	-	-	-	-
Grand Total	**18.963**	**771**	**13.598**	**16.584**	**23.895**	**33.702**	**7.335**	**16.797**	**350**

Boval S.A. 60.000 **Share capital increase**

	Consolidated	Parent Company
	31.12.2017	
Fees of member of Board of Directors	130	130
Management compensation	2.488	2.137

8) Research and Development

The main objectives of the Research and Development (R&D) function are to develop innovative, pioneering cooler solutions for Group's customers.

R&D focuses on developing products along the guiding principles of standardization and simplification, as well as increased customization.

Frigoglass provides Ice-Cold Merchandising solutions that are designed to help its customers to achieve their sustainability goals. Frigoglass focuses on the design, development and improvement of its products in order to reduce carbon dioxide emissions, energy consumption and greenhouse gas emissions consistently with the needs and requirements of its customers.

Frigoglass operates Research and Development (R&D) centers which are located in Greece and India.

9) Explanatory report of the BoD in accordance with article 4 para. 7 & 8 of Law 3556/2007

A. Structure of the Company's share capital

The Company's share capital amounts to **Euro 127.957.590,36** divided among **355.437.751 shares** with a nominal value **of Euro 0,36 each**.
All the shares are registered and listed for trading in the Securities Market of the Athens Exchange.
Each ordinary share entitles the owner to one vote and carries all the rights and obligations set out in law and in the Articles of Association of the Company.
The liability of the shareholders is limited to the nominal value of the shares they hold.

B. Limits on transfer of Company shares

The Company shares may be transferred as provided by the law and the Articles of Association provide no restrictions as regards the transfer of shares.

C. Significant direct or indirect holdings in the sense of Presidential Decree 51/1992

On 31.12.2017 the following shareholders held more than 5% of the total voting rights of the Company:

- Truad Verwaltungs A.G. 48,55%
- Marc Lasry – Avenue Capital (1) 11,68%
- Alpha Bank S.A 5,95%

[1]Mr. Marc Lasry is the ultimate managing member of Avenue Europe International Management GenPar, LLC and Avenue Capital Management II GenPar, LLC which in turn indirectly control in total voting rights corresponding to 11,68% shares in the Company.

D. Shares conferring special control rights

None of the Company shares carry any special rights of control.

E. Limitations on voting rights

The Articles of Association make no provision for any limitations on voting rights.

F. Agreements among Company shareholders

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights, nor is there any provision in the Articles of Association providing the possibility of such agreements.

G. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association deviating from those provided for in Codified Law 2190/20

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/20.

H. Authority of the Board of Directors or certain of its members to issue new shares or to purchase the own shares of the Company, pursuant to article 16 of Codified Law 2190/20

According to the provisions of article 13, par. 4-1subpar. b' and c; of the Codified Law 2190/1920, the General Meeting by its own decision, which is subject to the disclosure formalities of the art. 7b. of the Codified Law 2190/1920, may authorize the Board of Directors to increase the share capital by its own decision.

Also, according to the provisions of article 13, par. 13 of Codified Law 2190/1920, by a resolution of the General Meeting passed under an increased quorum and majority in accordance with the provisions of paragraphs 3 and 4 of article 29 and of par. 2 of article 31 of Codified Law 2190/1920, a programme can be established for the offer of shares to the Directors and to company personnel, as well as to personnel of affiliated companies, in the form of stock options, according to the more specific terms of such resolution, a summary of which is subject to the publicity formalities of article 7b of Codified Law 2190/1920. The par value of the shares offered may not exceed, in total, one tenth (1/10) of the paid-up capital on the date of the resolution of the General Meeting. The Board of Directors issues a decision regarding every other related detail which is not otherwise regulated by the General Meeting and, depending on the number of beneficiaries who have exercised their options, the Board of Directors decides on the corresponding increase of the Company's share capital and on the issuing of new shares.

According to the provisions of article 16 of Codified Law 2190/1920, subject to prior approval by the General Meeting, the Company may acquire its own shares, under the responsibility of the Board of Directors, provided that the par value of the shares acquired, including the shares previously acquired and still held by the Company, does not exceed one tenth (1/10) of its paid-up share capital. The resolution of the

General Meeting must also set the terms and conditions of the acquisitions, the maximum number of shares that may be acquired, the effective period of the approval granted, which may not exceed 24 months, and, in the case of acquisition for value, the maximum and minimum consideration.

I. Significant agreements put in force, amended or terminated in the event of a change in the control of the Company, following a public offer

The Company has no agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer.

The parent company and the subsidiaries do not hold any treasury shares.

J. Significant agreements with members of the Board of Directors or employees of the Company

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment due to of a public offer.

10) Non-Financial Performance Review - Sustainability

1. Business model

1.1. Business overview

Frigoglass is a strategic partner to the world's leading beverage brands. We are one of the leading producers of Ice Cold Merchandisers (ICM), providing our customers with a complete range of innovative merchandising solutions, which uniquely position and promote their brands for consumers around the world. Frigoglass supplies Ice Cold Merchandisers (beverage coolers) to soft drinks and alcoholic beverage companies. Our market-leading products combined with our commitment for consistent, superior after-sales support, have allowed us to build and continuously develop long standing partnerships with our customers, who include leading beverage companies in more than 100 countries that we serve globally. Our innovative coolers enhance our customers' beverage branding at the point of sale, drive impulse consumption and maximize merchandising opportunities. We are committed to providing increasingly environmentally friendly product solutions which enable our customers meet their ambitious sustainability and carbon emission reduction targets. Frigoglass is also a principal supplier of glass bottles and complementary packaging solutions in the high-growth market of Africa.

1.2. Global presence

With its footprint, Frigoglass is well established in the more mature European markets while it is evolving and establishing its position in emerging markets. We support our customers through manufacturing facilities in eight countries and an extensive network of sales and after-sales representatives.

In our glass bottle business, we are focused on the markets in Africa and the Middle East, which are prime regions of investment for our customers. We aim to create value for our customers by building on our position as a leading supplier of glass bottles and complementary packaging solutions in West Africa.

Cool Operations:

Europe	
Production plants and sales offices:	Greece, Romania, Russia
Sales offices:	Germany, Norway, Poland

Cool Operations:

Asia & Africa	
Production plants and sales offices:	India, Indonesia, South Africa
Sales offices:	Kenya, Nigeria

Glass Operations:

Production plants and sales offices:	Nigeria, UAE (Dubai)

1.3. Key objectives and strategy

In 2017, Frigoglass remained focused on its strategic priorities and continued creating value-adding, innovative, cold merchandising solutions for its customers around the world.

1.3.1. Customer focus

In 2017, Frigoglass made further progress in enhancing its customer focus, mainly through redefining the ICM Commercial Vision which was built around three pillars:

1. **Build on successful partnerships:** Maintain strong partnership with our Global Accounts to serve them with a differentiated offering in line with regional requirements.
2. **Optimize route-to-market approach:** Integrate our customers' requirements into our products and serve them with great value, while Innovation & Sustainability remain key pillars for any new development.
3. **Enhance commercial capabilities to strengthen customer relationships:** Create a strong and ambitious commercial organization and culture as enabler of our go-to-market strategy and reach our targets. Split Sales teams per Global Account to increase focus and reflect customers' needs.

In the Cool business, certain changes were implemented in the commercial structure, after taking into account the recent customers' consolidations and their requirements towards customized coolers at competitive prices.

The organizational changes implemented in 2016 resulted in a highly effective commercial function in 2017. Frigoglass sales team is divided into two major categories, the Coca-Cola Account sales team and the Global Accounts/Market Development sales team, aiming at expanding the customer base and offering the right portfolio in all regions and channels.

Central Marketing has the mission to ensure the right prioritization of global and local projects, in line with Frigoglass strategy. Finally, Innovation & Product Development, integrated into the Commercial function, aims to enhance the Frigoglass Advantage and achieve a faster commercialization of Frigoglass pioneering solutions.

The Frigoglass Advantage consists of four pillars – Merchandising Strength, Sustainability Leadership, Technical Excellence and Digital Services – that remained the key drivers behind every offering of pioneering and sustainable products and services during the year.

In the Glass business, several customer collaboration initiatives implemented throughout the year resulted in continuous quality enhancement. Incorporating detailed customer feedback into the new product design process has led to product innovation, as in the case of lightweight bottles which have delivered both cost and environmental benefits for customers. In addition, the integrated product offering of glass bottles and plastic crates, has not only reinforced the Frigoglass brand, but has also allowed customers to minimize glass breakage and reduce logistics costs.

In both Cool and Glass businesses, the customer is at the centre of the organization's efforts. Frigoglass strives to provide its customers with high-quality, innovative and value-adding solutions.

1.3.2. Innovation leader

Hybrid cooler

The latest breakthrough development, Hybrid, has created excitement to customers in the emerging markets. In Africa, immediate consumption grows faster than electrical power availability and Hybrid cooler is designed to mitigate the impact of power outages in the continent. With the use of eutectic technology, it maintains low temperatures for more

than 16 hours in an environment of 40°C without requiring electrical power source. The Hybrid solution is available in both Smart and ICOOL cooler ranges, keeping their merchandizing efficiency provided by the glass door and advanced aesthetics. During power-off hours, coolers remain fully illuminated with LED lighting that boosts impulse beverage sales. Also it uses HFC-free refrigerant that is preferred by customers and aligns with their sustainability goals. In 2017, Frigoglass successfully concluded field tests in various countries in Africa. Annual sales of Hybrid range coolers were significantly higher compared to the first year of launch, showing clear trend in the region towards green cooling solutions that depend less on electricity net power.

Market penetration

The year was marked by ICOOL and Smart ranges continued successful commercial expansion, with sales increasing over 50% over the prior year. Both ICOOL and Smart ranges offer premium aesthetics and combine the advantages of merchandising strength, sustainability leadership and technical excellence (Total Cost of Ownership), which have subsequently generated solid demand.

In addition, innovative solutions have been developed to satisfy the increasing demand for quality coolers at competitive pricing in different markets. In 2017, Frigoglass extended the Plus range in Russia with new models, which incorporate lower cost options that help deliver cold-drink availability targets, as well as faster returns currently sought by our customers. In Africa, Frigoglass introduced the new Super range based on environmental-friendly Hydrofluorcarbon (HFC)-free refrigerant to support our customers' increased penetration plans in developing countries.

Greener Product portfolio and Manufacturing footprint

In 2017, Frigoglass extended its manufacturing capability of environmental-friendly coolers within its operations. In Europe, Frigoglass produced only HFC-free coolers. In South Africa, the biggest part of the production output was towards Hydrocarbon (HC) coolers, while in India, Frigoglass reached full HC production capability. The plant in India is equipped for the expected transition of the local market to green coolers and in parallel ensures security of supply for the markets of neighbouring regions.

Research & Development

Frigoglass R&D labs in India and Greece have been accredited according to ISO17025 standard and recognized by The Coca-Cola Company, PepsiCo and Heineken for certification tests.

This significant development makes our labs equivalent to internationally recognized independent labs and allows us to test new configurations locally. In addition, it leads to important time and cost savings in the commercialization process.

Innovating the way ahead

In line with our long-term business strategy our main focus has been on the areas of further reducing our products' energy consumption, improving their aesthetics to make the world a "nicer place through our coolers" and enabling connectivity solutions to satisfy various existing and future market needs.

2. Policies and due diligence on key non-financial and sustainability aspects

At Frigoglass, our approach to key non-financial sustainability aspects is underpinned by a set of guiding principles; in specific, upholding high professional standards, being transparent, trusted and fair, fostering a culture of partnership and collaboration, valuing the long-term relationships with our customers and suppliers, and leading by example to create a more sustainable future.

2.1. Focus areas

The group-wide policy framework on non-financial issues focuses on four areas, which are complementary and mutually supportive.

Marketplace

Quality and innovation are two important drivers in our sustainability strategy. Frigoglass aims to create value for its business and customers by developing high quality, reliable products and services, continuously enhancing their efficiency, whilst following fair business practices and ensuring regulatory compliance with applicable laws in all areas of our operation.

Environment

Frigoglass creates value by recognizing and reducing its products' impact on the environment. In the operations, we measure performance through regularly monitoring the environmental impact of our products and undertaking actions to improve the efficiency of materials' use. Performance and efficiency constitute key drivers behind all our efforts to minimise our environmental impact.

Workplace

Our people are our greatest asset. Engaging and developing our people for the long term is our firm objective. We are therefore strongly committed to attracting, developing and retaining the best people to successfully support our business strategy, whilst providing them a safe and inclusive working environment.

Community

It is important for us to be a responsible corporate citizen by supporting the local society. We work closely with our community stakeholders to find out how we can achieve greater social impact through our business operations and focus our efforts on creating value for the communities in which we operate.

Frigoglass approach, the specific policies and the outcomes of those policies as well as Key Performance Indicators associated with the above focus areas are presented in chapters: 5. Marketplace, 6. Environment, 7. Workplace

3. Material issues and engagement with our stakeholders

3.1. Material issues

For us at Frigoglass, engaging in sustainability means aligning with the needs and expectations of our stakeholders - customers, consumers, employees and shareholders around the globe.

Identifying and evaluating the issues that are material for our organisation and stakeholders is essential for providing strategic direction and focus on our sustainability strategy which highlights business imperatives, monitors results and drives progress. Our material issues are those reflecting the wider context of our economic, environmental and social impacts and influence our stakeholders, their decisions and assessment on us.

The process of identifying and prioritising the sustainability issues that are material to our organisation and stakeholders consisted of three steps: identification, prioritisation and approval. We identified the range of sustainability issues based on international standards, sector challenges and trends, as well as benchmarking and feedback obtained from the stakeholders, through the engagement we have had with them over the years. Subsequently, we evaluated our impact and associated risk for each of the issues and filtered them through the perspective of our organisation and the expectations of our stakeholders in order to prioritise them.

Our resulting top ten material issues are:

1. Product quality and responsibility
2. Product environmental stewardship
3. Customer satisfaction
4. Regulatory compliance
5. Economic performance and impact
6. Ethics
7. Workplace health and safety
8. Diversity and equal opportunities
9. Energy efficiency of operations
10. Responsible procurement

As we aim to maintain our stakeholders' engaged in a business environment that is continuously shifting, we regularly revaluate our business and sustainability priorities as well as those of our stakeholders.

3.2. Stakeholder engagement

Our stakeholders are people or organisations who we work closely with and have a direct or indirect interest in our business and performance.

Frigoglass firmly believes that inclusive and transparent communication can lead to value creation and therefore strives to establish and maintain sustainable relations with all stakeholder groups.

Engaging with our stakeholders is essential for understanding their needs and creating value. Their insight also helps us acquire a multi-angle perspective that supports our decision making process and ensures that our Sustainability Report is relevant and responsive to our stakeholders.

Ongoing dialogue and collaboration with different stakeholders enable us to identify opportunities to improve our performance, create value for our customers and shareholders and provide the basis for setting our sustainability targets. Integrity, transparency and compliance are the key principles guiding all our engagement initiatives.

Our ongoing engagement with our stakeholders helps us understand:

- The impact of our activities and how to handle them in a responsible manner
- The potential risks and opportunities associated with stakeholders and how we can effectively manage them in a proactive way

- The ongoing effectiveness of our sustainability strategy

Our key stakeholder groups are the:
- Customers
- Financial institutions
- Employees
- Business partners
- Investors
- Media
- Suppliers
- Local communities

In mapping our stakeholders, we have identified those for which we have legal, commercial or moral responsibility, such as our investors, clients and the communities in which we operate. Stakeholder groups, such as our employees and our suppliers, are also important because we depend on them to operate. Finally we are conscious of external groups, such as our business partners and product end users that have an interest in our products and performance.

In order to drive lasting and meaningful value, we first need a deep understanding of what our stakeholders perceive as the most significant issues in relation to our organisation, how they expect us to address them as well as in what ways we can contribute to the achievement of sustainable growth on global level, mainly by considering our impacts against the SDGs . The following table describes the basis for our engagement, as well as the engagement channels with each stakeholder group.

Feedback received from our stakeholders on what we can do to improve our management and reporting of sustainability issues included the following recommendations:
- Integrate sustainability issues further into our business strategy
- Enhance our sustainability reporting practices to demonstrate transparency
- Set clear KPIs and targets and measure progress against them
- Promote greater standardisation of procedures on quality, labour management and environmental issues across all locations of operation

4. Principal risks and their management

At a company-wide level, Frigoglass Management Committee oversees the risk and opportunity identification process which includes regulatory reviews, carbon emission and energy use data collection and consultation with both suppliers and customers.

The data review has been used to identify where climate change and other risks and opportunities exist across the company. Specifically the carbon emission and energy use data have been used to assess energy efficiency opportunities at a number of our plants as well as help us set our carbon emission target of reducing emissions by 5% by 2020.

Customers' consultation has guided our research and development efforts to produce more energy efficient ICMs. Frigoglass has developed the Operational Risk Management program to assess risk at asset level. We introduced new standards to the program as well as a new, structured and detailed reporting system. Our updated program consists of three major assessment categories for which a series of issues and potential risks have been outlined to allow us to have an accurate overview of the risks at asset level i.e. each individual plant.

Climate change has been recognized as a key risk under this program and relates to both business continuity and environmental management. Annual Environmental, health and

safety audits are carried out in each plant by third parties. These audits assess how well these risks are managed in terms of the Operational Risk Management program and are used to assess:

- The level of risk,
- The measures being taken to address these risks and
- The opportunities to reduce these risks.

These audits are also used as an opportunity to identify potential risks. The findings from the annual audits are compiled and shared with the Management Committee. This provides the opportunity to view the findings on a companywide level to ensure that risks and opportunities across the company as a whole are identified and assessed.

Frigoglass uses a risk assessment process to prioritize risks and opportunities that are identified. The key to Frigoglass' risk and opportunities assessment process are the criteria used to prioritize risks and opportunities. These include understanding how the risk or opportunity impacts on the following:

- Meeting regulatory compliance
- Meeting customer expectations with respect to energy efficiency and climate change
- Impacts to reputation
- Impacts to business continuity

The identified risks are categorised in risks resulting from:

- Risks which result from environmental regulations
- Risks in physical climate parameters
- Risks which result from environmental developments

4.1. Risks resulting from changes in environmental regulations

Description
Increasing reporting obligations imposed by regulators may require changes to how we collect and report data today.
Potential impact
Increased operational cost
Impact magnitude
Low-medium
Estimated implications
The financial implications of emissions reporting obligations are associated with the cost to collect, check and collate emissions data across all of Frigoglass businesses and report in the required format. This could be quite a complex task given that Frigoglass operates in some jurisdictions that may have very different reporting requirements.
Management method
Frigoglass started collecting emission data in 2010 and continues to annually collect, check and collate emissions data to feed into the development and tracking of emissions reduction targets across the business. In addition, the level of reporting for each operation is continually being improved to increase the accuracy of the collected data on all 3 emission scopes. It is anticipated that collecting emissions data now will reduce any risks associated with future emission reporting obligations.

Description
Participation in the EU ETS and introduction of similar schemes in the US and throughout the World may have a flow-on impact on the cost of business inputs such as electricity and fuels.
Potential impact
Increased operational cost
Impact magnitude
Low-medium
Estimated implications
Existing and future regulations on GHG emissions and a trading scheme will serve to monetise the environmental cost of GHG emissions and will increase the cost of traditional fossil fuel-based energy usage including electricity, stationary and transport fuel as well as refrigerant gas for both Frigoglass and our suppliers. This could lead to a small increase in costs associated with our raw materials and components as well as direct increases in energy costs for our production facilities.
Management method
We use three methods to manage emissions and associated costs: 1) Measuring energy use and emissions including improving quality of collected data. 2) Managing operational costs by analysing collected data and identifying and implementing energy efficiency projects to reduce energy use across our operations. This has included dematerialising our supply chain and products (e.g., modular product design, fewer item codes and a higher degree of standardization, more efficient component selection). 3) Investment in research and development to produce ICMs that use natural refrigerants and are powered by solar cells and eutectics technology. It is anticipated that by implementing these management measures, we will be able to offset the increase in costs associated with the implementation of a carbon price and will be an industry leader with respect to natural refrigerants.

Description
Changes to refrigerant regulation, including phasing out or banning of different refrigerant gases.
Potential impact
Increased operational cost
Impact magnitude
Low-medium
Estimated implications
To date, Frigoglass has invested over €3 million in upgrading all plants to use HFC free refrigerants. Should additional changes to refrigerant types be required, it is estimated that the costs to upgrade production facilities would be of a similar magnitude.
Management method
Frigoglass is investing in research and development into alternative refrigerants and in 2017, 70% of our ICM placements worldwide were with Hydrocarbon (HC) and CO_2 refrigerants. Other refrigerant related projects include the development of cooling circuits that can operate with a lower HC charge to extend usage to larger size coolers.

In addition, we completed building our manufacturing capability in our plants around the world so that Frigoglass can quickly and efficiently produce environmental-friendly units that can address potential changes in refrigerant regulation.

4.2. Risks resulting from changes in physical climate parameters:

Description
Greater variability of temperature including high temperature which may lead to production downtime.
Potential impact
Reduction/disruption in production capacity
Impact magnitude
High
Estimated implications
Temperature extremes could reduce revenue by disrupting production. Production costs may increase due to increased electricity load for additional cooling of production sites and increased energy costs where energy providers need to upgrade their infrastructure to guarantee supply during periods of extreme weather. The financial implications could range from small increases in operational costs to significant costs related to plant shut down as a result of damage from extreme weather events. The financial costs to disruptions to plants from weather-related events is 1.3% of total spending.
Management method
Frigoglass has an Operational Risk Management program which includes new standards as well as a new, structured and detailed reporting system to identify and address risks associated with climate change. The major risk categories we have identified are site construction, safety measures, and critical hazards while some of the issues included in these groups are business continuity, environmental management and health, and safety, among others. The potential impacts from changes in temperature extremes are considered under the Operational Risk Management program where critical thresholds on business continuity are reached. Regarding managing certainty of supply, our regular supplier assessment ensures that we continually identify those suppliers that are able to provide materials to different manufacturing sites around the world, ensuring a certain degree of resilience in the availability of the materials and components required for manufacture of products. Diversification of our suppliers is another means of addressing the risk of climate impacts up and down our supply chain. On the market side we manage risk of production capacity disruption through possibility to supply same and/or similar products from different manufacturing sites.

Description
Increase in average temperature over longer time frames which may lead to increased operation and production costs associated with cooling in factories. Additional impacts to personnel expected.
Potential impact
Increased operational cost

Impact magnitude
Medium
Estimated implications
Change in average temperature will increase the production costs within our factories due to increased cooling requirements. Should temperatures exceed tolerable ranges, production must cease which would reduce supply and potentially impact on Frigoglass ability to meet customer requirements. This would result in a loss of revenue of max 10%.
Management method
Currently factories operate within the acceptable temperature tolerance range. However the risk of increased average temperatures is incorporated into our Operational Risk Management program. Heat risk to personnel is currently considered within the health and safety category of our Operational Risk Management Program. Should temperatures increase beyond acceptable tolerance levels, Frigoglass will implement facility upgrades to ensure that production can continue uninterrupted.

4.3. Risks resulting from changes from other environmental developments:

Description
Damage to the reputation of Frigoglass as a provider of environmentally-friendly technologies by its customers and investors if the company fails to meet compliance requirements or is seen to be insufficiently managing all business risks associated with climate change.
Potential impact
Reduced demand for goods/ services
Impact magnitude
High
Estimated implications
The loss of Frigoglass reputation as a supplier of environmentally friendly technologies would have a significant financial impact as we could lose a large proportion of our customer base to other suppliers.
Management method
We manage reputation risk by maintaining our reputation as a leader in technology and innovation by funding our research hubs in Europe and Asia to ensure that our technology meets our customers' needs for energy efficiency, natural refrigerants and ICMs that work at lowest energy consumption levels within our industry. Some of our models are using alternative power sources such as solar power and eutectics technology.

Description
Expectations of major customers with respect to environmental performance (from a design and use perspective).
Potential impact
Reduced demand for goods/ services
Impact magnitude
High

Estimated implications
The financial implication of not being able to provide our customers with both supply chain management information and innovative emissions and energy-related solutions pose a significant financial loss (up to 50% of sales) to Frigoglass if these customers move to other suppliers who can provide the required information, products and solutions.
Management method
As a technology and innovation leader in our sector, with research and development hubs in Europe and Asia, we are best positioned to provide global beverage companies with the most advanced product range to reduce their carbon footprint and address the rapidly rising energy costs. The innovations we develop then flow through to our capital investment strategies in our plants in order to equip manufacturing sites with the capability and capacity to manufacture newer models to meet the increasing demand, as well as supplier sourcing strategies to ensure the appropriate components are available in expected quantities and meet our supplier quality standards. In addition, Frigoglass has been collecting and reporting on carbon emission data since 2010 and continues to improve and refine its emissions data. It also reports on a range of sustainability indicators that would be of interest to our customers.

5. Marketplace

5.1. Economic performance and impact

Ensuring the economic stability of the company forms an integral part of Frigoglass' sustainable development. We aim to ensure that economic value is created on a constant basis and distributed among all stakeholders and that the company's social and environmental responsibilities are fulfilled to the maximum extent. The organisation's sustainability strategy is based on achieving long-term economic stability, and as with any business, our primary obligation is to generate value for our shareholders. In pursuit of this, we also generate and distribute broader economic value for our stakeholders. The most notable means of distributing economic value are through:

- Payments to our employees;
- Payments to our suppliers and business partners;
- Payments to our providers of capital;
- Government taxes;
- Community investments.

Preserving the economic stability and continuing to generate value is the most material issue in our sustainability strategy, while we have put forward considerable effort and several initiatives which are directly related to it.
The financial performance of the group is presented in detail in 2017 Financial Statements.

5.2. Fair business practices

Our values guide our actions in conducting business in a socially responsible and ethical manner and distinguish Frigoglass in the eyes of our stakeholders. So far, policies and procedures related to Human Rights, Business Ethics, Anti-Corruption and Bribery have been communicated to all (permanent) employees and business partners (e.g. customers and suppliers) through web-based or in-person training programs and communication. We

are additionally launching for the internal stakeholders an e-learning platform that will offer regular training and verify the understanding and statistical coverage of the training through respective tests. The training includes:

- Structured mechanisms to deal with policy violations
- Regular risk assessment and audits on corruption, bribery, anti-competitive behaviour, business ethics, and information security, internally as well as with our business partners
- Awareness training on fair business practices, anti-bribery and anti-corruption

5.3. Responsible procurement and supplier assessment

Given the nature of our business model and our commercial relationships, responsible procurement is a particularly important matter for Frigoglass. As a global corporation with plants operating in several countries, we always strive to establish honest working relationships with our suppliers which adhere to the principles of sustainable development. We perform audit process on our largest and most important suppliers as well as on all our new suppliers, and our ultimate objective is to progressively include a wider range of criteria into our supplier assessment processes and audit forms.

This includes not only operational issues, such as the mitigation of supply chain constraints but also sustainability aspects such as:

- The impact of our suppliers on ethics, labour and human rights
- Health and safety performance amongst our suppliers
- The environmental impact of our suppliers, with regard to both the materials used in manufacturing and their products
- Specific Request for quotation (RFQ) forms targeted at examining sustainability aspects of our suppliers' operations

5.3.1. The Frigoglass Supplier Code

Our business relationships with suppliers are underpinned by the Supplier Code which Frigoglass has put forward. In this policy, Frigoglass lays out the standards and principles to which we expect our suppliers to adhere. Ethics, labour and human rights, health & safety but also the environment are integral parts of our Supplier Code policy. Every new party, defined by Frigoglass as Supplier or Business Partner, is required to sign the Supplier Code thus committing themselves to complying with the principles described.

Compliance covers all activities throughout all Suppliers' premises and operations, including their own supply chain, whilst contracts may contain specific provisions addressing these issues.

By requiring our suppliers to comply with the requirements as outlined in the Supplier Code, Frigoglass helps "cascade" good practice throughout its supplier base and minimise its indirect negative impacts. By doing so, it is not only protecting its own reputation, but also the reputation of its suppliers – some of whom might be vulnerable to consumer activism. Suppliers are achieving a level of performance that is in line with our customers' own requirements (for example, requirements about supplier environmental performance).

New supplier audits	2014	2015	2016	2017
% of new suppliers assessed on sustainability criteria	100%	100%	100%	100%
Instances of identified actual or potential negative impact on the assessment criteria	0	0	0	0

As part of our risk management strategy, compliance with the Frigoglass Supplier Code is subject to audit by Frigoglass or an independent third party. We have also revised our supplier auditing to give higher gravity to sustainability-related factors. In cases where Suppliers fail to comply with the requirements addressed in this Code, Frigoglass reserves the right to renegotiate and/or terminate an agreement. We assess a wide range of suppliers representing annual purchases of over 90% of our total group spent. Each year we are auditing on-site over 35% of the defined supplier base, and in 2017 we had over 65% agree and sign our Supplier Code of Conduct.
As part of our responsible procurement strategy, we have initiated a training program on the sustainability criteria we are looking for in our suppliers. As per target set the year before, in 2017 all our buyers completed the Sustainable Procurement training. This is a standard training that every new buyer joining Frigoglass receives as part of the standard employment process.
In addition we regularly conduct risk analysis on key purchasing categories to ensure security of supply. We identify suppliers that have a high probability of failing to comply with our Supplier Code of Conduct and develop respectively alternative ones. It's also important to highlight at this point our commitment to support local communities through our supply base strategy. As a Group over 45% of our suppliers are of local origin.

We expect all of our suppliers to sign and comply with our Supplier Code of Conduct. By doing so we impose and ensure minimum standards with respect to issues concerning:	
Ethics	Anti-trust Bribery Conflict of interest Protection of information and intellectual property
Labour	Freedom of association Work conditions Wages and benefits
Human rights	Child and forced labour Diversity and equal opportunity Harassment and violence
Health and Safety	Occupational health and safety Hygiene Work conditions

Environment	Regulatory compliance Pollution and waste Use of recycled materials

6. Environment

At Frigoglass, we analyse the impact of our products and operations on the environment and take measures to minimise it. We are committed towards reducing our environmental impact through concrete actions which relate to our products, processes and supply chain. We focus on maintaining sustainable and environmentally sound business practices, which directly inform our growth strategy and drive our approach to innovation. In the period 2015-2017 we made considerable progress in the areas of minimising the environmental impact of our products, improving the efficiency of our operations and enhancing and streamlining our manufacturing process.
We regularly train our employees on environmental awareness and launch an e-learning platform, with the key target among others to enhance the environmental awareness throughout the company.

6.1. Product environmental stewardship

As a global supplier of beverage coolers, we are committed to designing and producing innovative products with energy efficient design that minimises the environmental impact. ICMs make up the most significant proportion of our customers' carbon footprint – in some cases from 40% to 60% of their overall footprint –therefore offering energy efficient solutions has profoundly shaped our product strategy and provided one of main competitive advantages.
We focus on maintaining high component recyclability, controlling the use of plastic parts and rationalizing models as well as components used. Our product design is ensuring easy dismantling for further recycling, following internal procedures on product end-of-life treatment. Furthermore in our product design we consider optimization of transport, maximizing the loading capacity to the extent possible in trucks and containers.
Glass production on the other hand, is not only energy intensive during production, but also requires a large amount of raw materials. Recycling and reusing as much material as possible is therefore our primary goal in glass operations. Another equally important goal is to innovate on lightweight bottle production, which again leads to less raw material use.

6.1.1. Improving environmental performance across our ICM range

Listening to our customers and anticipating global regulations, we have set as one of our top priorities the improvement of the environmental performance of our cooler range. Our efforts throughout the previous years has been intense and yielded substantial results.

- Together with our customers and suppliers we gradually convert our full product portfolio into a fleet with environmentally friendly refrigerants. Our so-called "Eco range" share over total ICM placements worldwide has increased considerably in the last years, as below table shows.

Evolution of green ICM sales in relation to total ICM sales	2014	2015	2016	2017
	41%	**48%**	**60%**	**70%**

- In 2015 we started the development of the Hybrid range, using the eutectic technology, securing cold drink availability in countries with long power outages, e.g. in the region of Africa. This way we have managed to further enrich our range of coolers that make use of alternative power sources (e.g. Solar 200, EcoCantine), require lower maintenance and work at exceptionally low energy, in relation to their size (higher efficiency is achieved through storage of cooling energy within the cooler). Since 2016 Hybrid models have been placed in the field and are being established as the models of choice for relevant markets.

- In addition, we continue to extend our manufacturing capabilities for environmentally friendly refrigerants in our plants around the world so that we can quickly and efficiently roll out new products that can address potential future changes in refrigerant regulation.

6.1.2. Assessing the lifecycle of our ICMs

Based on the life cycle analysis (LCA) of an average product's lifecycle, from extraction of raw materials to disposal, the key outcomes have highlighted the importance of:

- In-use energy efficiency
- Refurbishment
- Dematerialisation of high impact components.

Following these findings all our new ranges have been developed according to these criteria.

6.1.3. Production of optimised bottles in our glass operations

In Nigeria we are continuing to develop lighter weight returnable bottles reducing the carbon footprint of our customers, as well as developing one way bottles and jars for the spirits and food segments with an optimized weight to ensure safe product transportation in the country – also known as rightweighting.
We are also producing returnable bottles, which are heavier than non-returnable or one way containers, but have considerable benefits for the environment, since they can be used more than 25 times before being downcycled to cullet and reused. They are heavier, because they need to withstand multiple trips as part of large floats of glass bottles, which are refilled numerous times.
Our Dubai operations are meeting the growing demand for lightweight one-way glass containers, producing an increasing number of bottles in a particular process, which allows products to be manufactured at the lightest weight possible. In general, we have managed to increase the use of cullet or scraps of broken glass, which allows us to reduce raw material consumption and at the same time reduce energy consumption during the manufacturing process.

6.2. Energy efficiency of operations

Improving the energy efficiency in our operations makes up an integral part of our activities and constitutes a key element in our overall sustainability and competitiveness. As a result we are constantly seeking ways to enhance the utilisation of the resources and minimise any negative environmental impact.

Below we highlight a few among numerous investments across our plants. These range from process optimisations – such as simple solutions of motion sensors and automatic scheduling to light switch-off – to sophisticated equipment upgrades in our production processes.
In our Romania plant, further to the improvements of previous years, in 2017 we fully replaced plant illumination through high efficiency low energy LEDs. We also optimized the paint shop operation condensing it to less hours of usage.
In our Asian ICM plants, India and Indonesia, we invested in reducing power consumption of our metal processing machines, replaced old transformers with newer higher efficiency ones, and advanced our air and water leakage detection systems, where necessary. Also in these plants we extended the use of LEDs into most areas of operation.
In our Glass operations in Nigeria we installed more energy efficient pumps, both in the hydrant and water circulation lines. Also here we invested in LED illumination in different operation areas.

6.2.1. Environmental protection expenditures

In our efforts to continuously enhance the sustainable character of our operations, every year we are allocating approximately 1% of our ICM sales revenue for actions related to improving energy efficiency in operations as well as protecting the environment and ensuring we don't negatively impact on it. As a result we have never received grievances about the environmental impact of our operations as long as we monitor them.

6.2.2. Certification of production

We are constantly looking for ways to reduce our impact on the environment whilst optimizing our performance.
In our on-going effort to manage our environmental responsibilities and as part of our environmental management system, over 75% of our operation facilities are certified as per ISO14001 in 2016. Our plan is to have all facilities certified by 2019.

6.3. Resource management and efficiency

At Frigoglass, we understand that our ICM operations are material-intensive. We have been monitoring and reporting on our material use since 2010 with the objective of maintaining the rates of material consumption over produced volume at low levels, despite varying product mix. In Glass operations the material consumption is mainly based on recycling cullet and therefore by definition very efficient and environmental-friendly.
Furthermore our Procurement cooperates with strategic suppliers to maintain share of raw material stock at warehouses close to the plants. This helps avoid sub-optimal freights (e.g. by air) while still enables us to satisfy our customers' needs for shorter delivery times.

Tonnes of materials used in Cool operations

Tonnes of materials	Metals			Glass		
	2015	**2016**	**2017**	**2015**	**2016**	**2017**
Europe	**10.595**	**10.066**	**13.106**	**3.391**	**3.996**	**5.233**
Asia	**9.481**	**6.330**	**6.012**	**2.721**	**1.647**	**1.552**
Africa	**2.256**	**2.127**	**1.743**	**639**	**602**	**498**
Total	**22.331**	**18.523**	**20.861**	**6.751**	**6.245**	**7.283**

Tonnes of materials	Plastics			Refrigerants		
	2015	**2016**	**2017**	**2015**	**2016**	**2017**
Europe	**1.140**	**1.105**	**1.438**	**41**	**37**	**42**
Asia	**2.840**	**2.490**	**2.311**	**47**	**32**	**24**
Africa	**176**	**163**	**120**	**19**	**14**	**4**
Total	**4.156**	**3.758**	**3.869**	**107**	**83**	**70**

Tonnes of materials	Insulation			Paint		
	2015	**2016**	**2017**	**2015**	**2016**	**2017**
Europe	**1.299**	**1.196**	**2.288**	**123**	**100**	**81**
Asia	**1.045**	**624**	**633**	**126**	**41**	**34**
Africa	**337**	**320**	**238**	**33**	**12**	**5**
Total	**2.681**	**2.140**	**3.159**	**282**	**153**	**120**

Material consumption intensity in Cool operations

	2015	2016	2017
Tonnes of total material consumption	**36.309**	**30.902**	**35.362**
kg of materials / ICM standard unit sales	**61,7**	**61,6**	**56,1**

The above table makes evident that our efforts for material efficiency in our production activities have begun to yield positive results. In 2017 the total kg of materials consumed per ICM dropped by 9% demonstrating the decoupling between our production and the need for increasing material quantities.

Tonnes of materials used in Glass operations

Tonnes of materials	Silica sand			Cullet		
	2015	**2016**	**2017**	**2015**	**2016**	**2017**
Asia	**47.170**	**51.952**	**33.895**	**18.829**	**8.484**	**37.265**
Africa	**94.208**	**84.517**	**73.859**	**67.837**	**65.294**	**83.588**
Total	**141.378**	**136.469**	**107.754**	**86.666**	**73.778**	**120.853**

Tonnes of materials	Soda ash			Limestone powder		
	2015	**2016**	**2017**	**2015**	**2016**	**2017**
Asia	**16.453**	**17.765**	**12.071**	**11.864**	**12.850**	**8.923**
Africa	**23.070**	**22.765**	**19.037**	**21.696**	**20.988**	**17.620**
Total	**39.523**	**40.530**	**31.108**	**33.560**	**33.838**	**26.543**

Tonnes of materials	Other		
	2015	**2016**	**2017**
Asia	**7.703**	**8.638**	**6.996**
Africa	**4.918**	**5.002**	**4.667**
Total	**12.621**	**13.640**	**11.663**

6.4. Water consumption management

Water is a key input of our manufacturing process, especially in Glass operations. Recognising its scarcity, we are committed to making every effort to avert water losses in the production processes through water recycling both in our Cool and Glass operations.

In our Cool operations, water used is being properly treated according to the required specifications for discharge back into the sewage system.

In our Glass operations we have set procedures for leakage avoidance and maximum recycling. Especially in our Effluent Treatment plant in Nigeria, utilising latest technologies, we have achieved over 95% water recycling and reuse in our operations. The remaining 5% mostly evaporates during the process while a negligible part is being treated and discharged in the sewage system.

6.5. Waste management and control

Due to the nature of our Cool operations, both hazardous and non-hazardous waste is generated from manufacturing. Reducing waste from production is a key priority for

Frigoglass. In 2017 we increased our general waste in Cool operations due to increased production, but drastically reduced waste intensity by 17,6% compared to 2016 levels. We are also committed to increasing the levels of recycling waste targeting to reach over 90% recycle or reuse of waste by 2020. In 2017 we maintained over 85% ratio of recycled waste to total generated waste.

Tonnes of general waste generated in Cool operations

	2014	2015	2016	2017
General waste	4.585	5.668	4.554	4.721
Recycled general waste	2.767	4.848	4.022	4.043
% Recycled waste	*60,3%*	*85,5%*	*88,3%*	*85,6%*
kg of waste produced / ICM Standard Unit sales	-	9,6	9,1	7,5

Tonnes of hazardous waste generated in Cool operations

	2014	2015	2016	2017
Hazardous waste	65	46	43	35
% change		*-29%*	*-7%*	*-19%*

At Frigoglass we respect local legislation as well as internal policies governing the handling of hazardous waste. No hazardous waste is shipped internationally, whilst all is collected from the plants by authorized agencies using their own transportation methods for further disposal and/or recycling. In 2017, hazardous waste was reduced by 19% compared to 2016 and accounted for less than 1% of the overall waste being generated. We remain committed to firmly maintaining these levels.

Both general and hazardous waste in Glass operations are of negligible quantities. General waste is fully recyclable, while hazardous waste comes mainly in form of machinery oil and water contaminated with oil. All waste is properly discharged by authorized companies.

7. Workplace

In Frigoglass, we believe that people are a key factor for the success of our organisation. Our long-term success depends on our ability to attract, develop and maintain an engaged workforce. We are committed to a long-term strategy that focuses on foundational priorities like finding and retaining talent, promoting their development whilst supporting and safeguarding their rights. We also pay particular attention in providing a healthy, safe and supportive working environment with the highest ethical standards whilst ensuring the diversity of our workforce. Our success relies on our corporate culture and high quality workforce that innovates, leads and learns.

The following table refers to Frigoglass permanent employees in operational sites and Head Offices and does not include seasonal staff:

	2017 Permanent employees	Managerial	Non-managerial
Head offices	75	43	32
Nigeria	737	76	661
UAE (Dubai)	309	22	287
India	235	18	217
Indonesia	247	10	237
Greece	98	11	87
Romania	1.348	19	1.329
Russia	717	17	700
South Africa	337	23	314
Total	**4.103**	**239**	**3864**

We are always looking for ways to attract qualified personnel, to respect their aspirations and we remain committed to their continued professional growth. The data below reports on the diversity of our people.

	Male	Female	<30	31-40	41-50	>51
Head offices	47	28	4	24	32	15
Nigeria	715	22	43	172	290	232
UAE (Dubai)	307	2	55	101	96	57
India	232	3	49	126	57	3
Indonesia	212	35	55	148	43	1
Greece	89	9	0	6	51	41
Romania	956	392	415	343	382	208
Russia	623	94	177	301	158	81
South Africa	265	72	76	136	86	39
Total	**3.446**	**657**	**874**	**1.357**	**1.195**	**677**
	84%	*16%*	*21%*	*33%*	*29%*	*17%*

Our key focus areas include maintaining employee satisfaction by creating an inclusive, diverse and safe working environment, promoting their development through trainings, whilst encouraging their active participation in the workplace. We strive to provide a unique, engaging and motivating experience to allow our people to give their best and develop their full potential.

7.1. Labour practices and human rights

In some of the countries where Frigoglass operates there is higher risk of labour and human rights violations. To mitigate this type of risks in all locations of our operations we regularly evaluate our standards and procedures for identifying, and preventing adverse labour practices and human rights impacts in our operations and value chain. Our Labour Relations policy ensures compliance with the national legislation, and internationally agreed human rights standards and regulations such as the Universal Declaration of Human Rights (UNDHR).

Human rights are integrated into our working culture in different ways, for example through the Human Rights Policy which is guided by the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, and provides the principles we follow in our processes across the organization.

Forced or slave labour and child labour are strictly forbidden, while we prohibit the hiring of individuals that are under 18 year of age for positions in which hazardous work is required, as provided for in ILO Convention 182.

All employees have the right to join a union and be covered by a collective agreement. In the majority of our plants we have unions or employee representatives which are legally recognized. We encourage constructive dialogue with our employee's freely chosen representatives and we are committed to bargaining in good faith. Our Speak up policy, which is designed to support our employees and business partners raise any concerns and indicate any violations of the company policies and procedures, allows also for the free interactive communication around the clock every day of the year.

When offering employment, we aim at compensating our employees competitively based on their role. We always try and offer wages which are well above the local law and we comply with all national laws on overtimes and working hours.

The contracts we offer have at least one week's notice to employees before significant operational changes need to take place as required by local laws.

7.2. Diversity and equal opportunity

Our goal is to foster an inclusive environment where our people can develop and exceed their expectations, regardless of their background or gender and conversely make the most out of diversity to deliver the highest value to our stakeholders.

Diversity and inclusion are vital parts of our people strategy. At Frigoglass, we take proactive measures during recruitment through our respective policy, to ensure a diverse workforce without any form of discrimination based on gender identity, ethnicity, national origin, age, disability, marital status or any other characteristics protected by law. We do not accept any form of harassment and our Code of Business Conduct upholds our commitment to providing equal employment opportunities in the workplace and treating all employees without bias. Our Code of Conduct, apart from being read and signed by all employees during the hiring process, is also part of the regular training agenda of our new e-learning tool. We provide fair compensation for all employees irrespective of their ethnicity, gender identity or other characteristic, and firmly believe that quality of talent diversity has a direct impact on our success.

We embrace diversity and celebrate the unique qualities, differences and similarities among talent, so much that our success is attributed to it. Diversity is part of our culture and inspires fresh, innovative solutions for our customers.

There have been no recorded incidents of discrimination during the reporting period and our internal audits and whistle-blowing procedures are aiming at maintaining zero incident levels.
Frigoglass places particular emphasis on equal career management and opportunities for men and women and is committed to promoting gender diversity and increasing the representation of women in management positions by setting targets to engage more women in management positions of the company and become more gender balanced. The table below illustrates our progress, where an additional 12 women were appointed in governance positions in 2017 increasing women representation from 9,6% in 2016 to 11,1% in 2017.

Governance personnel	2017		2016	
	Male	**Female**	**Male**	**Female**
Head offices	43	0	7	0
Nigeria	68	8	76	6
UAE (Dubai)	5	0	7	1
India	15	3	6	1
Indonesia	6	4	3	1
Greece	11	0	3	1
Romania	16	3	5	1
Russia	14	3	6	1
South Africa	20	3	7	1
Total	**198**	**24**	**120**	**13**
	89,2%	*10,8%*	*90,2%*	*9,8%*

7.3. Occupational health and safety

Ensuring a safe and healthy workplace is always a top priority for Frigoglass. We operate in the heavy industry, where the work environment and various types of manufacturing processes hold several potential risk elements. At Frigoglass, we aim to maintain high level of safety across the business whilst consistently improving our safety culture.
It is of outmost importance that all employees are aware of the hazards and potential risks and that there is sufficient knowledge and ambition to always perform the job with safety in mind. In this respect, at Frigoglass we:

- Provide compulsory training on health and safety (H&S) issues to employees as well as external partners working at our facilities
- Offer health care programs for all our personnel
- Have in place protective equipment and procedures of handling chemicals and hazardous materials in all our plants, which are regularly inspected and updated
- Are in close cooperation with clinics and/ or hospitals located in the vicinity of our plants.
- Conduct regular risk analysis on H&S issues, assuming appropriate measures, when necessary

Our ongoing efforts are focused on keeping work related accidents at zero levels but applying and implementing various structural and technical measures as well as regularly conducting risk assessments on our facilities and operating equipment.

Risk assessments are conducted on a periodic basis in order to promptly identify and mitigate potential hazards through the following steps:

- Identify and record potential hazards
- Identification of groups of employees exposed to those hazards
- Evaluation of the severity of hazards
- Identify measures to mitigate risk
- Implement corresponding measures
- Re-evaluate and revise previously conducted risk assessment

Our head offices as well as our plants in Romania, Russia and South Africa are certified per OHSAS 18001, whilst our 3 Glass plants are undergoing certification process with target readiness in first half of 2018. As part of our commitment to promote workplace health and safety, we target to obtain OHSAS 18001 certification for all our plants by 2020.

All our plants operate according to concrete and comprehensive safety plans, which are subject to a strict approval process. To ensure the desired results, we monitor the accident frequency rates for all our plants and we are constantly working towards minimising them. In 2017, workplace accidents in ICM operations more than halved compared to the previous year (from 39 to 18). The corresponding injury rate for 2017 was 0,55% and absentee rate 3,09% per 1000 hours of work.

7.4. Employee training and career development

At Frigoglass we believe it is crucial for people to be able to grow as professionals, while providing them with resources for advancing their career. The company ensures that all employees and management are equipped with the relevant skills and knowledge to fulfil the requirements of their positions.

Frigoglass considers employee training an investment and over the years, continuously provides a wide range of training opportunities. The company emphasises on the technical strengths and personal development and aims to offer as much as possible and cover employees' needs. Personnel development is vital towards building a successful company that effectively aligns action with objectives. We also provide training for issues such as anti-corruption, anti-competitive behaviour and human rights, which aim at further promoting an equal and fair working environment. The average recorded hours of training by employee in 2017 amounted to 48.

In 2017 we initiate the program of digital training, through an "e-learning" platform, which is aimed to be completed by all our permanent employees with computer access.

At Frigoglass we also put emphasis on performance reviews which take place twice a year and give our workforce the opportunity to provide and receive feedback through individual coaching. 100% of our supervisors and management level employees receive annual performance reviews on pre-determined and agreed-upon performance criteria. Career development needs and actions are often tackled through informal meetings and mentoring, while we always keep an open mind and take note of our workforce's opinions on how to secure that their career goals are met.

The new hires and employee turnover for 2017 are presented in the table below:

New hires in 2017	Total employees	% workforce
Head offices	20	26,7
Nigeria	32	4,3
UAE (Dubai)	15	4.9
India	16	6,8
Indonesia	0	0
Greece	1	1,0
Romania	1,130*	106,8
Russia	16	2,2
South Africa	20	5,9
Total	1,250	30,5

**New hires mainly reflect the increase in production shifts in 2017*

Turnover in 2017	Voluntary	Total employees
Head offices	6	16
Nigeria	30	44
UAE (Dubai)	31	37
India	19	19
Indonesia	0	2
Greece	0	0
Romania	88	640
Russia	30	36
South Africa	20	21
Total	224	815

Yours Faithfully,

The Board of Directors

Independent auditor's report

To the Shareholders of "Frigoglass S.A.I.C."

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of Frigoglass S.A.I.C. (Company or/and Group) which comprise the separate and consolidated balance sheet as of 31 December 2017, the separate and consolidated statements of income, comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2017, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its subsidiaries, in the period from January 1, 2017 to December 31, 2017 during the year ended as at 31 December 2017, are disclosed in note 29 of the separate and consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	*How our audit addressed the key audit matter*
Capital Restructuring *(separate and consolidated financial statements)* During the year-ended 31 December 2017, the Group completed a capital restructuring through which, it has effectively written off and converted part of its debt to equity and replaced any remaining existing Group financing with new financing with extended maturities. The key elements of the restructuring are described in Note 13, as well as in the Board of Directors' report. The effect of the transaction in the financial statements is summarized in the following notes: Share Capital (refer to Note 15), non -current and current borrowings (refer to Note 13), investments in subsidiaries (refer to Note 14), and profit and loss via restructuring costs (refer to Note 28). Given the complexity of this transaction, the significance of the amounts to the financial statements, and the relevant accounting implication, this was considered a key audit matter.	We performed the following procedures: • We obtained all minutes of the general meetings of the shareholders and the board of directors to confirm that all decisions were properly approved. • We obtained and read the terms of all signed contracts and other relevant documentation relating to the restructuring to confirm the substance of the transaction. • With the support of internal technical experts we assessed that the correct accounting treatment, and thepresentation and disclosures related to this transaction were reflected in the financial statements. From our audit work performed on the capital restructuring we noted no exceptions. Furthermore we also validated the appropriateness of the related disclosures included in Note 13, 14, 15 and 28 in the separate and consolidated financial statements.
Impairment assessment of property, plant and equipment *(Note 4 Critical Accounting Estimates and Judgments, Note 6 Property plant and equipment)* *(separate and consolidated financial statements)* At 31 December 2017, property, plant and equipment amount to €106.8mn for the Group and €4.4mn the Company and are presented at cost less accumulated depreciation and any impairment. Management tests non-financial assets subject to amortization for impairment whenever there are relevant indications of potential impairment. Challenging trading and operating conditions exist in the countries in which the Group operates, resulting in an increased risk of impairment. Based on the indicators that the carrying amount exceeds the recoverable amount, an impairment assessment has been performed for the following three cash generating units ('CGUs'), namely: Ice Cold	We evaluated management's overall impairment testing process, including process for identifying indicators for impairment, preparation of impairment testing models as well as review and approval. The key assumptions assessed included, the revenue growth rates, margin trends and discount rates. We discussed extensively with management, the suitability of the impairment model and reasonableness of the assumptions and with the support of our valuation specialists we performed the following procedures: • Benchmarking key assumptions in management's valuation models with market trends and assumptions made in the prior years. • Testing the mathematical accuracy of the cash flow models and agreeing relevant data to approved business plans. • Assessing the reliability of management's forecast through a review of actual performance against previous forecasts.

Merchandisers (ICM) operations in Greece, India and South Africa.

This is a key audit matter for our audit given that management in determining the recoverable amount of each CGU (as the higher of fair value less costs to sell and value-in-use), exercised judgement in calculating the future cash flows of each CGU, (e.g. expectations on market development, and discount rates applied to future cash flow forecast.)

Details on the assumptions used are included in *Note 6 "Property, plant and equipment"*.

In the year ended 31 December 2017, an impairment charge of €1.6 mn was recognized with respect to the Group's operations in Greece and South Africa, which was allocated to buildings (€0.8mn) and machinery technical installation (€0.8mn) respectively.

- Assessing the sensitivity of impairment tests to changes in significant assumptions

We validated the appropriateness of the related disclosures included in Note 6, in the financial statements.

Based on our procedures, we noted no exceptions on the impairment test and consider management's key assumptions to be within a reasonable range.

Impairment assessment of investments in subsidiaries

(Note 4 Critical Accounting Estimates and Judgments Note 14 of separate financial statements)

At 31 December 2017, the Company has an investment in Frigoinvest Holdings B.V. of €60 mn, which holds the Group's subsidiaries in the ICM and Glass segments. This investment is accounted for at cost adjusted for any impairment occurred and is tested for impairment when indications exist that its carrying value may not be recoverable.

Challenging trading and operating conditions exist in the countries in which the Group operates resulting in an increased risk of impairment. Based on the indicators that the carrying amount exceeds the recoverable amount an impairment assessment has been performed for this investment.

The recoverable amount of the investments in subsidiaries is determined on value in use calculations, which requires the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a one year period and cash projections for four additional years.

This is a key audit matter for our audit given that management, in determining the recoverable amount exercised judgement in

We evaluated management's overall impairment testing process, including process for identifying indicators for impairment, preparation of impairment testing models as well as review and approval.

The key assumptions assessed included the revenue growth rates, margin trends and discount rates.

We discussed extensively with management the suitability of the impairment model and reasonableness of the assumptions and with the support of our valuation specialists we performed the following procedures:

- Benchmarking key assumptions in management's valuation model with market trends and assumptions made in the prior years.
- Testing the mathematical accuracy of the cash flow models and agreeing relevant data to approved business plans.
- Assessing the reliability of management's forecast through a review of actual performance against previous forecasts.
- Assessing the sensitivity of impairment tests to changes in significant assumptions

Based on our procedures, we noted no exceptions on the impairment test and consider management's key assumptions to be within a reasonable range.

calculating the future cash flows, (e.g. expectations on market development, and discount rates applied to future cash flow forecast.)

In the year ended 31 December 2017 no impairment charge was recognized with respect to the Company's investment in subsidiary.

Going Concern

(Refer to Note 2.1 Basis of Preparation. Note 11 Cash and cash equivalents, Note 13 Non-current and current borrowing (separate and consolidated financial statements)

As explained in the Board of Directors Report, challenging trading and operating conditions in the countries in which the Group operated the previous years led to extensive restructuring costs incurred in order to close down certain operating units. This resulted in the Group reporting a negative equity position of €42.3 mn for the year ended 31 December 2017, while the Company has an equity position lower than half (1/2) of the share capital, thus triggering the provisions of article 47 of the Companies Act 2190/1920.

As at 31 December 2017 the Group has cash and cash equivalents of €53.1 mn out of which €20 mn represent Nigerian Naira cash balance which is subject to cash restrictions.

For the year ended 31 December 2017, the Group reported net profit of €14.9 mn, which was affected by the recent capital restructuring (refer to Note 28) and discontinued operations (refer to Note 38).

When adopting the going concern basis, the Group has, among other things, prepared a liquidity forecast based on cash flow projections for 2018. These cash flow projections include assumptions regarding cash generated from operations, scheduled investments, debt repayments and available credit facilities.

We focused on this area due to the significant level of management judgement involved and the complexity of corroborating the assumptions that underpin the ability of the Group to return to profitable operations in the near term.

We performed the following procedures to understand the Group's going concern review process.

- We obtained the Group's assessment of the ability to face any liquidity problems. We assessed and discussed with management the plans to mitigate potential liquidity shortfalls. We were provided with concrete and corroborative support for these plans.
- We tested the underlying calculations of liquidity forecasts and found them to be mathematically accurate.
- We agreed the assumed cash flows to the business plan, tested key assumptions to underlying documentation such as growth rates, debt agreements and external data where applicable. We found the input to be based on reliable data and that the assumptions were reasonably substantiated to support management's plans and expectations.
- We evaluated management's conclusion that there are no material uncertainties with respect to going concern.

Finally, we assessed the adequacy of disclosures related to going concern in the financial Statements section Basis of Preparation, "Main Risks and Uncertainties" section of the Directors' Report and in Note 2.1 of the separate and consolidated financial statements.

Assets held for sale and discontinued operations

(Notes 38 and 24 of consolidated financial statements Discontinued operations and Post Balance sheet events)

The Group announced on 2 April 2018 that it has entered into an agreement to sell the entire share capital of its wholly owned glass container subsidiary Frigoglass Jebel Ali FZE to ATG Investments Limited after a decision that was taken at the Board of Directors meeting held on 2 March 2018.

The total cash consideration of the transaction amounts to US $ 12.5mn., on a debt-free basis subject to working capital and other customary adjustments.

Based on the current course of the transaction, management concluded that the provisions of IFRS 5 were in effect at the end of the year and has presented the assets as held for sale.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Based on the fair value less costs to sell a loss of € 11.4 mn. has been charged in current year income statement.

Moreover, in the context of this sale the Group will leave two geographical areas of the Glass Industry (United Arab Emirates, Asia - Oceania) and for this reason the sale has been portrayed as discontinued operations.

Given the significant amounts involved and the accounting implications, this was considered as a key audit matter.

We performed the following procedures to assess the correct accounting treatment, presentation, and disclosures related to this transaction based on the IFRS requirements:

•We obtained all minutes of the Board of Directors meetings to confirm that the decision was properly approved.

• We obtained and examined the relevant Sale and Purchase Agreement, and verified the fair value less cost to sell, which resulted in a loss when compared to the carrying amount of the assets held for sale, as described in Note 38.

•We verified that the correct accounting treatment was followed in relation to application of IFRS 5.

From our audit work performed on assets held for sale and discontinued operation we noted no exceptions. Furthermore, we also validated the appropriateness of the related disclosures included in Notes 24 and 38 in the consolidated financial statements.

Uncertain tax positions

Refer to Note 18 for taxation (consolidated financial statements).

The Group operates in a complex multinational tax environment which gives rise to uncertain tax positions in relation to corporate income tax, transfer pricing and indirect taxes. The Group establishes provisions based on management's judgements of the probable amount of the liability. Given the number of judgements involved in estimating the provisions relating to uncertain tax positions and the complexities of dealing with tax rules and regulations in numerous jurisdictions, this was considered as a key audit matter.

We evaluated the related accounting policy for provisioning for tax exposures and found it to be appropriate.

In conjunction with our tax specialists, we evaluated management's judgements in respect of estimates of tax exposures and contingencies in order to assess the adequacy of the Group's tax provisions. In order to understand and evaluate management's judgements, we considered the status of current tax authority audits and enquiries, the outcome of previous tax authority audits, judgmental positions taken in tax returns and current year estimates and recent developments in the tax environments in which the Group operates.

We challenged management's key assumptions, in particular on cases where there had been significant developments with tax authorities, noting no significant deviation from our expectations. From the evidence obtained and in the context of the consolidated financial statements, taken as a whole, we

consider the provisions in relation to uncertain tax positions as at 31 December 2017 to be appropriate.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Statements of Board of Directors members, the Board of Directors Report, the Alternative Performance Measures ("APMs") and Report on the use of funds (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered whether the Board of Directors Report includes the disclosures required by Codified Law 2190/1920 and the Corporate Governance Statement required by article 43bb of Codified Law 2190/1920 has been prepared.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' Report for the year ended at 31 December 2017 is consistent with the separate and consolidated financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A of the Codified Law 2190/1920,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 43bb of the Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the separate and consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Codified Law 2190/1920, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the Board of Directors is responsible for assessing the Company's and 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 Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

Auditor's responsibilities for the audit of the separate and consolidated financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of 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 Company's and 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 auditor's report to the related disclosures in the separate and 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 auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and 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 Company and Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company.

2. Appointment

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 30/06/1999. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 19 years.

PricewaterhouseCoopers S.A.
Certified Auditors – Accountants
268, Kifissias Avenue
152 32 Halandri
SOEL Reg. No 113

Athens, 25 April 2018
The Certified Auditor

Despina Marinou
SOEL Reg. No 17681

FRIGOGLASS S.A.I.C.
Commercial Refrigerators

Annual Financial Statements for the period
1 January to 31 December 2017

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FRIGOGLASS S.A.I.C.
Income Statement
in € 000's

	Note	Consolidated		Parent Company	
		Year ended		Year ended	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
			Restated Note 37		
Continuing operations:					
Net sales revenue	5 & 23	**386.049**	**382.338**	**26.007**	**27.404**
Cost of goods sold	29	(318.508)	(319.088)	(24.728)	(25.491)
Gross profit		**67.541**	**63.250**	**1.279**	**1.913**
Administrative expenses	29	(22.157)	(23.080)	(15.243)	(15.744)
Selling, distribution & marketing expenses	29	(19.142)	(26.566)	(4.141)	(7.944)
Research & development expenses	29	(3.738)	(4.085)	(2.373)	(2.119)
Other operating income	26	6.387	3.521	18.523	17.119
Other gains<losses> - net	26	4.110	(205)	(24)	71
Impairment of fixed assets & goodwill	6 & 7	(1.607)	(1.785)	(784)	-
Operating Profit / <Loss>		**31.394**	**11.050**	**(2.763)**	**(6.704)**
Finance <costs> / income	17	(19.304)	(9.745)	(9.823)	(6.328)
Profit / <Loss> before income tax & restructuring costs		**12.090**	**1.305**	**(12.586)**	**(13.032)**
Restructuring gains/<losses>	28	38.243	(22.326)	(34.501)	(9.022)
Profit / <Loss> before income tax		**50.333**	**(21.021)**	**(47.087)**	**(22.054)**
Income tax expense	18	(15.438)	(19.516)	(780)	(3.877)
Profit / <Loss> after income tax expenses from continuing operations		**34.895**	**(40.537)**	**(47.867)**	**(25.931)**
Discontinued operations:					
Profit / <Loss> after income tax expenses from discontinued operations attributable to the shareholders of the company	38	**(19.958)**	**(39.735)**	**-**	**-**
Profit / <Loss> for the period		**14.937**	**(80.272)**	**(47.867)**	**(25.931)**
Attributable to:					
Non-controlling interests		7.289	8.958	-	-
Shareholders		7.648	(89.230)	(47.867)	(25.931)
Depreciation	29	21.108	24.105	3.515	3.535
EBITDA	27	**54.109**	**36.940**	**1.536**	**(3.169)**
		Amounts in €			
Basic Earnings / <Loss> per share, after taxes					
- Continuing operations	21	0,3298	(2,9348)	(0,5718)	(1,5376)
- Discontinued operations	21	(0,2384)	(2,3561)	-	-
Total		**0,0914**	**(5,2910)**	**(0,5718)**	**(1,5376)**
Diluted Earnings / <Loss> per share, after taxes					
- Continuing operations	21	0,3298	(2,9348)	(0,5718)	(1,5376)
- Discontinued operations	21	(0,2384)	(2,3561)	-	-
Total		**0,0914**	**(5,2910)**	**(0,5718)**	**(1,5376)**

The primary financial statements should be read in conjunction with the accompanying notes.

FRIGOGLASS S.A.I.C.

Statement of Comprehensive Income

in € 000's

	Note	Consolidated Year ended 31.12.2017	Consolidated Year ended 31.12.2016 Restated Note 37
Profit / <Loss> after income tax expenses (Income Statement) - Restated	**37**	**14.937**	**(80.272)**
Other Compehensive Income:			
Items that will be reclassified to Profit & Loss :			
Currency translation differences		(13.028)	(49.067)
Items that will be reclassified to Profit & Loss		**(13.028)**	**(49.067)**
Items that will not be reclassified to Profit & Loss :			
Actuarial gains/ <losses>	**31**	40	1.543
Income tax effect of actuarial gain/ <losses>	**32**	(55)	(494)
Items that will not be reclassified to Profit & Loss		**(15)**	**1.049**
Other comprehensive income / <expenses> net of tax		**(13.043)**	**(48.018)**
Total comprehensive income / <expenses> net of tax		**1.894**	**(128.290)**
Attributable to:			
- Non-controlling interests		2.396	(7.271)
- Shareholders		(502)	(121.019)
		1.894	**(128.290)**
Total comprehensive income / <expenses> net of tax attributable to the shareholders of the company from:			
- Continuing operations		18.586	(80.289)
- Discontinued operations		(19.088)	(40.730)
		(502)	**(121.019)**

	Note	Parent Company Year ended 31.12.2017	Parent Company Year ended 31.12.2016
Profit / <Loss> after income tax expenses (Income statement)		**(47.867)**	**(25.931)**
Other compehensive income:			
Items that will not be reclassified to Profit & Loss :			
Actuarial gains/ <losses>	**31**	52	-
Other comprehensive income / <expenses> net of tax		**52**	**-**
Total comprehensive income / <expenses> net of tax		**(47.815)**	**(25.931)**

The primary financial statements should be read in conjunction with the accompanying notes.

FRIGOGLASS S.A.I.C.
Balance Sheet
in € 000's

	Note	Consolidated		Parent Company	
		31.12.2017	31.12.2016 Restated Note 37	31.12.2017	31.12.2016
Assets:					
Property, plant & equipment	6	106.755	132.157	4.415	5.540
Intangible assets	7	10.776	14.160	7.289	8.484
Investments in subsidiaries	14	-	-	60.005	58.045
Deferred tax assets	32	1.432	1.683	-	-
Other long term assets		329	867	115	116
Total non current assets		**119.292**	**148.867**	**71.824**	**72.185**
Inventories	8	89.075	93.045	1.747	2.409
Trade receivables	9	84.824	77.707	4.223	3.175
Other receivables	10	25.475	27.274	2.299	765
Current tax assets		1.463	3.043	-	-
Intergroup receivables	20	-	-	14.312	30.066
Cash & cash equivalents	11	53.130	57.526	998	1.145
		253.967	**258.595**	**23.579**	**37.560**
Assets held for sale	38	17.575	-	-	-
Total current assets		**271.542**	**258.595**	**23.579**	**37.560**
Total assets		**390.834**	**407.462**	**95.403**	**109.745**
Liabilities:					
Non current borrowings	13	233.414	4	-	-
Deferred tax liabilities	32	13.533	16.357	-	-
Retirement benefit obligations	31	14.510	16.536	5.056	5.088
Intergroup bond loans	13	-	-	33.702	-
Provisions	30	3.910	3.520	-	56
Deferred income from government grants		18	21	17	21
Total non current liabilities		**265.385**	**36.438**	**38.775**	**5.165**
Trade payables		60.985	67.103	3.745	5.386
Other payables	12	42.485	44.117	4.750	4.225
Current tax liabilities		11.830	6.786	-	-
Intergroup payables	20	-	-	23.895	16.664
Intergroup bond loans	13	-	-	-	91.559
Current borrowings	13	42.441	381.871	-	-
		157.741	**499.877**	**32.390**	**117.834**
Liabilities associated with assets held for sale	38	9.973	-	-	-
Total current liabilities		**167.714**	**499.877**	**32.390**	**117.834**
Total liabilities		**433.099**	**536.315**	**71.165**	**122.999**
Equity:					
Share capital	15	127.958	15.178	127.958	15.178
Share premium	15	(33.801)	2.755	(33.801)	2.755
Other reserves	16	(12.232)	(13.773)	25.463	16.380
Retained earnings		(165.073)	(172.113)	(95.382)	(47.567)
Equity attributable to equity holders of the parent		**(83.148)**	**(167.953)**	**24.238**	**(13.254)**
Non-controlling interests		40.883	39.100	-	-
Total Equity		**(42.265)**	**(128.853)**	**24.238**	**(13.254)**
Total liabilities & equity		**390.834**	**407.462**	**95.403**	**109.745**

The primary financial statements should be read in conjunction with the accompanying notes.

FRIGOGLASS S.A.I.C.
Statement of Changes in Equity
in € 000's

	Consolidated						
	Share Capital	**Share premium**	**Other reserves**	**Retained earnings**	**Total**	**Non - Controlling Interests**	**Total Equity**
Balance at 01.01.2016	**15.178**	**2.755**	**13.000**	**(77.894)**	**(46.961)**	**46.538**	**(423)**
Profit / <Loss> for the year **(Restated)**	-	-	-	(89.230)	**(89.230)**	8.958	**(80.272)**
Other Comprehensive income / <expenses> net of tax **(Restated)**	-	-	(26.800)	(4.989)	**(31.789)**	(16.229)	**(48.018)**
Total comprehensive income / <expenses>, net of taxes	**-**	**-**	**(26.800)**	**(94.219)**	**(121.019)**	**(7.271)**	**(128.290)**
Dividends to non-controlling interests	-	-	-	-	**-**	(167)	**(167)**
Share option reserve (Note 16)	-	-	27	-	**27**	-	**27**
Total Transactions with owners in their capacity as owners	**-**	**-**	**27**	**-**	**27**	**(167)**	**(140)**
Balance at 31.12.2016 (Restated)	**15.178**	**2.755**	**(13.773)**	**(172.113)**	**(167.953)**	**39.100**	**(128.853)**

	Share Capital	**Share premium**	**Other reserves**	**Retained earnings**	**Total**	**Non - Controlling Interests**	**Total Equity**
Balance at 01.01.2017	**15.178**	**2.755**	**(13.773)**	**(172.113)**	**(167.953)**	**39.100**	**(128.853)**
Profit / <Loss> for the year	-	-	-	7.648	**7.648**	7.289	**14.937**
Other Comprehensive income / <expenses> after tax	-	-	(7.542)	(608)	**(8.150)**	(4.893)	**(13.043)**
Total comprehensive income / <expenses>, net of taxes	**-**	**-**	**(7.542)**	**7.040**	**(502)**	**2.396**	**1.894**
Dividends to non-controlling interests	-	-	-	-	**-**	(613)	**(613)**
Share capital increase (Note 15)	121.887	(34.321)	-	-	**87.566**	-	**87.566**
Cost for the share capital increase (Note 15)	-	(2.235)	-	-	**(2.235)**	-	**(2.235)**
Share option reserve (Note 16)	-	-	(24)	-	**(24)**	-	**(24)**
Transfers between reserves (Note 15)	(9.107)	-	9.107	-	**-**	-	**-**
Total Transactions with owners in their capacity as owners	**112.780**	**(36.556)**	**9.083**	**-**	**85.307**	**(613)**	**84.694**
Balance at 31.12.2017	**127.958**	**(33.801)**	**(12.232)**	**(165.073)**	**(83.148)**	**40.883**	**(42.265)**

The primary financial statements should be read in conjunction with the accompanying notes.

FRIGOGLASS S.A.I.C.
Statement of Changes in Equity
in € 000's

	Parent Company				
	Share Capital	Share premium	Other reserves	Retained earnings	Total Equity
Balance at 01.01.2016	**15.178**	**2.755**	**16.353**	**(21.636)**	**12.650**
Profit / <Loss> for the year	-	-	-	(25.931)	**(25.931)**
Other comprehensive income / <expenses>	-	-	-	-	-
Total comprehensive income / <expenses> net of taxes	**-**	**-**	**-**	**(25.931)**	**(25.931)**
Share option reserve (Note 16)	-	-	27	-	**27**
Total Transactions with owners in their capacity as owners	**-**	**-**	**27**	**-**	**27**
Balance at 31.12.2016	**15.178**	**2.755**	**16.380**	**(47.567)**	**(13.254)**

	Share Capital	Share premium	Other reserves	Retained earnings	Total Equity
Balance at 01.01.2017	**15.178**	**2.755**	**16.380**	**(47.567)**	**(13.254)**
Profit / <Loss> for the year	-	-	-	(47.867)	**(47.867)**
Other comprehensive income / <expenses>	-	-	-	52	**52**
Total comprehensive income / <expenses> net of taxes	**-**	**-**	**-**	**(47.815)**	**(47.815)**
Share capital increase (Note 15)	121.887	(34.321)	-	-	**87.566**
Cost for the share capital increase (Note 15)	-	(2.235)	-	-	**(2.235)**
Share option reserve (Note 16)	-	-	(24)	-	**(24)**
Transfers between reserves (Note 15)	(9.107)	-	9.107	-	-
Total Transactions with owners in their capacity as owners	**112.780**	**(36.556)**	**9.083**	**-**	**85.307**
Balance at 31.12.2017	**127.958**	**(33.801)**	**25.463**	**(95.382)**	**24.238**

The primary financial statements should be read in conjunction with the accompanying notes.

FRIGOGLASS S.A.I.C.
Cash Flow Statement
in € 000's

	Note	Consolidated Year ended 31.12.2017	Consolidated Year ended 31.12.2016	Parent Company Year ended 31.12.2017	Parent Company Year ended 31.12.2016
			Restated Note 37		
Profit / <Loss> for the period		**14.937**	**(80.272)**	**(47.867)**	**(25.931)**
Adjustments for:					
Income tax expense	18	15.438	19.516	780	3.877
Depreciation		24.624	29.784	3.515	3.535
Provisions		8.119	15.909	(180)	4.094
Impairment of fixed assets & goodwill	6 & 38	9.591	31.500	784	-
Finance costs, net	17	20.724	17.257	9.823	6.328
Discount to notes and bank debt	28	(45.000)	-	-	-
Gain from the conversion of debt to equity	28	(35.499)	-	-	-
Loss/<Profit> from disposal of property, plant & equipment	26	(4.670)	41	-	-
Changes in working capital:					
Decrease / (increase) of inventories		(19.260)	3.625	846	585
Decrease / (increase) of trade receivables		(14.431)	5.694	(408)	3.202
Decrease / (increase) of intergroup receivables	20	-	-	15.754	4.309
Decrease / (increase) of other receivables		(2.505)	2.910	(2.314)	(1.174)
Decrease / (increase) of other long term receivables		515	453	-	35
(Decrease) / increase of trade payables		4.437	(6.994)	(1.641)	(43)
(Decrease) / increase of intergroup payables	20	-	-	7.232	(2.705)
(Decrease) / increase of other liabilities		(507)	2.805	(2.694)	1.464
Less:					
Income taxes paid		(9.871)	(13.947)	-	-
(a) Cash flows from operating activities		**(33.358)**	**28.281**	**(16.370)**	**(2.424)**
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(17.349)	(11.044)	(372)	(155)
Purchase of intangible assets	7	(1.880)	(2.728)	(1.610)	(1.997)
Increase of investment in subsidiaries	14	-	-	(37.459)	-
Proceeds from disposal of property, plant & equipment and intangible assets		10.318	5.106	20	-
(b) Net cash flows(used in) /from investing activities		**(8.911)**	**(8.666)**	**(39.421)**	**(2.152)**
Net cash generated from operating and investing activities (a) + (b)		**(42.269)**	**19.615**	**(55.791)**	**(4.576)**
Cash flows from financing activities					
Proceeds from borrowings	13	99.549	146.012	-	-
<Repayments> of borrowings	13	(100.095)	(125.196)	-	-
Proceeds from intergroup loans	13	-	-	13.900	23.702
<Repayments> of intergroup loans	13	-	-	(10.800)	(10.852)
Interest paid		(17.216)	(28.540)	(8.680)	(11.690)
Dividends paid to shareholders		-	(3)	-	(3)
Dividends paid to non-controlling interests		(613)	(167)	-	-
Share capital increase	15	63.459	-	63.459	-
Cost for the share capital increase	15	(2.235)	-	(2.235)	-
(c) Net cash flows from/(used in) financing activities		**42.849**	**(7.894)**	**55.644**	**1.157**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		**580**	**11.721**	**(147)**	**(3.419)**
Cash and cash equivalents at the beginning of the year		**57.526**	**57.492**	**1.145**	**4.564**
Effects of changes in exchange rate		(4.561)	(11.687)	-	-
Cash and cash equivalents from discontinued operations	38	(415)	-	-	-
Cash and cash equivalents at the end of the year	11	**53.130**	**57.526**	**998**	**1.145**

The primary financial statements should be read in conjunction with the accompanying notes.

FRIGOGLASS S.A.I.C.
Commercial Refrigerators
General Commercial Registry: 1351401000

Notes to the Financial Statements

1. General Information

These financial statements include the financial statements of the Parent Company FRIGOGLASS S.A.I.C. (the “Company”) and the Consolidated financial statements of the Company and its subsidiaries (the “Group”). The names of the subsidiaries are presented in **Note 14** of the financial statements.

FRIGOGLASS S.A.I.C. and its subsidiaries are engaged in the manufacturing, trade and distribution of commercial refrigeration units and packaging materials for the beverage industry. The Group has manufacturing plants and sales offices in Europe, Asia and Africa.

The Company is a limited liability company incorporated and based in Kifissia, Attica.

The Company’s’ shares are listed on the Athens Stock Exchange.

The address of its registered office is:

15, A. Metaxa Street
GR 145 64, Kifissia
Athens, Hellas

The company’s web page is: **www.frigoglass.com**

The financial statements have been approved by the Board of Directors on
23 April 2018 and are subject to the approval of the Shareholders General Assembly.

2. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of Preparation

These financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union, and International Financial Reporting Standards issued by the IASB. The financial statements have been prepared on a historical cost basis, except for assets held for sale which are measured at fair value less cost of disposal.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in **Note 4**.

Differences that may exist between the figures of the financial statement and those of the notes are due to rounding. Wherever it was necessary, the comparative figures have been reclassified in order to be comparable with the current year's presentation.

The financial statements have been prepared in accordance with the going concern basis of accounting. The use of this basis of accounting takes into consideration the Group's current and forecasted financing position.

For the year ended 31 December 2017, the Group reported net losses of €7,6m, compared to €89,2m in the year ended December 2016. This significant improvement mainly reflects the write-off of €45,0m debt triggered by the Group's capital restructuring and €35,5m gains from the difference between the fair value of the issued shares and the nominal value of the convertible bonds converted into shares. The Group's profit before tax in 2017 was impacted by €42,3m of expenses related to the capital restructuring process.

For the year ended 31 December 2017, the Group has a negative equity position of €42,3m, compared to a negative equity position of €128,9m in the year 2016. This improvement reflects the rights issue through a cash payment and the share capital increase following the conversion of convertible bonds, whereas net losses after tax (before the restructuring related gains) and currency translation differences adversely affected Group's equity.

Frigoglass SAIC has an equity position of €24,2m for the year ended December 2017 and, therefore, is lower than half (1/2) of the share capital. As a consequence, the requirements of article 47 of the Companies Act 2190/1920 are applicable.

The Group's operating restructuring has started in 2014. Following the restructuring, the Group's financial results were impacted by €36,1m in 2014, €16,8m in 2015 and €13,5m in

2016. In ICM Operations, the Group discontinued its manufacturing operations at Spartanburg, South Carolina in 2014 in order to focus on commercial activities of sales and marketing, distribution and service. As a result, the Group incurred restructuring related costs of €17,0m (recorded in 2013). In the fourth quarter of 2014, the Group also integrated the Turkey-based manufacturing volume into its European flagship plant in Timisoara, Romania. As part of this process, Frigoglass' Silivri-based Turkish manufacturing plant ceased operations. As a result, the Group incurred restructuring related costs of €36,0m. Frigoglass continued to rationalise its product range in 2015, focusing on the production and sale of high quality goods. The result of this process is the gradual phase out of old models and, consequently, the inventory write-off of €14,1m that were included in the related provisions for the year. In July 2016, the Group announced the discontinuation of its manufacturing operations in China in order to optimize its production capacity in Asia and improve the company's fixed cost structure. As a result, the Group incurred restructuring related costs of €13,5m. In 2016, the Group also proceeded with various changes regarding its organizational structure in the ICM Operations that will have a significant impact on the way the business activity is carried out.

In the first quarter of 2016, the Group initiated discussions and negotiations with certain bank lenders, the Ad-hoc Committee and Boval in order to reach an agreement regarding its debt restructuring, which includes the €250,0m Senior Notes issued in 2013 with a coupon of 8,25% and due 2018, the participating to the restructuring banks and Boval's loan (total amount of €30,0m).

On October 23, 2017, the Group successfully completed its capital restructuring. The following important events contributed to the restructuring:

- The rights issue through a cash payment and pre-emptive rights in favour of the existing shareholders was completed on October 18, 2017. As a result, the Company's share capital was increased by €63,5m. Boval S.A. has contributed a total amount of €60,0m, of which €30,0m remained as cash and €30,0m used for the repayment of its term loan. €3,5m in cash deriving from the proceeds of the rights issue injected by existing shareholders other than Boval S.A. were used to repay part of the €250,0m Senior Notes issued by Frigoglass Finance B.V. in 2013 with a coupon of 8,25% and due on 2018 and bank debt.
- The conversion of 163.984.878 Convertible Bonds of a nominal value of €0,36348 each held by the participating bank lenders and owners of the €250,0m Senior Notes issued by Frigoglass Finance B.V. in May 2013 with a coupon of 8,25% and due 2018 through the issuance of 163.984.878 new Company shares with a nominal value of €0,36 each. As a result, part of the Group's debt was exchanged with new ordinary shares of nominal value of €59,6m. The fair value of the new shares that started trading in the Athens Stock Exchange on 16.11.2017 (date of equitization) was €24,1m, generating a profit of €35,5m for the Group.
- €45,0m discount of the €250,0m Senior Notes issued by Frigoglass Finance B.V. in 2013 with a coupon of 8,25% and due on 2018 and bank debt, allocated on a pro-rate basis.

- €40,0m new debt has been provided in the form of first lien senior secured notes due in 2021 by the holders of the Senior Notes issued by Frigoglass Finance B.V. in May 2013 with a coupon of 8,25% and in the form of first lien senior secured revolving credit facilities made available by the Core Banks
- Frigoglass companies paid all fees related to the restructuring process. The accumulated 2017 fees paid to legal and financial advisors were €42,3m (Note 28).

Therefore, the Group received €70,0m of additional liquidity to fund its business needs, as well as restructuring related expenses. This comprises €30,0m in new cash contributed by Boval as equity through the Company's rights issue and €40,0m provided in the form of new first lien secured funding.
As a result, the capital restructuring reduced Frigoglass outstanding gross indebtedness by approximately €138,0m (before the incurrence of the €40,0m in new first lien secured funding).

The annual interest costs of the Group were reduced to approximately €13,0m (excluding any interest on the new first-lien secured funding).

The maturities of almost all of the Group's indebtedness have been extended and committed for around 4,5 years (see details below).

At the same time, within the framework of the Group's business policy, management is targeting to reduce costs, improve long-term profitability and generate cash flows, coupled with maintaining and improving product quality and increasing customer value. Management has undertaken specific actions to achieve the above, including (a) cost reduction through the simplification of the product portfolio; (b) reduction of inventory levels; (c) Lean manufacturing alongside improvements in product quality; and (d) creating value from recent strategic investments.

On April 2018, the Company reached an agreement to sell the entire share capital of its glass container subsidiary Frigoglass Jebel Ali FZE. The transaction is expected to be completed in the second half of 2018, while it is anticipated that the proceeds of the sale, after certain deductions including transaction related fees and expenses, will be applied towards the reduction of Frigoglass' first lien debt.

The Group's financial projections for the upcoming 12 months indicate that it will be able to meet its obligations as they fall due, however, this assessment is subject to a number of risks as described in the "Risks and uncertainties" section of the Directors' Report and in Note 3 to the Group's financial statements, particularly if such risks were to materialize in combination.

Taking into consideration the above, the Directors have a reasonable expectation that the Group will be able to successfully navigate the present uncertainties and continue its operation. Therefore, the financial statements have been prepared on a going concern basis.

2.2 Consolidation

2.2.1 Subsidiaries

a) **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for business combinations by the group. The consideration transferred for the acquisition of a subsidiary comprises of the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the cost of acquisition over the Group's share of the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Note 2.6.1 describes the accounting treatment of goodwill. Whenever the cost of the acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless there is evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company accounts for investments in subsidiaries in its separate financial statements at historic cost less impairment losses.

b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interests results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the owners.

c) Sale of subsidiaries

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the managing director and his executive committee that makes strategic decisions.

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency").

The consolidated financial statements are presented in Euros, which is the Company’s functional currency.

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

2.4.3 Group companies

The results and financial position of all group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date.
- Income and expenses for each income statement are translated at the average exchange rate of the reporting period, unless this average is not a reasonable approximation of the cumulative effect of the exchange rates prevailing on the transaction dates, in which case the rate on the date of the transaction is used.
- All resulting exchange differences are recognised as a separate component of equity.
- On the disposal of a foreign operation, the cumulative exchange differences relating to that particular foreign operation, presented as a separate component of equity, are recognised in the income statement as part of the gain or loss on sale.

Goodwill and other fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate at the balance sheet date. Exchange differences arising are recognized in other comprehensive income.

2.5 Property plant and equipment

Buildings comprise mainly factories, machinery and offices. All property, plant and equipment are stated at historic cost less accumulated depreciation and any impairment losses, except for land which is shown at cost less any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the tangible assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

Buildings	up to 40 years
Vehicles	up to 6 years
Glass Furnaces	up to 16 years
Glass Moulds	2 years
Machinery	up to 15 years
Furniture & Fixtures	up to 6 years

The cost of subsequent expenditures is depreciated during the estimated useful life of the asset and costs for major periodic renovations are depreciated to the date of the next scheduled renovation. When an item of plant and machinery comprises major components with different useful lives, the components are accounted for as separate items of plant and machinery.

The tangible assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

In the case where an asset's carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference (impairment loss) is recorded as expense in the income statement.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by the difference between the sales proceeds and the carrying amount of the asset. These gains or losses are included in the income statement.

2.6 Intangible assets

2.6.1 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. At each balance sheet date the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of goodwill is fully recoverable.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is performed on the cash-generating units that are expected to benefit from the acquisition from which goodwill was derived.

Loss from impairment is recognised if the carrying amount exceeds the recoverable amount. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2.6.2 Research Expenses

Research expenditure is recognised as an expense as incurred.

2.6.3 Development Expenses

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be successful, considering its commercial and technological feasibility, and also the costs can be measured reliably. Other development expenditures are recognised as an expense in the income statement as incurred. Development costs that have a finite useful life and that have been capitalised, are amortised from the commencement of their production on a straight line basis over the period of its useful life, not exceeding 5 years.

2.6.4 Computer software

Capitalised software licenses are carried at acquisition cost less accumulated amortisation, less any accumulated impairment.
Computer software development costs which are assets controlled by the entity and from which the entity expects to derive future economic benefits are capitalised.
These costs may be acquired externally or generated internally when they are directly attributable to the development of the computer software.

Computer software licences & development costs are amortised using the straight-line method over their useful lives, not exceeding a period of 5 years.
Computer software maintenance costs are recognised as expenses in the income statement as they incur

2.6.5 Other intangible assets - Patterns and Trademarks

Patents, trademarks, licenses and other intangible assets are shown at historical cost less accumulated amortization and less any accumulated impairment.
Costs that meet the asset recognition criteria are controlled by the entity and from which the entity expects to derive future economic benefits are capitalised.
These costs may be acquired externally or generated internally.

These intangible assets have a definite useful life, and their cost is amortized using the straight-line method over their useful lives not exceeding a period of 15 years.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.8 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit and loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Receivables are classified as 'trade and other receivables' or cash and cash equivalents in the balance sheet (Note 2.11 and Note 2.12).

The Group did not have any receivables from loan contracts during the periods presented in these financial statements.

(b) Investments in subsidiaries

Equity investments in subsidiaries are measured at cost less impairment losses in the separate financial statements of the parent. Impairment losses are recognised in the income statement.

(c) Impairment of financial assets

The Group assess at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

2.9 Leases

2.9.1 When a Group company is the lessee

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received by the lessor) are charged to the income statement on a straight-line basis over the lease term.

Leases of property, plant and equipment where a Group entity has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance lease liability outstanding.

The corresponding rental obligations, net of finance charges, are included as other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment, acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

2.9.2 When a Group company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as accrued finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Assets leased out under operating leases are included within tangible assets in the balance sheet. They are depreciated over their expected useful lives, which are defined on the basis of similar tangible assets owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.10 Inventories

Inventories are recorded at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The cost of finished goods and work in progress is measured on a weighted average bases and comprises raw materials, direct labour cost and other related production overheads.

Appropriate allowance is made for excessive, obsolete and slow moving items. Write-downs to net realisable value and inventory losses are expensed in the period in which the write-downs or losses occur.

2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group entity will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganisation, and default or delinquency in payments (more than 120 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the recoverable amount.

The recoverable amount, if the receivable is more than 1 year is equal to the present value of expected cash flow, discounted at the market rate of interest applicable to similar borrowers. The amount of the provision is recognised as an expense in the income statement.

Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, and highly liquid investments with original maturities of three months or less.

2.13 Share capital

- Ordinary shares are classified as equity.
- Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.
- When the Company or its subsidiaries purchase the Company's own equity share the amount paid - including any attributable incremental external costs net of income taxes - is deducted from total shareholders' equity as treasury shares until they are cancelled or reissued. Where such shares are subsequently sold or reissued, any proceed received is included in shareholders' equity.

2.14 Borrowings

Borrowings are recognised initially at fair value, as the proceeds received, net of any transaction cost incurred. Borrowings are subsequently recorded at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued

Borrowings are classified as current liabilities unless the Group entity has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

2.15 Current and Deferred income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The deferred income tax that arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit nor loss, is not accounted for.

Deferred tax assets are recognised to the extent that future taxable profit, against which the temporary differences can be utilised, is probable.

Deferred tax liabilities are provided for taxable temporary differences arising on investments in subsidiaries, except for when the Group is able to control the reversal of the temporary difference, thus it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income taxation is determined using tax rates that have been enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled. Deferred tax is charged or credited in the income statement, unless it relates to items credited or charged directly to equity, in which case the deferred tax is also recorded in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.16 Trade Creditors

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.17 Employee benefits

2.17.1 Post-employment obligations

Group entities operate various post-employment schemes in accordance with the local conditions and practices in the countries they operate. These schemes include both funded and unfunded schemes. The funded schemes are funded through payments to insurance companies or trustee-administered funds, as determined by periodic actuarial calculations. Post-employment obligations include both defined benefit and defined contribution pension plans.

A defined benefit plan is a pension or voluntary redundancy plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability regarding defined benefit pension or voluntary redundancy plans, including certain unfunded termination indemnity benefits plans, is measured as the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated at periodic intervals not exceeding two years, by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates applicable to high quality corporate bonds or government securities that are denominated in the currency in which the benefits will be paid, with terms approximating to the terms of the related obligation.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans are charged or credited to equity in other comprehensive income during the assessment period by external actuaries.
Past service cost is recognised directly to the profit or loss.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity that is either publicly or privately administered. Once the contributions have been paid, the Group has no further legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The regular contributions are recorded as net periodic expenses for the year in which they are due, and as such are included in staff costs.

2.17.2 Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.17.3 Profit-sharing and bonus plans

The group recognizes a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company’s shareholders after certain adjustments. The group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.17.4 Share-based payments

Frigoglass issues equity-settled share-based payments to its senior managers and members of the Executive Committee in the form of an employee stock option plan. The employee stock option plan is measured at fair value at the date of grant.

The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions.

When the options are exercised, the Company transfers the appropriate amount of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to share capital (nominal value) and share premium when the options are exercised.

2.18 Provisions

Provisions are recognised when a) a Group entity has a present legal or constructive obligation as a result of past events, b) it is probable that an outflow of resources will be required to settle the obligation, c) and of the amount can be reliably estimated.

The provisions for restructuring costs include fines related to the premature ending of lease agreements, personnel redundancies as well as provisions for restructuring activities that have been approved and communicated by Management. These costs are recognised when the Group has a present legal or constructive obligation. Personnel redundancies are expensed only when an agreement with the personnel representatives is in place or when employees have been informed in advance for their redundancy.

Provisions are not recognised for future operating losses related to the Group's ongoing activities.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In the case that a Group entity expects a provision to be reimbursed from a third party, for example under an insurance contract, the reimbursement is recognised as a separate asset provided that the reimbursement is virtually certain.

The Group entity recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of settling the obligations under the contract.

Provisions are measured at the present value of the expenditures that, according to the management's best estimations, are expected in order to settle the current obligation at the balance sheet data. The discounting rate used for the calculation of the present value reflects current market assessments of the time value of money and the risks specific to the obligation.

2.19 Revenue recognition

Revenue comprises the fair value for the sale of goods and services net of value-added tax, rebates and discounts, and after eliminating sales within the Group in the consolidated financial statements. Rebates and discounts are recognised in the financial year they relate to.

Revenue is recognised as follows:

Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of owning the goods are transferred to the buyer, (usually upon delivery and customer acceptance) and the collectability of the related receivable is reasonably assured.

Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Dividend income

Dividend income (whether relating to interim dividends or final dividends) is recognised when the right to receive payment is established.

2.20 Dividend distribution
Dividends are recorded in the financial statements, as a liability, in the period in which they are approved by the Annual Shareholder Meeting.

2.21 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 the Group entity will comply with anticipated conditions.

Government grants relating to costs are deferred and recognized in the income statement over the period corresponding to the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in long-term liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

2.22 Borrowing Costs
Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.23 Non-current assets (or disposal groups) classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

2.24 New standards, amendments to standards and interpretations:

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1.1.2017.

None of the standards and interpretations issued is expected to have a significant effect on the Consolidated or the Parent Company financial statements with the exception of IFRS **16 "Leases"** effective after 1 January 2019.

For IFRS 16 "Leases" effective for annual periods after 1 January 2019 the management of the company is evaluating the impact on the Consolidated or the Parent Company financial statements

Standards and Interpretations effective for the current financial year

IAS 7 (Amendments) "Disclosure initiative"
These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses"
These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

Annual Improvements to IFRSs (2014 – 2016 Cycle)

IFRS 12 "Disclosures of Interests in Other Entities"
The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information.

Standards and Interpretations effective for subsequent periods

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7
(effective for annual periods beginning on or after 1 January 2018)
IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

The Group and the Company will apply the Standard from 1 January 2018 retrospectively, without revising comparative information from previous years. In 2017, the Group and the Company have not applied hedge accounting and will consider initiating the hedge accounting in accordance with IFRS 9 requirements when a new hedging relationship arises. During 2017, the Group and the Company completed their study of the requirements of IFRS 9 on Classification and Measurement (including impairment), concluding that their financial instruments will be accounted for in a manner similar to IAS 39. In particular, the examination of the business model and cash flow characteristics does

not affect the classification and measurement of trade and other receivables of the Group and the Company that will continue to be measured at amortized cost. The effect of the new impairment model was also examined. The Group and the Company have determined that their trade receivables and other financial assets generally have a low credit risk. The effect of applying the new model of expected loss to the Group and the Company is not expected to be significant.

IFRS 9 (Amendments) “Prepayment Features with Negative Compensation” (effective for annual periods beginning on or after 1 January 2019)
The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss. The Group cannot early adopt the amendments as they have not yet been endorsed by the EU.

IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods beginning on or after 1 January 2018)
IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

The Group and the Company will adopt the Standard on January 1, 2018 using the modified retrospective method, i.e. the transition effect will be collectively recognized in the "Retained earnings", while the comparative amounts will not be restated. In 2017, the Group and the Company examined a representative sample of contracts with customers in order to identify changes in the time or amount of revenue recognition.
The studies were conducted on contracts that would not have been completed on the date of the first application, and receipts from sales of commercial refrigeration including service provision and sales of glass were examined. Ratings have shown that no major adjustment is required during the transition.

IFRS 16 “Leases” (effective for annual periods beginning on or after 1 January 2019)
IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions" (effective for annual periods beginning on or after 1 January 2018)
The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

IFRIC 22 "Foreign currency transactions and advance consideration" (effective for annual periods beginning on or after 1 January 2018)
The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has not yet been endorsed by the EU.

IFRIC 23 "Uncertainty over income tax treatments" (effective for annual periods beginning on or after 1 January 2019)
The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation has not yet been endorsed by the EU.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement" (effective for annual periods beginning on or after 1 January 2019)

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRSs (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)
The amendments set out below include changes to four IFRS. The amendments have not yet been endorsed by the EU.

IAS 12 "Income taxes"
The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

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.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk and cash flow and fair value interest rate risk risk,), credit risk, liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Group Treasury does not perform speculative transactions or transactions that are not related to the Group's operations.

The Group's overall risk management program focuses on the natural hedging of monetary items in order to minimize the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Company's and the Group's monetary items consist mainly of deposits with banks, bank overdrafts, trade accounts receivable and payable, loans to and from subsidiaries, equity investments, dividends payable and leases obligations.

a) Market Risk

i) Foreign exchange risk

The Group/Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Nigerian Naira, South African Rand, Indian Rupee, Norwegian Crone, Swedish Crone and the Russian Rouble.

Entities in the Group use natural hedging, transacted with the Group Treasury, to hedge their exposure to foreign currency risk in connection with the presentation currency.

The Group has certain investments in subsidiaries that operate in foreign countries, whose net positions are exposed to foreign exchange risk during the consolidation of their financial statements to the Group's financial statements. The Group is not substantially exposed to this type of risk since most of its subsidiaries use Euro as their functional currency with the exception of the subsidiaries in Nigeria, Indonesia, Kenya, Poland, India, UAE, South Africa, Norway and Hungary.

At 31 December 2017,
if the Euro had **weakened** by 5% against the US Dollar, the Nigerian Naira, the UAE Dirham, the Romanian Lei, the Chinese Yuan, the Indian Rupee, the Norwegian Krone, the Polish Zloty and the South African Rand, with all other variables held constant, the profits after tax would have been €0,1m higher and Group's equity would have been improved by €7,1m.
If the Euro had **strengthened** by 5% against the above mentioned currencies, with all other variables held constant, the profits after tax for the year would have been €0,1m lower and Group's Equity would have been adversely impacted by €6,4m.

The effect on Group's equity mainly relates to the Nigerian Naira.

ii) Interest rate risk

The Group's/Company's income and operating cash flows are substantially independent of changes in market interest rates since the Group does not hold any interest bearing assets other than short-term time deposits.

Exposure to interest rate risk on liabilities is limited to cash flow risk from changes in floating rates.

The Group continuously reviews interest rate trends and the tenure of financing needs. Consequently, all short, medium and long term borrowings are entered into at floating rates with re-evaluation dates in less than 6 months.

For the interest rate risk sensitivity analysis refer Note 17.

b) Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and financial institutions, only independently rated parties with high quality credit credentials are accepted. **(Note 33)**

For customers, the Group/Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. **(Note 35)**

Trade accounts receivable consist mainly of a large, widespread customer base. All Group companies monitor the financial position of their debtors on an ongoing basis.

Where necessary, credit guarantee insurance cover is purchased. The granting of credit is controlled by credit limits and application of certain terms. Appropriate provision for impairment losses is made for specific credit risks. At the year-end, management considered that there was no material credit risk exposure that had not already been covered by credit guarantee insurance or a doubtful debt provision. The Group and the Company do not use derivative financial products.

The Group and the Company have a significant concentration of credit risk exposures regarding cash and cash equivalent balance and revenues from the sale of products and merchandise.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out adverse market positions.

Due to the dynamic nature of the underlying businesses, Group treasury aims at maintaining flexibility in funding by maintaining committed (exclusive) credit lines.

The Group manages liquidity risk by proper management of working capital and cash flows. It monitors forecasted cash flows and ensures that adequate banking facilities and reserve borrowing facilities are maintained. **(Note 36)**

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders as well as maintain an optimal capital structure to reduce the cost of capital.

Frigoglass completed a capital restructuring that effectively:

- Converted part of its debt to equity
- Prolonged its core debt maturity to 2021 – 2022

Further details can be found in Note 13

The equity position of the Parent Company has become less than **1/2** of its share capital.

3.3 Fair value estimation

The nominal value less impairment provision of trade receivables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value of investments in subsidiaries is tested for impairment when indications exist that these investments may be impaired. The fair value is determined by using discounted cash flow techniques and makes assumptions that are based on market conditions existing at each balance sheet date.

Other than trade receivables and cash and cash equivalents, the Group does not have any other financial assets that subject to fair value estimation.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year concern income tax.

4.1.1 Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required by the Group Management in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. If the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax.

4.1.2 Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.6.1. of the annual financial statements. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (**see Note 7**).

4.1.3. Estimated impairment of investments

The Group's investments in subsidiaries are tested for impairment when indications exist that its carrying value may not be recoverable. The recoverable amount of the investments in subsidiaries is determined on value in use calculations, which requires the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a one year period and cash projections for four additional years. At 31 December 2017, the Company has an investment in Frigoinvest Holdings B.V. of €60 m, which holds the Group's subsidiaries in the ICM and Glass segments which represent the two identifiable, separate cash generating units. Based on the assessment performed by management no impairment charge was recognized with respect to the Company's investment in subsidiary.

4.1.4. Estimation of useful lives of fixed assets

The Group assesses on an annual basis, the useful lives of its property, plant and equipment and intangible assets. These estimates take into account the relevant operational facts and circumstances, the future plans of Management and the market conditions that exist as at the date of the assessment.

4.1.5. Provision for doubtful debts

The provision for doubtful debts has been based on the outstanding balances of specific debtors after taking into account their ageing and the agreed credit terms. This process has excluded receivables from subsidiaries as Management is of the view that these receivables are not likely to require an impairment provision. The analysis of the provision is presented in **Note 9**. Further information with respect to customer receivables is presented in **Note 35**.

4.1.6. Staff retirement benefit obligations

The present value of the retirement benefit obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the relevant obligation comprises the discount rate, the expected return on plan assets, the rate of compensation increase, the rate of inflation and future estimated pension increases. Any changes in these assumptions will impact the carrying amount of the retirement benefit obligations. The Group determines the amount of the retirement benefit obligations using suitably qualified independent actuaries at each year-end's balance sheet date
(refer to **Note 31** for detailed information).

4.1.7. Estimated impairment of property, plant & equipment

The Group's property, plant & equipment is tested for impairment when indications exist that its carrying value may not be recoverable. The recoverable amount of the property, plant & equipment is determined under IAS 36 at the higher of its value in use and fair value less costs of disposal. When the recoverable amount is determined on a value in use basis, the use of assumptions is required.

4.2 Critical judgements in applying the entity's accounting policies

There are no areas that Management required to make critical judgements in applying accounting policies except the below.

The Group proceeded with the restructuring of its indebtedness, with its key stakeholders, including its largest shareholder, Boval, holders of the Existing Notes, and the Group's core lending banks. The Noteholders, the Participating Lenders and Boval negotiated together the terms of the Restructuring. Therefore, the different steps were linked and accounted for as one transaction to reflect the substance of the Restructuring rather than its legal form. (Note 13,14,15)

Note 5 - Segment Information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.
The operating segment information presented below is based on the information that the Management Committee uses to assess the performance of the Group's operating segments.
Taking into account the above, the categorization of the Group's operations in business segments is the following:

- Ice Cold Merchandise (ICM) Operations
- Glass Operations

The consolidated Balance Sheet and Income Statement per business segment are presented below:

a) Analysis per business segment
i) Income statement

	Year ended		Continuing operations: Year ended			Restated Note 37 Year ended		
	31.12.2017	**31.12.2016**	**31.12.2017**			**31.12.2016**		
	Discontinued Operations Glass Operations		ICM Operations	Glass Operations	**Total**	ICM Operations	Glass Operations	**Total**
Net sales revenue	20.760	30.865	295.450	90.599	**386.049**	289.916	92.422	**382.338**
Operating Profit / <Loss>	(18.538)	(32.212)	11.455	19.939	**31.394**	(1.835)	12.885	**11.050**
Finance <costs> / income	(1.420)	(7.511)	(28.213)	8.909	**(19.304)**	(32.452)	22.707	**(9.745)**
Profit / <Loss> before income tax & restructuring costs	(19.958)	(39.723)	(16.758)	28.848	**12.090**	(34.287)	35.592	**1.305**
Restructuring gains/<losses>	-	(12)	38.243	-	**38.243**	(22.297)	(29)	**(22.326)**
Profit / <Loss> before income tax	(19.958)	(39.735)	21.485	28.848	**50.333**	(56.584)	35.563	**(21.021)**
Income tax expense	-	-	(5.867)	(9.571)	**(15.438)**	(8.212)	(11.304)	**(19.516)**
Profit / <Loss> after income tax expenses from continuing operations	(19.958)	(39.735)	15.618	19.277	**34.895**	(64.796)	24.259	**(40.537)**
Profit / <Loss> attributable to the shareholders of the company	**(19.958)**	**(39.735)**	15.768	11.838	**27.606**	(64.587)	15.093	**(49.494)**
Depreciation	3.517	5.680	13.962	7.146	**21.108**	15.175	8.930	**24.105**
Impairment of fixed assets & goodwill	(7.984)	(29.715)	(1.607)	-	**(1.607)**	(1.785)	-	**(1.785)**
EBITDA	(7.037)	3.183	27.024	27.085	**54.109**	15.125	21.815	**36.940**
Allowance/(reversal of allowance) for trade debtors	-	-	(1.185)	(5)	**(1.190)**	6.019	156	**6.175**
Impairment of inventory	3.963	-	340	1.120	**1.460**	1.513	710	**2.223**

There are no sales between the two segments.

	Y-o-Y %		
	31.12.2017 vs 31.12.2016		
	ICM Operations	Glass Operations	**Total**
Net sales revenue	1,9%	-2,0%	**1,0%**
Operating Profit / <Loss>	n.m.	54,7%	**>100%**
EBITDA	78,7%	24,2%	**46,5%**

Note 5 - Segment Information (continued)

ii) Balance Sheet

	Year ended 31.12.2017				Restated Year ended 31.12.2016		
	Held for sale	ICM Operations	Glass Operations	**Total**	ICM Operations	Glass Operations	**Total**
Total assets	17.575	255.438	117.821	**390.834**	255.406	152.056	**407.462**
Total liabilities	9.973	372.862	50.264	**433.099**	486.128	50.187	**536.315**
Capital expenditure	1.127	6.971	11.131	**19.229**	7.925	5.847	**13.772**

Reference Note 6 & 7

b) Net sales revenue analysis per geographical area (based on customer location)

	Consolidated		Discontinued Operations Glass Operations	
	Year ended		Year ended	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
ICM Operations :				
East Europe	119.200	105.697		
West Europe	100.133	66.131		
Africa / Middle East	37.587	59.076		
Asia/Oceania	34.272	54.209		
America	4.258	4.803		
Total	**295.450**	**289.916**		
Glass Operations :				
East Europe	-	-		
West Europe	-	-		
Africa / Middle East	90.599	92.422		
Asia/Oceania	-	-		
America	-	-		
Total	**90.599**	**92.422**		
Total Sales :				
East Europe	119.200	105.697	-	-
West Europe	100.133	66.131	247	-
Africa / Middle East	128.186	151.498	8.839	16.784
Asia/Oceania	34.272	54.209	11.674	14.081
America	4.258	4.803	-	-
Consolidated	**386.049**	**382.338**	**20.760**	**30.865**

A significant amount of our revenues is derived from a small number of large multinational customers each year. In the year ended December 31 2017, our five largest customers accounted for approximately 65% of our net sales revenue in ICM Operations and approximately 62% of our net sales revenue in Glass Operations.

Note 5 - Segment information (continued)

Net sales revenue analysis per geographical area (based on customer location)

	Parent Company	
	Year ended	
	31.12.2017	31.12.2016
ICM Operations :		
East Europe	1.231	2.610
West Europe	16.937	16.875
Africa / Middle East	2.095	2.166
Asia/Oceania	373	3
America	19	-
Sales to third parties	**20.655**	**21.654**
Intercompany sales	5.352	5.750
Total Sales	**26.007**	**27.404**

c) Capital expenditure per geographical area

	Consolidated	
	Year ended	
	31.12.2017	31.12.2016
ICM Operations :		
East Europe	3.374	3.271
West Europe	1.972	2.134
Africa / Middle East	630	899
Asia/Oceania	995	1.621
America	-	-
Total	**6.971**	**7.925**
Glass Operations:		
Africa / Middle East	11.131	4.525
Total	**11.131**	**4.525**
Discontinued operations	**1.127**	**1.322**
Consolidated	**19.229**	**13.772**

Note 6 - Property, plant & equipment

	Consolidated					
	Land	Building & technical works	Machinery technical installation	Motor vehicles	Furniture & fixtures	Total
Cost						
Balance at 01.01.2017	**5.509**	**88.126**	**305.628**	**6.271**	**13.545**	**419.079**
Additions	-	444	6.995	733	694	8.866
Construction in progress & advances	-	221	8.130	46	86	8.483
Disposals	-	(6.648)	(8.542)	(606)	(1.377)	(17.173)
Transfer to / from & reclassification (Note 7)	-	(16)	(3)	-	114	95
Tangible Assets Write off	-	-	(7.661)	(11)	(439)	(8.111)
Assets held for sale	-	(16.706)	(74.412)	(180)	(762)	(92.060)
Exchange differences	(412)	(5.408)	(27.815)	(502)	(416)	(34.553)
Balance at 31.12.2017	**5.097**	**60.013**	**202.320**	**5.751**	**11.445**	**284.626**
Accumulated Depreciation						
Balance at 01.01.2017	**-**	**44.330**	**226.488**	**4.451**	**11.653**	**286.922**
Additions	-	2.538	12.532	629	738	16.437
Additions-Discontinued operations	-	332	3.155	5	25	3.517
Disposals	-	(1.752)	(7.829)	(589)	(1.355)	(11.525)
Impairment charge	-	784	715	19	89	1.607
Impairment charge-Discontinued operations	-	1.939	5.708	337	-	7.984
Tangible Assets Write off	-	-	(7.661)	(11)	(439)	(8.111)
Assets held for sale	-	(16.705)	(74.448)	(180)	(726)	(92.059)
Exchange differences	-	(3.881)	(22.191)	(386)	(443)	(26.901)
Balance at 31.12.2017	**-**	**27.585**	**136.469**	**4.275**	**9.542**	**177.871**
Net book value at 31.12.2017	**5.097**	**32.428**	**65.851**	**1.476**	**1.903**	**106.755**

The major variance in exchange differences derives from the devaluation of Naira against the Euro.
The related exchange rate at 31.12.2017 was 366,2640 and at 31.12.2016 was 321,5825.

Pledged fixed assets as at 31.12.2017 are described in detail in Note 13 - Non current and current borrowings.

Costs related to Construction in progress and advances are capitalised until the end of the forthcoming year.

Note 6 - Property, plant & equipment (continued)

Impairment assessment has been performed for those cash-generating units (CGUs) with an indication that their carrying amount exceeds their recoverable amount.

The recoverable amount of each cash-generating unit was determined through a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a one-year period and cash projections for four additional years.

Subjective estimates and judgements by management about the future results of the CGU were included in the above calculation. These estimates and judgements include assumptions surrounding revenue growth rates, direct costs, and discount rates.

The following table sets out the key assumptions for the calculation of the Value in Use:

	ICM Manufacturing Facility in Patras	South Africa
After - Tax discount rate:	**8,7%**	**11,1%**
Gross margin pre Depreciation:	**1,8%- 6,4%**	**-1,3% - 0,5%**
Growth rate in perpetuity:	**1,5%**	**1,5%**

Due to adverse operating results impairment assessment for the year ended 31.12.2017 was carried out, using the assumptions stated above, which resulted to impairment loss of € 0,784 m. for the manufacturing facility in Patras and € 0,821 m. for Frigoglass South Africa.

ICM segment: Manufacturing Facility in Patras

As at 31.12.2017, the recoverable amount of the CGU of the ICM manufacturing facility in Patras was € 4,2 m..

If the growth rate used in the value-in-use calculation had been 1% lower than management's estimates as at 31.12.2017 (0,5% instead of 1,5%), the Group would have had to recognise an additional impairment against the carrying amount of property, plant and equipment of € 0,46 m..

If the after-tax discount rate applied to the cash flow projections of this CGU had been 1% higher than management's estimates (9,7% instead of 8,7%), the Group would have had to recognise an additional impairment against property, plant and equipment of € 0,585 m..

ICM segment: Frigoglass South Africa

After the impairment of € 0,821 m. the value of the assets of this CGU was zero.

Note 6 - Property, plant & equipment (continued)

	Consolidated					
	Land	**Building & technical works**	**Machinery technical installation**	**Motor vehicles**	**Furniture & fixtures**	**Total**
Cost						
Balance at 01.01.2016	**9.894**	**94.183**	**343.727**	**7.058**	**13.729**	**468.591**
Additions	-	1.106	8.337	1.097	404	10.944
Construction in progress & advances	-	100	-	-	-	100
Disposals	(4.172)	(4.489)	(2.044)	(268)	(269)	(11.242)
Exchange differences	(213)	(2.774)	(44.392)	(1.616)	(319)	(49.314)
Balance at 31.12.2016	**5.509**	**88.126**	**305.628**	**6.271**	**13.545**	**419.079**
Accumulated Depreciation						
Balance at 01.01.2016	**-**	**39.208**	**205.352**	**5.150**	**11.395**	**261.105**
Additions	-	3.378	20.457	765	911	25.511
Disposals	-	(3.525)	(2.060)	(244)	(266)	(6.095)
Impairment charge due to restructuring	-	-	5.365	-	30	5.395
Exchange differences	-	(712)	(28.132)	(1.220)	(417)	(30.481)
Published Balance at 31.12.2016	**-**	**38.349**	**200.982**	**4.451**	**11.653**	**255.435**
Effects from restatement (Note 37)	-	**5.981**	**25.506**	-	-	**31.487**
Balance at 31.12.2016 (Restated)	**-**	**44.330**	**226.488**	**4.451**	**11.653**	**286.922**
Net book value at 31.12.2016 (Restated)	**5.509**	**43.796**	**79.140**	**1.820**	**1.892**	**132.157**

The restatement relates to the impairment of fixed assets for Frigoglass Jebel Ali & Frigoglass South Africa, as described in detail in **Note 37**.
There were no pledged fixed assets as at **31.12.2016.**

Costs related to Construction in progress and advances are capitalised until the end of the forthcoming year.

Note 6 - Property, plant & equipment (continued)

	Parent Company					
	Land	Building & technical works	Machinery technical installation	Motor vehicles	Furniture & fixtures	Total
Cost						
Balance at 01.01.2017	**303**	**9.030**	**14.181**	**267**	**2.615**	**26.396**
Additions	-	-	135	-	237	372
Disposals	-	-	(21)	-	(60)	(81)
Transfer to / from & reclassification (Note 7)	-	(16)	(3)	-	114	95
Balance at 31.12.2017	**303**	**9.014**	**14.292**	**267**	**2.906**	**26.782**
Accumulated Depreciation						
Balance at 01.01.2017	**-**	**5.162**	**12.993**	**250**	**2.451**	**20.856**
Additions	-	387	315	5	81	788
Disposals	-	-	-	-	(61)	(61)
Impairment charge	-	784	-	-	-	784
Balance at 31.12.2017	**-**	**6.333**	**13.308**	**255**	**2.471**	**22.367**
Net book value at 31.12.2017	**303**	**2.681**	**984**	**12**	**435**	**4.415**

Costs related to Construction in progress and advances are capitalised until the end of the forthcoming year.

Pledged fixed assets as at 31.12.2017 are described in detail in Note 13 - Non current and current borrowings.

The charge for Frigoglass SAIC from the decrease of the net book value of the building to approximate the fair value was € 0,784 m..

	Parent Company					
	Land	Building & technical works	Machinery technical installation	Motor vehicles	Furniture & fixtures	Total
Cost						
Balance at 01.01.2016	**303**	**9.016**	**14.071**	**260**	**2.591**	**26.241**
Additions	-	14	110	7	24	155
Balance at 31.12.2016	**303**	**9.030**	**14.181**	**267**	**2.615**	**26.396**
Accumulated Depreciation						
Balance at 01.01.2016	**-**	**4.768**	**12.672**	**245**	**2.352**	**20.037**
Additions	-	394	321	5	99	819
Balance at 31.12.2016	**-**	**5.162**	**12.993**	**250**	**2.451**	**20.856**
Net book value at 31.12.2016	**303**	**3.868**	**1.188**	**17**	**164**	**5.540**

There were no pledged fixed assets as at 31.12.2016.

Note 7 - Intangible assets

	Consolidated				
	Goodwill	Development costs	Patents & trademarks	Software & other intangible assets	Total
Cost					
Balance 01.01.2017	**-**	**31.715**	**225**	**25.953**	**57.893**
Additions	-	135	-	658	793
Construction in progress & advances	-	1.075	-	12	1.087
Transfer to /from and reclassification (Note 6)	-	(86)	-	(9)	(95)
Write off of Intangible Assets	-	(3.655)	-	(2.034)	(5.689)
Assets held for sale	-	-	-	(175)	(175)
Exchange differences	-	(351)	(13)	(317)	(681)
Balance at 31.12.2017	**-**	**28.833**	**212**	**24.088**	**53.133**
Accumulated Depreciation					
Balance at 01.01.2017	**-**	**23.320**	**225**	**20.188**	**43.733**
Additions	-	2.514	-	2.330	4.844
Write off of Intangible Assets	-	(3.655)	-	(2.034)	(5.689)
Assets held for sale	-	-	-	(159)	(159)
Exchange differences	-	71	(13)	(430)	(372)
Balance at 31.12.2017	-	**22.250**	**212**	**19.895**	**42.357**
Net book value at 31.12.2017	**-**	**6.583**	**-**	**4.193**	**10.776**

Costs related to Construction in progress and advances are capitalised until the end of the forthcoming year.

Pledged fixed assets as at 31.12.2017 are described in detail in Note 13 - Non current and current borrowings.

Note 7 - Intangible assets (continued)

	Consolidated				
	Goodwill	Development costs	Patents & trademarks	Software & other intangible assets	Total
Cost					
Balance at 01.01.2016	**1.514**	**30.075**	**216**	**25.310**	**57.115**
Additions	-	326	-	752	1.078
Construction in progress & advances	-	1.455	-	195	1.650
Exchange differences	-	(141)	9	(304)	(436)
Published Balance at 31.12.2016	**1.514**	**31.715**	**225**	**25.953**	**59.407**
Effects from restatement (Note 37)	(1.514)	-	-	-	**(1.514)**
Balance at 31.12.2016 (Restated)	**-**	**31.715**	**225**	**25.953**	**57.893**
Accumulated Depreciation					
Balance at 01.01.2016	**-**	**20.713**	**190**	**17.717**	**38.620**
Additions	-	1.996	27	2.645	4.668
Impairment charge arising on restructuring	-	613	-	17	630
Exchange differences	-	(2)	8	(191)	(185)
Balance at 31.12.2016	**-**	**23.320**	**225**	**20.188**	**43.733**
Net book value at 31.12.2016 (Restated)	**-**	**8.395**	**-**	**5.765**	**14.160**

Costs related to Construction in progress and advances are capitalised until the end of the forthcoming year.

Restatement relates to the impairment of goodwill amounting to € 1.514 thousand of Frigoglass Jebel Ali FZE as detailed in Note 37.

Note 7 - Intangible assets (continued)

	Parent Company			
	Development costs	Patents & trademarks	Software & other intangible assets	Total
Cost				
Balance at 01.01.2017	**20.403**	**35**	**16.470**	**36.908**
Additions	43	-	498	541
Construction in progress & advances	1.069	-	-	1.069
Transfer to / from & reclassification (Note 6)	(86)	-	(9)	(95)
Balance at 31.12.2017	**21.429**	**35**	**16.959**	**38.423**
Accumulated Depreciation				
Balance at 01.01.2017	**15.300**	**35**	**13.089**	**28.424**
Additions	1.317	-	1.393	2.710
Balance at 31.12.2017	**16.617**	**35**	**14.482**	**31.134**
Net book value at 31.12.2017	**4.812**	**-**	**2.477**	**7.289**

Costs related to Construction in progress and advances are capitalised until the end of the forthcoming year.

	Parent Company			
	Development costs	Patents & trademarks	Software & other intangible assets	Total
Cost				
Balance at 01.01.2016	**18.873**	**35**	**16.040**	**34.948**
Additions	108	-	467	575
Construction in progress & advances	1.422	-	-	1.422
Transfer to / from & reclassification	-	-	(37)	(37)
Balance at 31.12.2016	**20.403**	**35**	**16.470**	**36.908**
Accumulated Depreciation				
Balance at 01.01.2016	**13.993**	**35**	**11.626**	**25.654**
Disposals	1.307	-	1.463	2.770
Balance at 31.12.2016	**15.300**	**35**	**13.089**	**28.424**
Net book value at 31.12.2016	**5.103**	**-**	**3.381**	**8.484**

Note 8 - Inventories

	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Raw materials	64.384	62.029	2.760	3.048
Work in progress	2.671	1.616	29	34
Finished goods	31.659	46.841	851	1.403
Less: Provision	(9.639)	(17.441)	(1.893)	(2.076)
Total	**89.075**	**93.045**	**1.747**	**2.409**

Analysis of Provisions :		Consolidated		Parent Company	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
Opening Balance at 01/01		**17.441**	**20.413**	**2.076**	**2.757**
Additions during the year		5.932	879	-	250
Restructuring gains/<losses>	**Note 28**	-	1.262	-	-
Unused amounts reversed		(520)	-	-	-
Total Charges to the income statement		**5.412**	**2.141**	**-**	**250**
Realised during the year		(6.885)	(4.475)	(183)	(450)
Transfer to / from & reclassification		(1.364)	217	-	(481)
Assets held for sale		(3.953)	-	-	-
Exchange differences		(1.012)	(855)	-	-
Closing Balance at 31/12		**9.639**	**17.441**	**1.893**	**2.076**

The reduction in provisions derives mainly from China and relates to destructions and disposals of slow moving and obsolete stock for which provisions were made as at 31.12.2016.

The reclassification includes provision for raw materials that has been expensed in previous years and was recorded directly against raw materials stock.

Pledged fixed assets as at 31.12.2017 are described in detail in Note 13 - Non current and current borrowings.

Note 9 - Trade receivables

	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Trade receivables	91.018	86.861	9.846	9.731
Less: Provisions	(6.194)	(9.154)	(5.623)	(6.556)
Total	**84.824**	**77.707**	**4.223**	**3.175**

The fair value of trade debtors closely approximates their carrying value. The Group and the Company have a significant concentration of credit risk with specific customers which comprise large international groups such as Coca - Cola HBC, other Coca - Cola bottlers, Diageo - Guinness, Heineken, Efes Group.

The Group does not require its customers to provide any pledges or collateral due to the general high calibre and international reputation of portfolio (Note 35).

Management does not expect any losses from non-performance of trade receivables, other than as provided for as at **31.12.2017**.

Pledged fixed assets as at 31.12.2017 are described in detail in Note 13 - Non current and current borrowings.

Note 9 - Trade receivables (continued)

Analysis of provisions for trade receivables:	**Consolidated**		**Parent Company**	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Opening balance at 01/01	**9.154**	**3.552**	**6.556**	**1.781**
Additions during the year	61	6.182	40	4.295
Unused amounts reversed	(680)	(17)	(680)	-
Total charges to income statement	**(619)**	**6.165**	**(640)**	**4.295**
Realized during the year	(2.179)	(984)	(293)	-
Transfer to / from & reclassification	-	365	-	480
Assets held for sale	-	-	-	-
Exchange differences	(162)	56	-	-
Closing Balance	**6.194**	**9.154**	**5.623**	**6.556**

Note 10 - Other receivables

	Consolidated		**Parent Company**	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
V.A.T receivable	11.904	8.374	842	104
Grants for exports receivable	7.306	8.363	-	-
Insurance prepayments	1.282	1.186	201	165
Prepaid expenses	1.131	2.218	86	324
Other taxes receivable	921	3.684	-	-
Advances to employees	561	702	-	16
Other receivables	2.370	2.747	1.170	156
Total	**25.475**	**27.274**	**2.299**	**765**

Grants for exports receivable of € 7,3m. (2016 € 8,3m.) comprise of Export Expansion Grants (EEG) and Negotiable Duty Credit Certificates (NDCC). Export Expansion Grants (EEG) are granted by the Nigerian Government on exports of goods produced in the country, which meet certain eligibility criteria. These grants are recognized at fair value, and Management does not expect any losses from non-recoverability.

Negotiable Duty Credit Certificates (NDCC) originate from export grants received from the government and are useful for the settlement of custom duties payable to the government, with no expiry date.

A revised scheme has been proposed to be implemented as of 2018, whereby the Settlement of Claims for EEG by the Nigerian Government will be performed through the issue of negotiable tax credit certificates to the beneficiaries. This instrument, known as Export Credit Certificate (ECC), will be used to settle all Federal Government taxes such as company income tax, VAT, WHT, etc. as well as the following: a. purchase of Federal Government Bonds, b. settlement of credit facilities by Bank of Industry, NEXIM Bank and Central Bank of Nigeria intervention Facilities, and c. settlement of AMCON liabilities. The Certificate will be valid for two years and will be transferable once to the final beneficiaries.
Existing EEG claims not yet settled will continue to be eligible under the revised scheme. It is proposed that the existing NDCCs with the Exporters will be swapped with promissory notes (under-written by the Federal Government).

The V.A.T receivable is fully recoverable through the operating activity of the Group and the Company.

Other receivables comprise of various prepayments and accrued income not invoiced. The fair value of other receivables closely approximates their carrying value.

Pledged fixed assets as at 31.12.2017 are described in detail in Note 13 - Non current and current borrowings.

Note 11 - Cash & cash equivalents

	Consolidated		Parent Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Cash on hand	8	13	1	2
Short term bank deposits	53.122	57.513	997	1.143
Total	**53.130**	**57.526**	**998**	**1.145**

The tight liquidity in 2016 and 2017 in the foreign exchange market in Nigeria has significantly limited our ability to execute payments in foreign currency, leading to a high Nigerian naira cash balance of € 20 m.. We expect the excess cash to be utilised among others to fund capital expenditure and raw material purchases over the coming years.

The effective interest rate on short term bank deposits as at **31.12.2017 was 2,90%** (December 2016: 1,68%).

Note 12 - Other payables

	Consolidated		Parent Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Taxes and duties payable	1.785	3.981	1	475
VAT payable	1.028	480	-	-
Social security insurance	1.704	1.154	493	457
Customers' advances	1.293	841	87	77
Other taxes payable	1.645	1.564	-	-
Accrued discounts on sales	11.327	7.560	273	171
Accrued fees & costs payable to third parties	5.538	6.333	1.110	2.101
Accrued payroll expenses	5.765	5.017	1.953	232
Other accrued expenses	2.843	3.087	144	67
Accrued interest for bank loans	2.454	2.898	-	-
Expenses for restructuring activities	126	910	-	-
Accrual for warranty expenses	2.542	5.317	367	401
Other payables	4.435	4.975	322	244
Total	**42.485**	**44.117**	**4.750**	**4.225**

The fair value of other creditors approximates their carrying value.

Pledged fixed assets as at 31.12.2017 are described in detail in Note 13 - Non current and current borrowings.

Accrued discount on sales: The increase in the balance is mainly attributable to the seasonality of sales and the increased sales in the 4th quarter.

Note 13 - Non current & current borrowings

	Consolidated		Parent Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Bank loans	55.485	4	-	-
Intergroup bond loans	-	-	33.702	-
Bond loans	177.929	-	-	-
Total Non current borrowings	**233.414**	**4**	**33.702**	**-**

	Consolidated		Parent Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Bank overdrafts	2.584	2.652	-	-
Bank loans	39.857	101.591	-	-
Loans from Shareholders	-	30.000	-	-
Intergroup bond loans	-	-	-	91.559
Bond loans	-	247.628	-	-
Total current borrowings	**42.441**	**381.871**	**-**	**91.559**
Total borrowings	**275.855**	**381.875**	**33.702**	**91.559**

Maturity of non current borrowings	Consolidated		Parent Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Between 1 & 2 years	-	4	-	-
Between 2 & 5 years	233.414	-	33.702	-
Over 5 years	-	-	-	-
Total	**233.414**	**4**	**33.702**	**-**

	Consolidated		Parent Company	
Effective interest rates	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Bank loans	5,77%	8,98%	8,60%	9,13%
Non current borrowings	4,29%	0,00%	-	-
Bank overdrafts	9,15%	11,20%	-	-
Current borrowings	3,13%	5,70%	9,13%	9,13%

The weighted average borrowing rate has been calculated on the basis of the effective interest rates until 15 March 2017, as agreed in the legally binding agreement signed under the Group's capital formation on 12 April 2017, from 15 March 2017 to 23 October 2017 and the current interest rates after the completion of the company's capital restructuring on 23 October 2017.

Net debt / Total capital	Consolidated		Parent Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Total borrowings	275.855	381.875	33.702	91.559
Cash & cash equivalents	(53.130)	(57.526)	(998)	(1.145)
Net debt (A)	**222.725**	**324.349**	**32.704**	**90.414**
Total equity **(B)**	(42.265)	(128.853)	24.238	(13.254)
Total capital **(C) = (A) + (B)**	180.460	195.496	56.942	77.160
Net debt / Total capital (A) / (C)	**123,42%**	**165,91%**	**57,43%**	**117,18%**

Note 13 - Non current & current borrowings (continued)

The foreign currency exposure of borrowings is as follows:

	Consolidated					
	31.12.2017			31.12.2016		
	Current borrowings	Non current borrowings	Total	Current borrowings	Non current borrowings	Total
- EURO	37.937	213.836	**251.773**	353.321	-	**353.321**
- USD	1.920	19.578	**21.498**	25.898	-	**25.898**
- AED	-	-	-	-	4	**4**
- INR	2.584	-	**2.584**	2.652	-	**2.652**
Total	**42.441**	**233.414**	**275.855**	**381.871**	**4**	**381.875**

	Parent Company					
	31.12.2017			31.12.2016		
	Current borrowings	Non current borrowings	Total	Current borrowings	Non current borrowings	Total
- EURO	-	33.702	**33.702**	91.559	-	**91.559**
Total	**-**	**33.702**	**33.702**	**91.559**	**-**	**91.559**

The movement of liabilities from financing activities is listed below:

Consolidated			
Total borrowings	Non current borrowings	Current borrowings	Total
Balance 31.12.2016	**4**	**381.871**	**381.875**
Cash flows	(15.555)	15.009	(546)
Conversion of debt to equity	-	(104.605)	(104.605)
Reclassification	248.965	(248.965)	-
Other non-cash movements	-	(869)	(869)
Balance 31.12.2017	**233.414**	**42.441**	**275.855**

Parent Company			
Total borrowings			
Intergroup bond loans	Non current borrowings	Current borrowings	Total
Balance 31.12.2016	**-**	**91.559**	**91.559**
Cash flows	-	(5.580)	(5.580)
Conversion of debt to equity	(59.605)	-	(59.605)
Reclassification (Note 7)	93.307	(93.307)	-
Other non-cash movements	-	7.328	7.328
Balance 31.12.2017	**33.702**	**-**	**33.702**

Total cash flows in the movement of the Group's borrowings relate to proceeds from new loans of € 99,5 m. and repayments of € 100,6 m.. Proceeds from new loans arise from Group's restructuring of € 26 m. while the remaining € 73 m. refer mainly to subsidiaries in India, Nigeria and Russia. Total repayments of € 33,45 million relate to Group's restructuring while the remaining € 66,6 m. come from the subsidiaries in India, Russia and Turkey.

Note 13 - Non current & current borrowings (continued)

With the exception of the 2nd Lien Notes, the Group borrows at floating interest rates, which are renegotiated in periods not longer than six months.

In May 2013, the Company's indirect subsidiary Frigoglass Finance B.V. (the "Issuer" or "Borrower") issued €250m senior notes due 15 May 2018 (the "2013 Notes"), at a fixed coupon of 8,25% per annum and at an issue price of 100%. In addition, the Group also entered into two bilateral revolving credit facilities (the "2013 RCFs"), each in an amount of €25m and with a three year maturity (i.e. maturing on the 17th of May 2016).

On 22 April 2016, the lenders under the 2013 RCFs entered into an agreement with the Issuer pursuant to which they agreed to extend the maturity of the 2013 RCFs up to 31 March 2017 and to waive all breaches and to make certain other amendments to the terms of the 2013 RCFs including the removal of certain financial covenants, subject to certain conditions being met (including the provision of the Boval Term Loan Facility (as defined below) by the Company's largest shareholder, Boval S.A. ("Boval"). On 31 March 2016, Boval committed to provide the Group with a €30m term loan facility (the "Boval Term Loan Facility") maturing on 31 March 2017, on terms substantially similar to the 2013 RCFs and subject to shareholder approval at the Company's general meeting of shareholders. The shareholders approved the Boval Term Loan Facility at the general meeting held on 22 April 2016. The Boval Term Loan Facility was fully drawn as of 31st December 2016.

In connection with the amendment and extension of the 2013 RCFs, Frigoglass agreed to repay and cancel €12m of indebtedness outstanding under each 2013 RCF by 31 December 2016 pursuant to an amortization schedule.

In accordance with relevant IFRS pronouncements, the 2013 Notes were re-classified as current liabilities as of 31 December 2016 on the basis that the payment and covenant obligations under the 2013 RCFs had triggered an event of default under the 2013 Notes due to the fact that the waivers obtained as at the balance sheet dates did not cover a period of 12 months after the respective balance sheet date.

The Group in 2016 engaged several advisors and began a comprehensive review of its business and financing arrangements in order to optimize the capital structure of the Group and to ensure that an adequate level of financial liquidity is achieved and maintained.

On 23 October 2017 the capital restructuring was completed following the satisfaction of all conditions precedents and the completion of all required implementation steps.

As part of the overall capital restructuring of the Group, Frigoglass entered into new debt arrangements that replaced the existing Group financing with new financing with

extended maturities. The 2013 Notes issued by the Issuer were cancelled and delisted from the Luxembourg Stock Exchange in connection with the completion of the restructuring.

The key elements of the Restructuring are:

(1) Boval contributed a total of €60m in equity to the transaction as part of the Rights Issue (of which €30m in new cash and €30m was utilized for the repayment of the principal amount of the Boval Term Loan Facility from the Issuer).

(2) €40m new debt (the "First Lien New Money Debt") has been provided in the form of first lien senior secured notes due 2021 by the holders of the 2013 Notes and in the form of first lien senior secured revolving credit facilities made available by the Core Banks.

(3) 2013 Noteholders and the Core Banks who participated in providing The New Debt, were entitled to exchange, for each euro of First Lien New Money Debt provided by them, two euros of principal amount of their existing debt for an equivalent principal amount of first lien senior secured debt, in the form of additional notes in the case of noteholders and additional revolving credit facilities in the case of the Core Banks.

(4) The remaining principal amount of 2013 Notes of each noteholder was exchanged for 50% of second priority secured notes (the "Second Lien Notes") and the remaining principal amount, after giving effect to the Discount (as defined below), was repaid by delivery of shares in the Company and with a certain amount of cash.

(5) The remaining existing facilities provided by the Core Banks were exchanged in 82,5% for a participation in second priority secured facilities (the "Second Lien Facilities") and the remaining principal amount, after giving effect to the Discount (as defined below), was repaid by delivery of shares in the Company and with a certain amount of cash.

(6) The repayment or equitization of the 2013 Notes and Core Bank debt will reflect a €45m discount to be allocated on a pro rata basis (the "Discount").

(7) The repayment and equitization of the 2013 Notes and the remaining existing facilities provided by the Core Banks amounted to €3,46m and €59,6m respectively. The equitization was completed with the conversion of 163,984,878 Convertible Bonds of the Parent, of nominal value €0.36348 each. The fair value of the new shares that started trading in the Athens Stock Exchange on 16.11.2017 (date of equitization) was €24,1m generating a profit of €35,5m for the Group and the reduction of the Parent's intergroup loan to €31.3m.

The Group's new first-lien indebtedness under the First Lien Debt amounts to approximately €120,0m, consisting of €40,4m senior secured first-lien facilities and €79.4m senior secured first-lien notes. The Group's second-lien debt amounts to

approximately €141m, comprising of €42,2m second-lien secured facilities and €98,5m second-lien secured notes. The above amounts assume full utilization of the new revolving credit facilities (RCFs).

FIRST LIEN DEBT

(i) First Lien Facilities Agreement

The First Lien Facilities comprise a €25.000.000 First Lien RCF with a base currency amount denominated in Euro, a $10.000.000 First Lien Term Facility and a €7.100.937,38 First Lien Term Facility.

The maturity date of the First Lien Facilities Agreement is 31 December 2021 (the "Maturity Date"). A €2m aggregate amortisation payment (each an "Amortisation Payment") will be paid every six months starting from March 2019 to prepay the First Lien Debt.

Interest is accrued based on EURIBOR/LIBOR (as applicable) plus a rate of 4,25% per annum.

There are two covenants: (i) a Minimum Liquidity Covenant which is tested weekly and (ii) a Leverage Covenant which will be tested semi-annually.

(ii) The First Lien Notes Subscription Agreement

On 23 October 2017, the Borrower issued the €79.394.180 senior secured guaranteed notes, with interest rate of Euribor plus 4,25% per annum due 2021 (the “First Lien Notes”).

The First Lien Notes Subscription Agreement contains the same covenants and undertakings as the First Lien Facilities, except for the financial covenants.

SECOND LIEN DEBT

(iii) Second Lien Facilities Agreement

The Second Lien Facilities comprise a €24.850.000 Second Lien RCF with a base currency amount denominated in Euro and a €17.393.375 Second Lien Term Facility.

The maturity date of the Second Lien Facilities Agreement is 31 March 2022. There is no amortisation.

Interest is accrued as EURIBOR/LIBOR (as applicable) plus a rate of 3,25% per annum.

The representations, covenants and events of default are substantially the same as those in the First Lien Facilities Agreement.

(iv) The Second Lien Notes Indenture

On 23 October 2017, the Issuer issued the €98.535.239 second priority secured notes due 2022 (the "Second Lien Notes") at a fixed rate of 7% per annum.

The second lien notes indenture contains a series of common restrictions and undertakings for the Group, including among other restrictions on financial indebtedness, distribution of dividends, the disposal of assets and mergers and acquisitions.

Guarantees

The following companies have granted guarantees in respect of the new loan facilities and the notes:

a) Frigoglass Finance B.V.,
b) Frigoglass S.A.I.C.
c) Frigoinvest Holdings B.V.
d) Frigoglass Romania S.R.L.
e) Frigoglass Eurasia LLC
f) Frigoglass Jebel Ali FZE *
g) Frigoglass West Africa Limited
h) Frigoglass Industries Nigeria Limited
i) Beta Glass Plc.
j) PT Frigoglass Indonesia
k) 3P Frigoglass S.R.L
l) Frigoglass Cyprus Limited
m) Frigoglass Global Limited
n) Frigoglass South Africa (Proprietary) Limited

*Upon completion of the anticipated sale of Frigoglass Jebel Ali FZE, the buyer will receive the shares of Frigoglass Jebel Ali FZE and the securities and guarantees granted by Frigoglass Jebel Ali FZE will, at that point, be released.

Security

The security granted in favour of the creditors under the First Lien Facilities, First Lien Notes, Second Lien Facilities and Second Lien Notes will initially include the following:

(a) security over shares in the following Group companies: Frigoinvest Holdings B.V., Frigoglass Finance B.V., Frigoglass Industries Nigeria Limited, Beta Glass plc, Frigoglass West Africa Limited, Frigoglass Romania S.R.L., Frigoglass Eurasia LLC, PT Frigoglass Indonesia, Frigoglass South Africa (Proprietary) Limited, Frigoglass Cyprus Limited, Frigoglass Global Limited, Frigoglass East Africa Limited and 3P Frigoglass S.R.L.; and

(b) security over assets of the Group in the value shown below as per December 31st, 2017:

ASSET	AMOUNTS IN '000S EURO AS PER DECEMBER 31, 2017
Tangible assets	43.394
Other long term assets	160
Inventories	26.877
Trade debtors	30.867
Intergroup receivables	45.701
Intergroup loan receivables	332.143
Other debtors	3.753
Income tax advance	72
Cash & cash equivalents	14.803
Total	**497.770**

Note 14 - Investments in subsidiaries

	Parent Company	
	31.12.2017	31.12.2016
	Net book value	Net book value
	58.045	58.045
Additions	1.960	-
Total Frigoinvest Holdings B.V (The Netherlands)	**60.005**	**58.045**

In its separate financial statements, the Parent Company accounts for investments in subsidiaries at historic cost less any impairment losses.

The increase in Parent Company's investment in the subsidiary Frigoinvest Holdings B.V. derived as a result of the capital restructuring process. The increase incurred with the payment of € 37,5 m. in cash reduced by the effect of the capitalisation of intergroup borrowing of € -35,5 m., as described in Note 13.

The subsidiaries of the Group, the country of incorporation and their shareholding status as are described below:

Company name & business segment	Country of incorporation	Consolidation method	% Shareholding
ICM Operations			
Frigoglass S.A.I.C.	Greece	**Parent Company**	
SC. Frigoglass Romania SRL	Romania	Full	100,00%
PT Frigoglass Indonesia	Indonesia	Full	99,98%
Frigoglass South Africa Ltd.	South Africa	Full	100,00%
Frigoglass Eurasia LLC	Russia	Full	100,00%
Frigoglass (Guangzhou) Ice Cold Equipment Co. ,Ltd.	China	Full	100,00%
Scandinavian Appliances A.S	Norway	Full	100,00%
Frigoglass Ltd.	Ireland	Full	100,00%
Frigoglass Iberica SL	Spain	Full	100,00%
Frigoglass Sp zo.o	Poland	Full	100,00%
Frigoglass India PVT.Ltd.	India	Full	100,00%
Frigoglass Turkey Soğutma Sanayi İç ve Dış Ticaret Anonim Şirketi	Turkey	Full	100,00%
Frigoglass North America Ltd. Co	USA	Full	100,00%
Frigoglass Philippines Inc.	Philippines	Full	100,00%
Frigoglass East Africa Ltd.	Kenya	Full	100,00%
Frigoglass GmbH	Germany	Full	100,00%
Frigoglass Hungary Kft	Hungary	Full	100,00%
Frigoglass Nordic AS	Norway	Full	100,00%
Frigoglass West Africa Limited	Nigeria	Full	76,03%
Frigoglass Cyprus Limited	Cyprus	Full	100,00%
Norcool Holding A.S	Norway	Full	100,00%
Frigoinvest Holdings B.V	The Netherlands	Full	100,00%
Frigoglass Finance B.V	The Netherlands	Full	100,00%
3P Frigoglass Romania SRL	Romania	Full	100,00%
Glass Operations			
Frigoglass Global Limited	Cyprus	Full	100,00%
Frigoglass Jebel Ali FZE	Dubai	Full	100,00%
Beta Glass Plc.	Nigeria	Full	55,21%
Frigoglass Industries (NIG.) Ltd.	Nigeria	Full	76,03%

All subsidiary undertakings are included in the consolidation.
The Parent Company does not have any shareholdings in the preference shares of subsidiary undertakings included in the Group.

Note 14 - Investments in subsidiaries (continued)

Below is the summarised financial information of the Group's subsidiaries with non-controlling interests. Total assets and liabilities include intergroup balances.

Frigoglass Industries (Nigeria) Ltd.	**2017**	**2016**
Total assets	78.659	63.525
Total liabilities	31.098	19.808
Total equity	**47.561**	**43.716**
Net sales revenue	26.288	24.072
Profit / <Loss> after income tax expenses	9.620	13.219
Non controlling interest - %	23,97%	23,97%
Profit / <Loss> after income tax expenses attributable to non-controlling interests	2.306	3.169
Dividends to non-controlling interests	-	-
Capital expenditure	1.110	771

Beta Glass Plc.	**2017**	**2016**
Total assets	104.899	103.190
Total liabilities	36.246	36.411
Total equity	**68.653**	**66.779**
Net sales revenue	64.311	68.351
Profit / <Loss> after income tax expenses	11.928	13.603
Non controlling interest - %	44,79%	44,79%
Profit / <Loss> after income tax expenses attributable to non-controlling interests	5.342	6.092
Dividends to non-controlling interests	613	167
Capital expenditure	10.021	3.753

Frigoglass West Africa Ltd.	**2017**	**2016**
Total assets	14.917	19.952
Total liabilities	15.325	19.747
Total equity	**(408)**	**205**
Net sales revenue	8.006	16.591
Profit / <Loss> after income tax expenses	(623)	(845)
Non controlling interest - %	23,97%	23,97%
Profit / <Loss> after income tax expenses attributable to non-controlling interests	(149)	(203)
Dividends to non-controlling interests	-	-
Capital expenditure	493	193

The tight liquidity in 2016 and 2017 in the foreign exchange market in Nigeria has significantly limited our ability to execute payments in foreign currency, leading to a high Nigerian naira cash balance of € 20 m.. We expect the excess cash to be utilised among others to fund capital expenditure and raw material purchases over the coming years.

Note 15 - Share capital - Treasury shares - Dividends & Share options

A) Share capital:

2016

The share capital of the company at **31.12.2016** comprises of **50.593.832** fully paid up ordinary shares of **€ 0,30** each. The share premium accounts represents the difference between the issue of shares (in cash) and their par value.

2017

The 1st Repetitive General Meeting of shareholders of "FRIGOGLASS S.A.I.C." took place on June 27, 2017.
The following items of the agenda were discussed and resolved:

a) the increase of the nominal value of each common registered share of the Company from € 0,30 to € 0,90 through merger of every 3 existing shares to 1 new share and parallel decrease of the total number of shares from 50.593.832 to 16.864.610 (reverse share split 3:1).

b) the nominal decrease of the Company's share capital by the amount of € 9.106.889,40, by a corresponding decrease of the nominal value of each Company's share from € 0,90 (as such will be adjusted following the reverse share split) to € 0,36, according to article 4 para. 4a of C.L. 2190/1920, for the purpose of forming a special reserve of equal amount the use of which will be decided in the future.

c) the share capital increase of the Company up to the amount of € 136.398.446,64, in accordance with article 13a of C.L. 2190/1920, with pre-emptive rights for the existing shareholders of the Company at a ratio of 22,46 new shares for each existing share through payment in cash and the issuance of 378.884.574 new common voting registered shares, with a nominal value of € 0,36 each, and subscription price of € 0,36.

The share capital increase through cash payment was completed on 18.10.2017 and the amount paid was € 63.459.341,82, which was allocated to € 62.851.774,68 in the share capital account and € 607.567,14 to the share premium account.

d) issuance of 163.984.878 new shares of the Company with a nominal value of € 0.36348 each following the conversion of 163.984.878 Convertible Bonds of a nominal value of € 0,36348 each held by the participating bank lenders and the Scheme creditors.

The Board of Directors of Frigoglass on 23.10.2017 ratified the relevant share capital increase as a result of the above conversion by the amount of € 59.034.556,08. Due to the fact that the share capital increase resulted from the conversion of existing borrowings, the issued capital was recognized at its fair value, ie the stock market value of the shares at the date of the issue, which on November 16, 2017 was € 0,147 per share. As a result, the difference from the nominal value of the shares of € 34.929 thousands was recognized to the share premium account.

The share capital of the Group as at **31.12.2017** comprised of **355.437.751** fully paid up ordinary shares with an nominal value of € 0,36 each.

	Number of shares	Share capital -000' Euro-	Share premium -000' Euro-
Balance at 01.01.2016	**50.593.832**	**15.178**	**2.755**
Balance at 31.12.2016	**50.593.832**	**15.178**	**2.755**
Balance at 01.01.2017	**50.593.832**	**15.178**	**2.755**
Reverse Share Split	(33.729.222)	-	-
Transfer to reserves due to the decrease of the nominal value of each share	-	(9.107)	-
Share capital increase at 18.10.2017	174.588.263	62.852	608
Share capital increase at 23.10.2017	163.984.878	59.035	(34.929)
Cost for the share capital increase	-	-	(2.235)
Balance at 31.12.2017	**355.437.751**	**127.958**	**(33.801)**

Note 15 - Share capital - Treasury shares - Dividends & Share options (continued)

B) Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the Shareholders' Meeting.

C) Share Options

The establishment of the Frigoglass Stock Option Plan was approved by shareholders at the 2007 Annual General Meeting and subsequently in 2009, 2010, 2012 and 2014.

The Stock Option Plan is designed to provide long-term incentives for senior managers and members of the Management Committee to deliver long-term shareholder returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options vest in one-third increments each year for three years and can be exercised for up to 10 years from the date of award. When the options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (at the nominal value) and share premium.

The exercise price of options is determined by the General Meeting.

In the 1st Repetitive General Meeting of shareholders of Frigoglass S.A.I.C. held on Tuesday June 27, 2017, shareholders approved the increase of the nominal value of each common registered share of the Company from € 0,30 to € 0,90 through the merger of every 3 existing shares to 1 new share and the parallel decrease of the total number of shares from 50.593.832 to 16.864.610 (reverse share split 3:1).

A summary of stock option activity in 2017 and 2016 under all plans is as follows:

	2017		2016	
	Weighted Average exercise price (€)	**Number of stock options**	**Weighted Average exercise price (€)**	**Number of stock options**
Beginning Balance 01/01	**3,76**	**1.833.541**	**4,53**	**1.575.606**
Adjusted* Balance 1/1	**11,27**	**611.096**	**4,53**	**1.575.606**
Grants	-	-	0,15	279.500
Expirations	47,49	(8.658)	13,15	(21.564)
Forfeitures	12,53	(268.204)	-	-
Ending Balance 31/12	**9,32**	**334.234**	**3,76**	**1.833.541**
Vested and exercisable 31/12	**10,05**	**308.625**	**4,32**	**1.540.539**

* Adjusted for the 3:1 reverse share split in 2017

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	**Expiry date**	**Exercise price (€)**	**Share options 31 December 2017**
19.06.2009	31.12.2018	9,21	47.819
11.12.2009	31.12.2018	9,21	3.542
17.11.2010	31.12.2019	16,62	21.663
03.01.2011	31.12.2020	16,62	24.232
10.12.2012	31.12.2021	16,62	30.897
23.10.2013	31.12.2022	16,77	31.160
27.06.2014	31.12.2023	11,37	42.328
15.05.2015	31.12.2024	5,70	49.657
04.11.2015	31.12.2024	6,63	6.666
26.07.2016	31.12.2025	0,45	76.271
		Total	**334.234**

Weighted average remaining contractual life of options outstanding at the end of period **5,10**

Note 16 - Other reserves

	Consolidated					
	Statutory reserves	Share option reserve	Extraordinary reserves	Tax free reserves	Currency translation reserve	Total
Balance at 01.01.2016	**4.177**	**667**	**8.905**	**6.831**	**(7.580)**	**13.000**
Additions for the year	-	27	-	-	-	27
Exchange differences	-	-	(1.159)	-	(25.641)	(26.800)
Balance at 31.12.2016	**4.177**	**694**	**7.746**	**6.831**	**(33.221)**	**(13.773)**
Balance at 01.01.2017	**4.177**	**694**	**7.746**	**6.831**	**(33.221)**	**(13.773)**
Transfer from share capital	-	-	7.178	1.929	-	9.107
Expiration / forfeiture of stock options	-	(24)		-	-	(24)
Exchange differences	-	-	(286)	-	(7.256)	(7.542)
Balance at 31.12.2017	**4.177**	**670**	**14.638**	**8.760**	**(40.477)**	**(12.232)**

Note 16 - Other reserves (continued)

	Parent Company				
	Statutory reserves	Share option reserve	Extraordinary reserves	Tax free reserves	Total
Balance at 01.01.2016	**4.020**	**667**	**4.835**	**6.831**	**16.353**
Additions for the year	-	27	-	-	**27**
Balance at 31.12.2016	**4.020**	**694**	**4.835**	**6.831**	**16.380**
Balance at 01.01.2017	**4.020**	**694**	**4.835**	**6.831**	**16.380**
Expiration / forfeiture of stock options	-	(24)	-	-	(24)
Transfer from share capital	-	-	7.178	1.929	9.107
Balance at 31.12.2017	**4.020**	**670**	**12.013**	**8.760**	**25.463**

A statutory reserve is created under the provisions of Hellenic law (Law 2190/20) according to which, an amount of at least 5% of the profit (after tax) for the year must be transferred to this reserve until it reaches one third of the paid up share capital. The statutory reserve can not be distributed to the shareholders of the Company except for the case of liquidation.

The share option reserve refers to the established Stock Option Plan provided to senior managers and members of the Management Committee, as described in Note 15.

The Company has created tax free reserves, in accordance with several Hellenic tax laws, during the years, in order to achieve tax deductions, either
a) by postponing the settlement of tax liabilities until the distribution of the reserves to the shareholders, or
b) by eliminating any future income tax payment related to the issuance of bonus shares to the shareholders.
Should the reserves be distributed to the shareholders as dividends, the distributed profits will be taxed with the applicable rate at the time of distribution.
No provision has been recognized for contingent income tax liabilities in the event of a future distribution of such reserves to the Company's shareholders since such liabilities are recognized at the same time as the dividend liability associated with such distributions.

Note 17 - Financial expenses

	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Interest expense	16.918	22.622	7.335	7.626
Interest income	(1.627)	(982)	(4)	(5)
Net interest expense / <income>	**15.291**	**21.640**	**7.331**	**7.621**
Exchange loss / (gain) & Other Financial costs	4.013	(15.971)	2.492	(1.496)
Loss / <Gain> on derivative financial instruments	-	4.076	-	203
Total finance cost / <income>	**19.304**	**9.745**	**9.823**	**6.328**
Total finance cost / <income> from discontinued operations	**1.420**	**7.511**	**-**	**-**

For the reduction of Interest expenses, reference is made in Note 13 about Non current & current borrowings.

Interest rate risk sensitivity analysis

The Group's principal sources of finance consist of Bond Loans, local overdraft facilities, short- and long-term local bank borrowing facilities and Revolving Credit Facilities (RCFs).

The ratio of the fixed to floating interest rates of the Group's principal sources of finance as at **31 December 2017** amounts to **64% / 36%.**

The exposure to interest rate risk on the Group's income and cash flows from financing activities is set out below with the relevant sensitivity analysis.

in € 000's		Volatility of Interest Rates (+/-)	Effect on Profit / <Loss> before income tax
01.01.2017 - 31.12.2017	-EURO	1,00%	1.532
	-USD	1,00%	215
	-INR	1,00%	26
		Total	**1.773**

Note 18 - Income tax

	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Corporate tax	16.497	15.587	780	3.877
Prior years corporate tax	-	991	-	-
Deferred tax	(1.059)	2.938	-	-
Total	**15.438**	**19.516**	**780**	**3.877**

	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
		Restated Note 37		
Profit / <Loss> before income tax	**50.333**	**(21.021)**	**(47.087)**	**(22.054)**
Tax calculated at the nominal tax rates	**2.612**	**(2.381)**	**(13.655)**	**(6.396)**
Tax effects of:				
Adjustment in respect of prior years	-	991	-	-
Income not subject to tax	(12.249)	-	-	-
Expenses not deductible for tax purposes	13.445	6.047	10.778	4.396
Tax losses for which no deferred income tax asset was recognized	9.726	10.314	2.877	2.000
Other taxes	1.904	4.545	780	3.877
Tax expense as of income statement	**15.438**	**19.516**	**780**	**3.877**

The Group did not recognize deferred tax assets for accumulated tax losses € 26 m., for Greece, Indonesia, India, South Africa, Kenya, Cyprus, Germany, Norway because the future taxable profits within the next years, most probably, will not be adequate to cover the current accumulated tax losses or because for some companies with accumulated losses of € 100 m. the tax rate of the country is 0%.

Note 18 - Income tax (continued)

The income tax rates in the countries where the Group operates are between **0%** and **33%**.

A part of non deductible expenses, tax losses for which no deferred income tax asset was recognised, the different tax rates in the countries in which the Group operates, incomes not subject to tax and other taxes create the final effective tax rate for the Group.

Audit Tax Certificate

For the financial years 2011 to 2017, all Hellenic Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an "Annual Tax Certificate" as provided for by paragraph 5 of Article 82 of L.2238/1994 for the financial years **2011-2013** and the Article 65A of L.4174/2013 for the financial years **2014-2017**. This "Annual Tax Certificate" must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements.
Upon completion of the tax audit, the statutory auditor or audit firm must issue a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance.

For the years 2011 up to 2016 a respective "Tax Certificate" has been issued by the statutory Certified Auditors in accordance with art 65A of Law 4174/2013, without any qualification or matter of emphasis as pertains to the tax compliance of the Company.

The year 2017 is also audited by the company's certified auditor, the "Tax Certificate" of which has not been issued as yet, since its filing deadline is 31 October 2018.

For financial year 2017, tax audit is in progress and the Company's management does not expect that additional tax liabilities will arise for this year.

Unaudited Tax Years

The Parent Company has not been audited by tax authorities for the 2010 financial year.
Up to **31.12.2017** we have not been officially served with any audit mandate by the competent Greek tax authorities for the year 2010.
Consequently, the State is not anymore entitled, due to the lapse of the statute of limitation, to issue assessment sheets and assessment acts for taxes, duties, contributions and surcharges for the years up to and including 2010, pursuant to the following provisions:

(a) para. 1 art. 84 of Law 2238/1994 (unaudited cases of Income taxation),

(b) para. 1 art. 57 of Law 2859/2000 (unaudited cases of Value Added Tax), and,

(c) para. 5 art. 9 of Law 2523/1997 (imposition of penalties for income tax cases).

For the Parent Company, the "Tax Compliance Report" for the financial years 2011 - 2016 has been issued with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the annual financial statements of 2011 - 2016.
The Parent company received an audit mandate for a tax re-examination for 2012.

The tax returns of the Parent Company and the Group's subsidiaries have not been assessed by the tax authorities for different periods (see the table below).

Until such time the special tax audit of the companies in the below table is completed, the tax burden for the Group relating to those years cannot be accurately determined. The Group is raising provisions for any additional taxes that may result from future tax audits to the extent that the relevant liability is probable and may be reliably measured.

For the unaudited tax years of the Group, a cumulative provision of **€ 1,3 m.** has been raised up to **31 December 2017**.

Note 18 - Income tax (continued)

Note:

In some countries, the tax audit is not mandatory and may only be performed under certain conditions.

Company	Country	Unaudited tax years	Line of Business
Frigoglass S.A.I.C. - Parent Company	Greece	2017	Ice Cold Merchandisers
SC. Frigoglass Romania SRL	Romania	2010-2017	Ice Cold Merchandisers
PT Frigoglass Indonesia	Indonesia	2014-2017	Ice Cold Merchandisers
Frigoglass South Africa Ltd.	S. Africa	2012-2017	Ice Cold Merchandisers
Frigoglass Eurasia LLC	Russia	2014-2017	Ice Cold Merchandisers
Frigoglass (Guangzhou) Ice Cold Equipment Co. ,Ltd.	China	2017	Ice Cold Merchandisers
Frigoglass Ltd.	Ireland	2002-2017	Sales Office
Frigoglass Iberica SL	Spain	2004-2017	Sales Office
Frigoglass Spa zo.o	Poland	2009-2017	Sales Office
Frigoglass India PVT.Ltd.	India	2016-2017	Ice Cold Merchandisers
Frigoglass Turkey Soğutma Sanayi İç ve Dış Ticaret Anonim Şirketi	Turkey	2016-2017	Sales Office
Frigoglass North America Ltd. Co	USA	2008-2017	Sales Office
Frigoglass Philippines Inc.	Philippines	2012-2017	Sales Office
Frigoglass Jebel Ali FZE	Dubai	-	Glass Operation
Beta Glass Plc.	Nigeria	2014-2017	Glass Operation
Frigoglass Industries (NIG.) Ltd.	Nigeria	2014-2017	Crowns & Plastics
Frigoglass West Africa Limited	Nigeria	2015-2017	Ice Cold Merchandisers
3P Frigoglass Romania SRL	Romania	2009-2017	Plastics
Frigoglass East Africa Ltd.	Kenya	2014-2017	Sales Office
Frigoglass GmbH	Germany	2011-2017	Sales Office
Scandinavian Appliances A.S	Norway	2010-2017	Sales Office
Frigoglass Nordic AS	Norway	2010-2017	Sales Office
Norcool Holding A.S	Norway	2010-2017	Holding Company
Frigoglass Cyprus Limited	Cyprus	2011-2017	Holding Company
Frigoglass Global Limited	Cyprus	2015-2017	Holding Company
Frigoinvest Holdings B.V	Netherlands	2013-2017	Holding Company
Frigoglass Finance B.V	Netherlands	2013-2017	Financial Services

The Group Management is not expecting significant tax liabilities to arise from the specific tax audit of the open tax years of the Company as well as of other Group entities in addition to the ones already disclosed in the consolidated financial statements and estimates that the results of the tax audit of the unaudited tax years will not significantly affect the financial position, the asset structure, the profitability and the cash flows of the Company and the Group.

Note 19 - Commitments

Capital commitments

The capital commitments contracted for but not yet incurred at the balance sheet date **31.12.2017** for the Group amounted to **€ 709 thousands** (**31.12.2016**: € 36 thousands) and relate mainly to purchases of machinery. There are no capital commitments for the Parent Company for the years ended **31.12.2016** and **31.12.2017**.

Operating lease commitment

The Group leases buildings and vehicles under operating leases.
Total future lease payments under operating leases are as follows:

	Consolidated					
	31.12.2017			31.12.2016		
	Buildings	Vehicles	Total	Buildings	Vehicles	Total
Within 1 year	1.936	435	2.371	2.065	523	2.588
Between 1 to 5 years	3.460	1.150	4.610	4.352	343	4.695
Over 5 years	1.368	9	1.377	2.786	-	2.786
Total	**6.764**	**1.594**	**8.358**	**9.203**	**866**	**10.069**

	Parent Company					
	31.12.2017			31.12.2016		
	Buildings	Vehicles	Total	Buildings	Vehicles	Total
Within 1 year	273	241	514	266	305	571
Between 1 to 5 years	545	877	1.422	798	89	887
Over 5 years	-	9	9	-	-	-
Total	**818**	**1.127**	**1.945**	**1.064**	**394**	**1.458**

Note 20 - Related party transactions (based on IAS 24)

Truad Verwaltungs A.G is the main shareholder of Frigoglass S.A.I.C with **48,55%** shareholding.
Truad Verwaltungs A.G. has also a **23%** stake in Coca-Cola HBC AG share capital.

In April 2016 Frigoglass Finance B.V. signed a loan agreement of a total amount of € 30 m. with BOVAL S.A on the same terms as the RCFs.
BOVAL S.A in Luxembourg is a subsidiary of Truad Verwaltungs A.G.
In October 2017 BOVAL S.A. participated in the share capital increase and the loan was paid.

in € 000's	**31.12.2017**	**31.12.2016**
BOVAL S.A. : Participation in the share capital increase	60.000	0
Balance of loan with the BOVAL S.A.	0	30.000
Loan interest to BOVAL S.A.	248	1.211

The Coca-Cola HBC AG is a non alcoholic beverage company. Apart from the common share capital involvement of Truad Verwaltungs A.G. at **23%** with Coca-Cola HBC AG, Frigoglass is the major shareholder in Frigoglass Industries Ltd. and Frigoglass West Africa Ltd. based on Nigeria, with shareholding of 76,0%, where Coca-Cola HBC AG also owns a 23,9% equity interest.

Coca-Cola HBC AG Agreement:

Based on a contract that has been renewed until 31.12.2020 the Coca-Cola HBC AG purchases ICM's from the Frigoglass Group at yearly negotiated prices.

A.G. Leventis Lease Agreement:

Truad Verwaltungs A.G. has also a 50,7% stake in A.G. Leventis Nigeria Plc.

Frigoglass Industries Nigeria is party to an agreement with A.G. Leventis Nigeria Plc. for the lease of office space in Lagos, Nigeria. The lease agreement is renewed annually.

The investments in subsidiaries are reported to Note 14.

a) The amounts of related party transactions and balances were:

	Consolidated		**Parent Company**	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Sales of goods and services	123.621	126.285	13.611	14.788
Purchases of goods and services	219	362	15	116
Receivables / <Payables>	18.165	20.117	2.272	655

b) The intercompany transactions and balances of the **Parent** company with the Group's subsidiaries were:

	31.12.2017	31.12.2016
Sales of goods	5.352	5.750
Other services	771	841
Income from subsidiaries: Services fees and royalties on sales	16.797	16.291
Income from subsidiaries: commissions on sales	350	926
Purchases of goods / Expenses from subsidiaries	13.583	14.696
Interest expense	7.335	7.626
Receivables	14.312	30.066
Payables	23.895	16.664
Loans payables (note 13)	33.702	91.559

c) The fees to members of the Board of Directors and Management compensation include wages, indemnities and other employee benefits and the amounts are:

	Consolidated		**Parent Company**	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Fees for Board of Directors	130	170	130	170
Management compensation	2.488	2.851	2.137	2.329

Note 21 - Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to shareholders, by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company (treasury shares).

The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the decrease in the number of ordinary shares due to the reverse split adjusted retrospectively and the increase in the number of ordinary shares issued during the year due to the share capital increase with cash and the share capital increase with the conversion of bonds (Note 15) , multiplied by a time-weighting factor.

Given that the average share price for the year is not in excess of the available stock options' exercise price, there is no dilutive effect.

According IAS 33, the weighted average number of shares for 2017 and the comparative of 2016 has been adjusted to a 1/3 rate to reflect the effect of reverse split on earnings per share, which was decided at the 1st Repetitive General Meeting of shareholders on June 27, 2017.

		Restated Note 37		
	Consolidated		Parent Company	
in 000's €	Year ended		Year ended	
(apart from earning per share and number of shares)	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Profit / <Loss> after income tax **from Continuing operations** attributable to the shareholders of the company	27.606	(49.495)	(47.867)	(25.931)
Profit / <Loss> after income tax **from Discontinued operations** attributable to the shareholders of the company	(19.958)	(39.735)	-	-
Profit / <Loss> after income tax for attributable to the shareholders of the company	7.648	(89.230)	(47.867)	(25.931)
Weighted average number of ordinary shares for the purposes of basic earnings per share	83.709.741	16.864.610	83.709.741	16.864.610
Weighted average number of ordinary shares for the purpose of diluted earnings per share	83.709.741	16.864.610	83.709.741	16.864.610
a) Basic:				
Profit / <Loss> per share after taxes from Continuing operations attributable to the shareholders of the company	0,3298	(2,9348)	(0,5718)	(1,5376)
Profit / <Loss> per share after taxes from Discontinued operations attributable to shareholders of the company	(0,2384)	(2,3561)	-	-
Basic earnings / <losses> per share	**0,0914**	**(5,2910)**	**(0,5718)**	**(1,5376)**
b) Diluted:				
Profit / <Loss> per share after taxes from Continuing operations attributable to the shareholders of the company	0,3298	(2,9348)	(0,5718)	(1,5376)
Profit / <Loss> per share after taxes from Discontinued operations attributable to the shareholders of the company	(0,2384)	(2,3561)	-	-
Diluted earnings / <losses> per share	**0,0914**	**(5,2910)**	**(0,5718)**	**(1,5376)**

Note 22 - Contingent liabilities

The Parent company has contingent liabilities in respect of bank guarantees on behalf of its subsidiaries arising from the ordinary course of business.

Pledged fixed assets as at 31.12.2017 are described in detail in Note 13 - Non current and current borrowings.

Based on the loan agreements each guarantor guarantees separately for the total amount of the loan up the amount of € 261m.. See Note 13 for the guarantors.

	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Guarantees	**260.612**	**371.429**	**260.612**	**406.294**

There are no significant litigations or arbitration disputes between judicial or administrative bodies that have a significant impact on the financial statements or the operation of the Company or the Group.

Note 23 - Seasonality of operations

Net Sales revenue

Quarter	Consolidated 2017		2016	
Q1	88.214	23%	93.554	24%
Q2	115.560	30%	130.155	34%
Q3	76.045	20%	75.664	20%
Q4	106.230	28%	82.965	22%
Total Year	**386.049**	**100%**	**382.338**	**100%**

As shown above the Group's operations exhibit seasonality.

Note 24 - Post balance sheet events

On 2 April 2018 the Company announced to sell the entire share capital of its wholly owned glass container subsidiary Frigoglass Jebel Ali FZE to ATG Investments Limited. The total cash consideration of the transaction amounts to US $ 12,5m., on a debt-free basis. US $ 5m. will be payable on completion of the transaction, with a further US $ 7,5m. in 4 installments over 4 years following completion of the transaction. The above payments are subject to working capital and other customary adjustments.

There are no other post-balance events which are likely to affect the financial statements or the operations of the Group and the Parent company apart from the ones mentioned above.

Note 25 - Average number of personnel

The average number of personnel per operation for the Group & for the Parent company are listed below:

Operations	Consolidated 31.12.2017	Consolidated 31.12.2016
ICM Operations	3.644	3.611
Glass Operations	1.398	1.250
Total	**5.042**	**4.861**
Discontinued operations	**327**	**331**

	Parent Company 31.12.2017	Parent Company 31.12.2016
Average number of personnel	**206**	**210**

	Consolidated 31.12.2017	Consolidated 31.12.2016	Parent Company 31.12.2017	Parent Company 31.12.2016
Wages & salaries	52.771	53.053	11.087	9.516
Social contribution	6.042	6.006	1.946	1.908
Total Payroll (Note 29)	**58.813**	**59.059**	**13.033**	**11.424**
Pension plan (defined contribution)	2.188	1.580	1.397	619
Retirement benefit (defined benefit) (**Note 31**)	2.153	2.263	605	387
Provision for stock option plan	(24)	27	(24)	27
Employee benefits, personnel expenses	8.979	8.219	2.195	1.440
Total Continuing operations	**72.109**	**71.148**	**17.206**	**13.897**
Total Payroll discontinued operations	**5.460**	**6.220**		

Note 26- Other operating income & Other gains/<losses> - net

	Consolidated		Parent Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Other operating income				
Income from subsidiaries: Services fees & royalties on sales	-	-	16.797	16.291
Income from subsidiaries: Commission on sales	-	-	350	926
Revenues from insurance claims	1.345	374	1.345	-
Revenues from scraps sales	858	162	-	-
Other charges to customers	1.253	1.363	-	-
Other	2.931	1.622	31	(98)
Total: Other operating income	**6.387**	**3.521**	**18.523**	**17.119**

	Consolidated		Parent Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Other gains<losses> - net				
Profit/<Loss> from disposal of property, plant & equipment	4.670	(41)	-	-
Discounts from suppliers for previous years	-	31	-	-
Other	(560)	(195)	(24)	71
Total: Other gains/<losses> - net	**4.110**	**(205)**	**(24)**	**71**

Profit/<Loss> from disposal of property, plant & equipment derived mainly from the sale of the building in China.

Note 27 -Reconciliation of EBITDA

Continuing operations	Consolidated		Parent Company	
	Year ended		Year ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit / <Loss> before income tax	**50.333**	**(21.021)**	**(47.087)**	**(22.054)**
plus: Depreciation	21.108	24.105	3.515	3.535
plus: Impairment of tangible assets & goodwill	1.607	1.785	784	-
plus: Restructuring costs	(38.243)	22.326	34.501	9.022
plus: Finance <costs> / income *	19.304	9.745	9.823	6.328
EBITDA	**54.109**	**36.940**	**1.536**	**(3.169)**

* Finance <costs> / income = Interest expense - Interest income +/- Exchange Gain/Loss - Other Financial costs **(Note 17)**

Note 28 - Restructuring gains/<losses>

	Consolidated	Parent Company
	31.12.2017	
Capital Restructuring Expenses:		
Consulting fees	(42.256)	(34.501)
Profit from debt restructuring	80.499	-
Restructuring gains/<losses>	**38.243**	**(34.501)**

The Group has completed the process of restructuring for borrowings and share capital.
Restructuring was completed in October 2017.

For this process, the group worked with Legal and Financial Advisers.

The profit from the restructuring of the debt of € 80,5 m. consists of the write-off of loans of € 45 m. and € 35,5 m. from the difference between the fair value of the issued shares and the nominal value of the convertible bonds converted into shares. (see Note 13 & Note 15)

	Consolidated	Parent Company
	31.12.2016	
Capital restructuring expenses - Consulting fees	**(8.832)**	**(8.739)**
<Losses> for restructuring activities of ICM Operations	(13.494)	(283)
Restructuring gains/<losses>	**(22.326)**	**(9.022)**

<Losses> from restructuring activities of ICM Operations

On July 15, 2016 Frigoglass SAIC announced the change of its operating model in the Asian market.
This change included the discontinuation of the manufacturing operations at the Guangzhou based facility in China by the end of the third quarter of 2016.
Chinese production volume was consolidated in India and Indonesia, where our focus on operational excellence freed up capacity to absorb the additional volume.
Frigoglass maintained its commercial and customer service activities in the Chinese market, seamlessly continuing to serve the requirements of its customers from the existing manufacturing network. This decision enabled the optimization of the production capacity in Asia, improved the company's fixed cost structure and strengthened its long-term competitiveness.
Through its established presence and access to the Chinese supply base, Frigoglass maintains a robust and efficient supply chain for the Group, securing its ability to produce high quality and cost efficient products.

During 2016 the Group made several changes and reorganised the management structure of ICM Operations with a material effect in the manner in which the business is conducted and on the focus of the Group Operations.

<Losses> from restructuring activities of ICM Operations	
Impairment of tangible & intangible assets	(6.025)
Impairment of inventories	(1.262)
Indemnities and other restructuring costs	(6.207)
<Losses> from restructuring activities of ICM Operations	**(13.494)**

Note 29 - Expenses by nature

The expenses of the Group and Parent company are analyzed below:

	Consolidated		Parent Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Raw materials, consumables, energy & maintenance	215.463	216.829	15.963	16.573
Wages & salaries **(Note 25)**	58.813	59.059	13.033	11.424
Transportation expenses	11.666	10.602	995	807
Employee benefits, personnel expenses **(Note 25)**	8.979	8.219	2.195	1.440
Travel & car expenses	4.396	4.309	1.377	1.192
Provision for staff leaving indemnities and actual cost paid **(Note 31)**	2.357	2.263	605	387
Audit & third party fees	15.728	15.102	3.391	5.358
Rent, insurance, leasing payments and security expenses	6.864	6.888	1.089	985
Provisions for trade debtors, inventories, warranties and free of charge goods	5.764	10.689	(614)	4.406
Promotion and after sales expenses	11.270	13.235	3.138	2.986
Telecommunications, subscriptions and office supply expenses	1.018	1.164	209	214
Other expenses	941	1.398	1.613	1.964
Provision for stock options **(Note 15 & 16)**	(24)	27	(24)	27
Depreciation	21.108	24.105	3.515	3.535
Government grant income for exports	(798)	(1.070)	-	-
Total	**363.545**	**372.819**	**46.485**	**51.298**

Categorized as:

	Consolidated		Parent Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Cost of goods sold	318.508	319.088	24.728	25.491
Administration expenses	22.157	23.080	15.243	15.744
Selling, distribution & marketing expenses	19.142	26.566	4.141	7.944
Research & development expenses	3.738	4.085	2.373	2.119
Total	**363.545**	**372.819**	**46.485**	**51.298**

Depreciation allocated to:	Consolidated		Parent Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Cost of goods sold	15.294	17.610	434	355
Administration expenses	3.039	3.528	1.131	1.281
Selling, distribution & marketing expenses	158	239	71	70
Research & development expenses	2.617	2.728	1.879	1.829
Total	**21.108**	**24.105**	**3.515**	**3.535**

Audit fees and other services of the auditor:
Audit and other fees charged in the income statement concerning the audit firm PricewaterhouseCoopers and its network in Greece, were as follows, for the year ended 31.12.2017 in €000's:

Audit fees	397
Tax certificate	75
Other fees	378
Total fees	**850**

Note 30 - Provisions for other liabilities & charges

	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Provisions for warranties	3.356	2.904	-	-
Other provisions	554	616	-	56
Total provision for other liabilities and charges	**3.910**	**3.520**	**-**	**56**

Provisions for Warranties	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Opening balance	**2.904**	**2.796**	**-**	**-**
Additional provision for the year	1.377	531	-	-
Unused amounts reversed	(592)	(181)	-	-
Charged to income statement	**785**	**350**	**-**	**-**
Utilized during the year	(218)	(276)	-	-
Exchange difference	(115)	34	-	-
Closing balance	**3.356**	**2.904**	**-**	**-**

As at 31 December 2017 the total provision is consistent with the Group's warranty policy and assumes that no extraordinary quality control issues will arise on the basis that no such indicators exist as at the date of approval of these financial statements.

Other Provisions	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Opening balance	**616**	**1.110**	**56**	**56**
Additional provision for the year	36	56	-	-
Unused amounts reversed	(56)	(452)	(56)	-
Charged to income statement	**(20)**	**(396)**	**(56)**	**-**
Reclassification of accounts	-	(99)	-	-
Exchange difference	(42)	1	-	-
Closing balance	**554**	**616**	**-**	**56**

The category "Other provisions" includes mainly provisions for taxes on sales.

	Consolidated		Parent Company	
Total provisions for other liabilities & charges	**3.910**	**3.520**	**-**	**56**

Note 31 - Retirement benefit obligations

	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Retirement benefit	14.510	16.536	5.056	5.088
Total retirement benefit obligations	**14.510**	**16.536**	**5.056**	**5.088**

The amounts recognized in the income statement are as follows:	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Current service cost	1.027	922	241	261
Interest cost	1.210	1.318	85	103
Past service cost	120	23	279	23
Total	**2.357**	**2.263**	**605**	**387**

Movement in the net liability recognized on the balance sheet:	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net liability at the beginning of the period	**16.536**	**21.778**	**5.088**	**5.049**
Benefits paid	(1.106)	(598)	(585)	(348)
Total expenses recognized in the income statement	2.153	2.263	605	387
Total expenses recognized in the income statement / Discontinued operations	204	-	-	-
Total amount recognized in the OCI	(40)	(1.543)	(52)	-
Exchange difference	(1.477)	(5.364)	-	-
Net liability at the end of the period	**16.270**	**16.536**	**5.056**	**5.088**
Liabilities directly associated with assets classified as held for sale	**(1.760)**	**-**	**-**	**-**
Net liability at the end of the period	**14.510**	**16.536**	**5.056**	**5.088**

Note 31 - Retirement benefit obligations (continued)

Main assumptions used:	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Discount rate	7,52%	8,51%	1,58%	1,71%
Salary increase	9,01%	9,03%	1,75%	1,75%
Plan duration	10,76	10,87	15,12	15,43

The components of recognized actuarial <gain> / loss charged directly to other comprehensive income (OCI) are as follows:

	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Change in financial and other assumptions	(40)	(1.543)	(52)	-
Recognized actuarial <gain> / loss to OCI	**(40)**	**(1.543)**	**(52)**	**-**

The major defined benefit plans of the Group are those of the Greek and Nigerian entities, which are subject to the local legislation.

Employees of Frigoglass subsidiaries in Greece and Nigeria are entitled to retirement indemnities, generally based on the employee's length of service, employment category and remuneration.
These are unfunded plans with obligation of payment at the date when they fall due.

The liabilities arising from such obligations are valued by independent firm of actuaries.
The last actuarial valuations were undertaken in December 2017.

Sensitivity analysis for significant assumptions

A quantitative sensitivity analysis for significant assumptions as at **31.12.2017** is shown below:

	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Discount rate 0,5% higher	(412)	(274)	(355)	(219)
Discount rate 0,5% lower	461	623	388	564

In the following 12 months no significant cash outflows are expected.

Note 32 - Deferred tax

Deferred tax asset	Tax losses carried forward	Provisions & Liabilities	Pensions & employee benefit plan	Unrealized exchange differences	Other	Total
	Consolidated					
Balance at 01.01.2017	**-**	**2.590**	**2.698**	**1.669**	**4**	**6.961**
Charged to income statement	891	(112)	366	(1.499)	4	(350)
Charged to equity	-	-	(55)	-	-	(55)
Exchange differences	(51)	(2)	(343)	(75)	(2)	(473)
Balance at 31.12.2017	**840**	**2.476**	**2.666**	**95**	**6**	**6.083**

Deferred tax liabilities	Accelerated tax depreciation	Unrealized exchange differences	Other	Total
Balance at 01.01.2017	**14.295**	**7.326**	**14**	**21.635**
Charged to income statement	(1.198)	(215)	4	(1.409)
Charged to equity	-	-	-	-
Exchange differences	(1.159)	(883)	-	(2.042)
Balance at 31.12.2017	**11.938**	**6.228**	**18**	**18.184**

Net deferred tax asset / (liability)	**(12.101)**

Closing balance at:	Consolidated 31.12.2017	Consolidated 31.12.2016
Deferred tax assets	1.432	1.683
Deferred tax liabilities	13.533	16.357
Net deferred tax asset / (liability)	**(12.101)**	**(14.674)**

Note 32 - Deferred tax (continued)

	Consolidated				
	Provisions & Liabilities	Pensions & employee benefit plan	Unrealized exchange differences	Other	Total
Deferred tax asset					
Balance at 01.01.2016	**3.979**	**4.806**	**1.244**	**4**	**10.033**
Charged to income statement	(1.006)	(722)	410	-	(1.318)
Charged to equity	-	(494)	-	-	(494)
Exchange differences	(383)	(892)	15	-	(1.260)
Balance at 31.12.2016	**2.590**	**2.698**	**1.669**	**4**	**6.961**

		Accelerated tax depreciation		Other	Total
Deferred tax liabilities					
Balance at 01.01.2016		**15.866**	**7.326**	**14**	**23.206**
Charged to income statement		1.620	-	-	1.620
Charged to equity		-	-	-	-
Exchange differences		(3.191)	-	-	(3.191)
Balance at 31.12.2016		**14.295**	**7.326**	**14**	**21.635**

Net deferred tax asset / (liability)	**(14.674)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against tax liabilities and when the deferred income taxes relate to the same fiscal authority. The majority portion of deferred tax asset / liability is to be recovered after more than 12 months. The Group recognised a deferred tax asset with respect to tax losses carried forward only to the extend that it believes can be utilised in the immediate future.

Note 33 - Bank deposits analysis

Bank credit rating (S&P, Fitch, Moody's rating)

		Consolidated		Parent Company	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
BBB+	Citibank	1.456	1.584	15	17
B	I.B.T.C (Stanbic)	29.010	33.596	-	-
A	HSBC	8.991	10.493	544	621
BBB+	China Merchand Bank (CMB)	133	581	-	-
AA-	TD Bank	613	167	-	-
BBB+	First National Bank (S.Africa)	1.451	2.487	-	-
CCC+	Alpha Bank	4.860	738	106	52
Ba2	Sberbank	3.170	1.242	-	-
CCC+	Eurobank Ergasias	946	2.621	325	344
A+	D n B Nor Bank (Norway)	725	708	-	-
Baa1	ING Group	61	1.305	-	-
N/A	Millennium	-	3	-	-
N/A	Other Banks	1.706	1.988	7	109
Total		**53.122**	**57.513**	**997**	**1.143**

Note 34 - Short & long term borrowing analysis

Bank credit rating (S&P, Fitch, Moody's rating)

		Consolidated		Parent Company	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
N/A	Bond loan	177.929	247.628	33.702	91.559
BBB+	Citibank	9.330	11.722	-	-
B	I.B.T.C (Stanbic)	2.857	563	-	-
A	HSBC	23.369	30.887	-	-
CCC+	Alpha Bank	18.359	21.966	-	-
Ba2	Sberbank	27.000	20.078	-	-
CCC+	Eurobank Ergasias	14.427	19.031	-	-
	Shareholders loan	-	30.000	-	-
N/A	Other Banks	2.584	-	-	-
Total		**275.855**	**381.875**	**33.702**	**91.559**

The Group has available sufficient credit facilities and is also able to obtain new facilities to cover both operational requirements as well as any strategic expansion initiatives.

Note 35 - Customer analysis

Trade debtors: Credit rating (S&P rating)	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
CCH Group (BBB+)	18.165	20.117	2.272	655
Other Coca-Cola bottlers (N/A)	27.450	16.670	5.152	5.920
Diageo Group / Guinness (A-)	2.635	3.009	-	-
Heineken Group (BBB+)	10.336	5.776	277	872
Pepsi Group (A+)	5.904	6.533	3	68
Other (N/A)	26.528	34.756	2.142	2.216
Total	**91.018**	**86.861**	**9.846**	**9.731**

Sales to key customers are made based on an annual planning that has been agreed with the customer.

The aging analysis of the trade debtors is the following:

	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
00 - 30 days	53.034	49.616	1.787	960
31 - 60 days	21.242	11.643	984	338
61 - 90 days	5.124	5.124	794	351
91 - 120 days	2.702	6.222	214	825
121 - 150 days	928	3.242	66	76
151 - 180 days	820	938	-	-
> 180 days	7.168	10.076	6.001	7.181
Total	**91.018**	**86.861**	**9.846**	**9.731**

The overdue analysis of the trade debtors is the following:

	Consolidated		Parent Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Not yet Overdue	75.992	62.840	4.404	3.358
Overdue 00 - 30 days	6.155	8.621	247	107
Overdue 31 - 60 days	1.643	2.458	70	65
Overdue 61 - 90 days	544	1.511	12	280
Overdue 91 - 120 days	515	2.905	14	-
Overdue 121 - 150 days	332	440	5	27
Overdue 151 - 180 days	213	124	-	-
Overdue > 180 days	5.624	7.962	5.094	5.894
Total	**91.018**	**86.861**	**9.846**	**9.731**
Less: Provisions	(6.194)	(9.154)	(5.623)	(6.556)
Net trade debtors	**84.824**	**77.707**	**4.223**	**3.175**

The customers of Frigoglass comprise large international groups like Coca - Cola HBC AG, Coca - Cola Amatil, Coca Cola India, other Coca - Cola bottlers, Diageo - Guinness, Heineken , Efes Group. The Group does not require its customers to provide any pledges or collaterals given the high calibre and international reputation of their portfolio.
The provisions for trade debtors are mainly related to the overdue balances over 180 days.
As at 31.12 trade receivables past due but not impaired exist amounting to € 8,8m relate to customers for which there is no history of default.

Note 36 - Maturity of the undiscounted contractual cash flows of financial liabilities

	Less than 1 year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years
Consolidated 31.12.2017				
Trade creditors	60.985	-	-	-
Other creditors (excluding taxes -duties & social security insurance payable)	36.323	-	-	-
Loans	56.572	12.647	263.766	-
Consolidated 31.12.2016				
Trade creditors	67.103	-	-	-
Other creditors (excluding taxes -duties & social security insurance payable)	36.938	-	-	-
Loans	392.754	4	-	-
Parent Company 31.12.2017				
Trade creditors	3.745	-	-	-
Other creditors (excluding taxes -duties & social security insurance payable)	4.256	-	-	-
Loans	1.987	1.987	39.664	-
Parent Company 31.12.2016				
Trade creditors	5.386	-	-	-
Other creditors (excluding taxes -duties & social security insurance payable)	3.293	-	-	-
Loans	95.739	-	-	-

Note 37 - Restatement

The Group, as part of the process of seeking prospectus approval for the rights issue in connection with the proposed Restructuring, after reassessment of relevant facts and circumstances relating to its subsidiaries, Jebel Ali and Frigoglass South Africa, it has concluded that the carrying value of the fixed assets of the aforementioned subsidiaries and goodwill related to Jebel Ali acquisition as presented in previously issued audited consolidated financial statements for 2016 must be restated.

Based on the Group's preliminary estimation based on updated information, fixed assets of Frigoglass South Africa and Jebel Ali were impaired by an amount € 2m. and an amount € 29,5m. respectively. The goodwill relating to the acquisition of Jebel Ali, that amounted to € 1,5m., is fully impaired.

The necessary restatements, based on IAS 8, are presented to the comparative Consolidated Balance Sheet for the 31 December 2016, with the respective adjustments in the Consolidated Group Equity.

The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The effect of the correction of the figures of 2016 in relation to Balance sheet, Profit and Loss statement, Other Comprehensive Income and Statement of Changes in Equity, that have been affected from the restatement are presented below.

The following table sets out the key assumptions for the calculation of the Value in Use:

	Jebel Ali	South Africa
After - Tax discount rate:	**11,1%**	**10,1%**
Gross margin pre Depreciation:	**-3% - 12,5%**	**-13% - 9,5%**
Growth rate in perpetuity:	**2,4%**	**3,7%**

The difference between the amount of € 33,0m. in the Balance Sheet and € 31,5m. in the Income Statement, equal to € 1,5m., relates to the difference of the average exchange rates used for the conversion in € of the figures of the Income Statement, to the exchange rates used to translate the Balance Sheet figures (Closing rate).

The amount of € 1,5m. for the Currency Translation Differences is reported separately in the Statement of Comprehensive Income.

Note 37 -Restatement (Continued)

The impact of the Restatement on the affected Balance Sheet items is presented below:

	Consolidated		
	Year ended 31.12.2016		
	Restated	Restatement	Published
Assets:			
Property, plant & equipment	132.157	(31.487)	163.644
Intangible assets	14.160	(1.513)	15.673
Deferred tax assets	1.683	-	1.683
Other long term assets	867	-	867
Total non current assets	**148.867**	**(33.000)**	**181.867**
Inventories	93.045	-	93.045
Trade receivables	77.707	-	77.707
Other receivables	27.274	-	27.274
Current tax assets	3.043	-	3.043
Cash & cash equivalents	57.526	-	57.526
Total current assets	**258.595**	**-**	**258.595**
Total assets	**407.462**	**(33.000)**	**440.462**
Liabilities:			
Non current borrowings	4	-	4
Deferred tax liabilities	16.357	-	16.357
Retirement benefit obligations	16.536	-	16.536
Provisions	3.520	-	3.520
Deferred income from government grants	21	-	21
Total non current liabilities	**36.438**	**-**	**36.438**
Trade payables	67.103	-	67.103
Other payables	44.117	-	44.117
Current tax liabilities	6.786	-	6.786
Current borrowings	381.871	-	381.871
Total current liabilities	**499.877**	**-**	**499.877**
Total liabilities	**536.315**	**-**	**536.315**
Equity:			
Share capital	15.178	-	15.178
Share premium	2.755	-	2.755
Other reserves	(13.773)	-	(13.773)
Retained earnings	(172.113)	(33.000)	(139.113)
Equity attributable to equity holders of the parent	**(167.953)**	**(33.000)**	**(134.953)**
Non-controlling interests	39.100	-	39.100
Total Equity	**(128.853)**	**(33.000)**	**(95.853)**
Total liabilities & equity	**407.462**	**(33.000)**	**440.462**

Note 37 -Restatement (Continued)

The impact of the Restatement on the affected Income Statement items is presented below:

	Consolidated Year ended 31.12.2016			
	Restated		Restatement	Published
	Continuing Operations	Continuing & Discontinued Operations		
Net sales revenue	**382.338**	**413.203**	**-**	**413.203**
Cost of goods sold	(319.088)	(351.764)	-	(351.764)
Gross profit	**63.250**	**61.439**	**-**	**61.439**
Administrative expenses	(23.080)	(23.342)	-	(23.342)
Selling, distribution & marketing expenses	(26.566)	(27.293)	-	(27.293)
Research & development expenses	(4.085)	(4.085)	-	(4.085)
Other <losses> / gains	3.316	3.620	-	3.620
Impairment of fixed assets & goodwill	(1.785)	(31.500)	(31.500)	-
Operating Profit / <Loss>	**11.050**	**(21.161)**	**(31.500)**	**10.339**
Finance <costs> / income	(9.745)	(17.257)	-	(17.257)
Profit / <Loss> before income tax & restructuring costs	**1.305**	**(38.418)**	**(31.500)**	**(6.918)**
Restructuring gains/<losses>	(22.326)	(22.338)	-	(22.338)
Profit / <Loss> before income tax	**(21.021)**	**(60.756)**	**(31.500)**	**(29.256)**
Income tax expense	(19.516)	(19.516)	-	(19.516)
Profit / <Loss> after income tax expenses	**(40.537)**	**(80.272)**	**(31.500)**	**(48.772)**
Profit / <Loss> after income tax expenses from discontinued operations attributable to the shareholders of the company	(39.735)			
Profit / <Loss> for the period	**(80.272)**	**(80.272)**	**(31.500)**	**(48.772)**
Attributable to:				
Non-controlling interests	8.958	8.958	-	8.958
Shareholders	**(89.230)**	**(89.230)**	**(31.500)**	**(57.730)**

The impact of the restatement on basic and diluted EPS from continuing operations is €(0,10) and from discontinued operations is €(1,76).

Note 37 -Restatement (Continued)

The impact of the Restatement on the affected Statement of Comprehensive Income items is presented below:

	Consolidated		
	Year ended 31.12.2016		
	Restated	Restatement	Published
Profit / <Loss> after income tax expenses (Income Statement)	**(80.272)**	**(31.500)**	**(48.772)**
Other Comprehensive Income:			
Items that will be reclassified to Profit & Loss:			
Currency translation differences	(49.067)	(1.500)	(47.567)
Items that will be reclassified to Profit & Loss	**(49.067)**	**(1.500)**	**(47.567)**
Items that will not be reclassified to Profit & Loss:			
Actuarial gains/ <losses>	1.544	-	1.544
Income tax effect of actuarial gain/ <losses>	(494)	-	(494)
Items that will not be reclassified to Profit & Loss	**1.050**	-	**1.050**
Other comprehensive income / <expenses> net of tax	**(48.017)**	**(1.500)**	**(46.517)**
Total comprehensive income / <expenses> net of tax	**(128.289)**	**(33.000)**	**(95.289)**
Attributable to:			
- Non-controlling interests	(7.270)	-	(7.270)
- Shareholders	(121.019)	(33.000)	(88.019)
	(128.289)	**(33.000)**	**(95.289)**
Total comprehensive income / <expenses> net of tax attributable to the shareholders of the company from:			
- Continuing operations	80.289		
- Discontinued operations	40.730		
	121.019		

Note 37 - Restatement (Continued)

The impact of the Restatement on the affected Statement of Changes in Equity items is presented below:

	Consolidated						
Published	**Share Capital**	**Share premium**	**Other reserves**	**Retained earnings**	**Total**	**Non - Controlling Interests**	**Total Equity**
Balance at 01.01.2016	**15.178**	**2.755**	**13.000**	**(77.894)**	**(46.961)**	**46.537**	**(424)**
Profit / <Loss> for the year	-	-	-	(57.730)	**(57.730)**	8.958	**(48.772)**
Other Comprehensive income / <expenses>	-	-	(26.800)	(3.489)	**(30.289)**	(16.228)	**(46.517)**
Total comprehensive income / <expenses>, net of taxes	**-**	**-**	**(26.800)**	**(61.219)**	**(88.019)**	**(7.270)**	**(95.289)**
Dividends to non-controlling interests	-	-	-	-	**-**	(167)	**(167)**
Share option reserve	-	-	27	-	**27**	-	**27**
Balance at 31.12.2016	**15.178**	**2.755**	**(13.773)**	**(139.113)**	**(134.953)**	**39.100**	**(95.853)**
Restated							
Effect from Income statement				(31.500)	**(31.500)**	-	**(31.500)**
Currency translation differences				(1.500)	**(1.500)**	-	**(1.500)**
Balance at 31.12.2016	**15.178**	**2.755**	**(13.773)**	**(172.113)**	**(167.953)**	**39.100**	**(128.853)**

Note 38 - Discontinued operations

a) Description

The Company announced on 2 April 2018 that it has entered into an agreement to sell the entire share capital of its wholly owned glass container subsidiary Frigoglass Jebel Ali FZE to ATG Investments Limited. The total cash consideration of the transaction amounts to US $ 12,5m., on a debt-free basis. US $ 5m. will be payable on completion of the transaction, with a further US $ 7,5m. in 4 instalments over 4 years following completion of the transaction. The above payments are subject to working capital and other customary adjustments.

The decision to sell this operation was taken at the Board of Directors meeting held on 2 March 2018.

Based on the current course of the transaction, management concluded that the provisions of IFRS 5 were in effect at the end of the year ended December 31, 2017 because management has obtained the necessary approvals for the sale of that subsidiary and has been identified a reasonable cash consideration for the sale and the aforementioned activities have been presented as assets held for sale.
Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Based on the fair value less costs to sell a loss of € 11,353 m. has been charged in discontinued operations.

In the context of this sale the Group will leave two geographical areas of Glass Industry
(United Arab Emirates, Asia - Oceania) and for this reason it has been portrayed as discontinued operations.

b) Income statement	**Year ended**	
Discontinued operations	**31.12.2017**	**31.12.2016**
Net sales revenue	**20.760**	**30.866**
Cost of goods sold	(30.427)	(32.676)
Gross profit	**(9.667)**	**(1.810)**
Administrative expenses	(59)	(263)
Selling, distribution & marketing expenses	(1.078)	(727)
Other operating income	250	304
Impairment of fixed assets & goodwill	(7.984)	(29.715)
Operating Profit / <Loss>	**(18.538)**	**(32.211)**
Finance <costs> / income	(1.420)	(7.511)
Profit / <Loss> before income tax & restructuring costs	**(19.958)**	**(39.722)**
Restructuring gains/<losses>	-	(12)
Profit / <Loss> before income tax	**(19.958)**	**(39.734)**
Profit / <Loss> after income tax expenses from discontinued operations	**(19.958)**	**(39.734)**
Attributable to:		
Shareholders	**(19.958)**	**(39.734)**
Depreciation	3.517	5.680
EBITDA	**(7.037)**	**3.184**

Note 38 - Discontinued operations (continued)

	Year ended	
	31.12.2017	**31.12.2016**
c) Statement of comprehensive income		
Profit / <Loss> after income tax expenses (income statement)	**(19.958)**	**(39.734)**
Other Comprehensive Income:		
Items that will be reclassified to Profit & Loss :		
Currency translation differences	870	(996)
Other comprehensive income / <expenses> net of tax	870	(996)
Total comprehensive income / <expenses> net of tax	(19.088)	(40.730)
Attributable to:		
- Non-controlling interests	-	-
- Shareholders	(19.088)	(40.730)

d) Balance Sheet

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Based on the fair value less costs to sell a loss of € 11,3 m. has been charged in discontinued operations.

Discontinued operations	**Year ended**
	31.12.2017
Property, plant & equipment	38
Intangible assets	16
Inventories	12.264
Trade receivables	3.139
Other receivables	1.703
Cash & cash equivalents	415
Assets held for sale	**17.575**
Retirement benefit obligations	1.760
Trade payables	7.073
Other payables	1.140
Liabilities associated with assets held for sale	**9.973**
Net assets classified as held for sale	**7.602**

	Year ended	
e) Cash flow statement	**31.12.2017**	**31.12.2016**
Profit / <Loss> after income tax	**(19.958)**	**(39.735)**
(a) Cash flows from operating activities	**(2.889)**	**922**
(b) Net cash generated from investing activities	**(861)**	**(1.322)**
(c) Net cash generated from financing activities	**3.378**	**(1.493)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**(372)**	**(1.893)**
Cash and cash equivalents at the beginning of the year	**871**	**2.758**
Effects of changes in exchange rate	(84)	6
Cash and cash equivalents at the end of the year	**415**	**871**

Alternative Performance Measures (“APMs”)

The Group uses certain Alternative Performance Measures (“APMs”) in making financial, operating and planning decisions as well as in evaluating and reporting its performance. These APMs provide additional insights and understanding to the Group’s operating and financial performance, financial condition and cash flow. The APMs should be read in conjunction with and do not replace by any means the directly reconcilable IFRS line items.

Definitions and reconciliations of Alternative Performance Measures (“APMs”)

In discussing the performance of the Group, certain measures are used, which are calculated by deducting from the directly reconcilable amounts of the Financial Statements the impact of restructuring costs. In this context, we are focusing on the APMs from continuing operations, while we also present discontinued operations for reconciliation purposes.

Restructuring Costs

Restructuring costs comprise costs arising from significant changes in the way the Group conducts business, such as the discontinuation of manufacturing operations, as well as expenses related to the Group’s capital restructuring, debt write-off and gains from the conversion of the convertible bonds. These costs are included in the Company’s/Group’s Income Statement, while the payment of these expenses are included in the Cash Flow Statement. However, they are excluded from the results in order for the user to obtain a better understanding of the Group’s operating and financial performance achieved from ongoing activity.

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) from continuing operations

EBITDA is calculated by adding back to profit before income tax, the depreciation, the impairment of property, plant and equipment and intangible assets and net finance cost. EBITDA margin (%) is defined as EBITDA divided by Net Sales Revenue.

EBITDA is intended to provide useful information to analyze the Group’s operating performance.

(in € 000’s)	2017	2016
Profit / (Loss) before income tax	**50.333**	**(21.021)**
Depreciation	21.108	24.105
Restructuring costs	(38.243)	22.326
Finance costs	19.304	9.745
Impairment of fixed assets and goodwill	1.607	1.785
EBITDA	**54.109**	**36.940**
Net sales revenue	386.049	382.338
EBITDA margin, %	**14,0%**	**9,7%**

Net Trade Working Capital (NTWC)

Net Trade Working Capital is calculated by subtracting Trade Payables from the sum of Inventories and Trade Receivables. The Group presents Net Trade Working Capital because it believes the measure assists users of the financial statements to better understand its short term liquidity and efficiency.

(in € 000's)	31 December 2017	31 December 2016		
	Continuing operations	Continuing operations	Discontinued operations	Reported
Trade Debtors	84.824	71.844	5.863	77.707
Inventories	89.075	76.305	16.740	93.045
Tarde Creditors	60.985	57.881	9.222	67.103
Net Tarde Working Capital	**112.914**	**90.268**	**13.381**	**103.649**

Free Cash Flow

Free cash flow is an APM used by the Group and defined as cash generated by operating activities after cash generated from investing activities. Free cash flow is intended to measure the cash generation from the Group's business, based on operating activities, including the efficient use of working capital and taking into account the purchases of property, plant and equipment and intangible assets. The Group presents free cash flow because it believes the measure assists users of the financial statements in understanding the Group's cash generating performance as well as availability for interest payment, dividend distribution and own retention.

(in € 000's)	FY17		
	Continuing operations	Discontinued operations	Reported
Net cash from operating activities	(30.469)	(2.889)	(33.358)
Net cash from investing activities	(8.050)	(861)	(8.911)
Free Cash Flow	**(38.519)**	**(3.750)**	**(42.269)**

(in € 000's)	FY16		
	Continuing operations	Discontinued operations	Reported
Net cash from operating activities	27.359	922	28.281
Net cash from investing activities	(7.344)	(1.322)	(8.666)
Free Cash Flow	**20.015**	**(400)**	**19.615**

Adjusted Free Cash Flow

Adjusted Free Cash Flow facilitates comparability of Cash Flow generation with other companies, as well as enhance the comparability of information between reporting periods. Adjusted Free Cash Flow is calculated by excluding from the Free Cash Flow (defined above) the restructuring related cost and proceeds from disposal of property, plant and equipment (PPE).

(in € 000's)	FY17		
	Continuing operations	Discontinued operations	Reported
Free Cash Flow	**(38.519)**	**(3.750)**	**(42.269)**
Restructuring Costs	45.463	0	45.463
Proceeds from disposal of PPE	(10.318)	0	(10.318)
Adjusted Free Cash Flow	**(3.374)**	**(3.750)**	**(7.124)**

(in € 000's)	FY16		
	Continuing operations	Discontinued operations	Reported
Free Cash Flow	**20.015**	**(400)**	**19.615**
Restructuring Costs	13.169	0	13.169
Proceeds from disposal of PPE	(5.106)	0	(5.106)
Adjusted Free Cash Flow	**28.078**	**(400)**	**27.678**

Net debt

Net debt is an APM used by Management to evaluate the Group's capital structure and leverage. Net debt is defined as long-term borrowings plus short-term borrowings less cash and cash equivalents as illustrated below.

(in € 000's)	31 December 2017	31 December 2016		
	Continuing operations	Continuing operations	Discontinued operations	Reported
Long-term borrowings	233.414	0	4	4
Short-term borrowings	42.441	381.871	0	381.871
Cash and cash equivalents	53.130	56.655	871	57.526
Net Debt	**222.725**	**325.216**	**(867)**	**324.349**

Capital expenditure (Capex)

Capital expenditure is defined as the purchases of property, plant and equipment and intangible assets. The Group uses capital expenditure as an APM to ensure that capital spending is in line with its overall strategy for the use of cash.

(in € 000's)	FY17		
	Continuing operations	Discontinued operations	Reported
Purchase of PPE	(16.222)	(1.127)	(17.349)
Purchase of intangible assets	(1.880)	0	(1.880)
Capital expenditure	**(18.102)**	**(1.127)**	**(19.229)**

(in € 000's)	FY16		
	Continuing operations	Discontinued operations	Reported
Purchase of PPE	(9.722)	(1.322)	(11.044)
Purchase of intangible assets	(2.728)	0	(2.728)
Capital expenditure	**(12.450)**	**(1.322)**	**(13.772)**

REPORT ON THE USE OF FUNDS

Use of funds from the rights issue of Frigoglass S.A.I.C. (the "Company") up to the amount of €136.398.446,64 through the cash payment with pre-emptive rights in favor of the existing shareholders, as resolved by virtue of the A' Repetitive General Meeting of the Company's shareholders on 27.06.2017 (the "Rights Issue") and the Company's Board of Directors' resolutions on 27.07.2017 and 19.10.2017.

The Company notifies that, according to para. 4.1.2 of the Athens Exchange Rulebook, the Resolution No. 25/6.12.2017 of the Athens Exchange's Board of Directors and the Resolution No. 8/754/14.4.2016 of the Board of Directors of the Hellenic Capital Market Commission, its share capital increased by the issuance of 174.588.263 new ordinary voting registered shares, issued in the context of the Rights Issue, in a ratio of 22,4662517544135 new shares for each existing share at a subscription price of €0,36348. Specifically, the Company's Board of Directors certified on 19.10.2017, according to article 11 of C.L. 2190/1920, that the amount of the Rights Issue has been partially subscribed up to the amount of €62.851.774,68 through the issuance of 174.588.263 new ordinary voting registered shares of a nominal value of €0,36 each. The difference between the nominal value of the newly issued shares and the subscription price thereof, i.e. the amount of €607.567,14, was credited to the Company's special account "Difference due to the issuance of shares above par".

In view of the above, the total proceeds of the Rights Issue amounted to €63.459.341,82. The final expenses for the issuance of the aforementioned shares amounted to €1.565.100,65 and have been entirely covered by the funds raised from the Rights Issue. Therefore, the total proceeds of the Rights Issue, following the deduction of the aforementioned expenses for the issuance of shares, amounted to €61.894.241,17.

The total proceeds of the Rights Issue, following deduction of the expenses for the issuance of shares, have been used as follows: a) for the repayment of the Boval Loan of a total amount of €30.000.000, b) for the repayment of part of the €250.000.000 senior notes issued on 20.05.2013 by Frigoglass Finance B.V., at a fixed coupon of 8,25% per annum and due on 2018 and the participating (bank) debt of Frigoglass Finance B.V. of a total amount of €3.459.340,20, c) for the repayment of part of the restructuring related expenses of a total amount of €13.521.165,36, and d) the remaining amount of €14.913.735,61 has been used as working capital according to the needs of the Company's subsidiaries through the Company's subsidiary Frigoinvest Holdings B.V..

The Listings and Market Operation Committee of the Athens Exchange has approved on 26.10.2017 the admission to trading of the Company's 174.588.263 new ordinary voting registered shares. The new shares started trading on 30.10.2017 in the 'Under Surveillance' Segment of the Athens Exchange.

TABLE FOR THE USE OF FUNDS FROM THE RIGHTS ISSUE

Use of Funds	Funds raised (in €)	Funds utilized until 31/12/2017 (in €)	Balance of non-utilized funds as at 31/12/2017 (in €)
1 Repayment of the Boval Loan	30.000.000,00	30.000.000,00	-
2 Repayment of part of the €250 senior notes and the participating (bank) debt of Frigoglass Finance B.V.	3.459.340,20	3.459.340,20	-
3 Repayment of part of the Restructuring Expenses	13.521.165,36[1]	13.521.165,36[1]	-
4 Working Capital	14.913.735,61	14.913.735,61	-
5 Expenses for the issuance of new shares	1.565.100,65	1.565.100,65	-
Total	**63.459.341,82**	**63.459.341,82**	-

The Chairman of the Board of Directors

Haralambos David

The Managing Director

Nikolaos Mamoulis

The Group Chief Financial Officer

Emmanouil Fafalios

The Head of Finance

Vasileios Stergiou

[1] This amount was calculated based on the €/£ and €/$ foreign exchange rates on October 23, 2017, the date of payment of the relevant expenses.

Report of factual findings in connection with the 'Report of Use of Funds'

To the Board of Directors of "Frigoglass S.A.I.C."

We have performed the procedures prescribed and agreed with the Board of Directors of "**Frigoglass S.A.I.C.**" ("the Company"), and enumerated below with respect to the Report of Use of Funds of the Company ("the Report") which relates to the share capital increase during 2017. The Company's Board of Directors is responsible for preparing the aforementioned Report. Our engagement was undertaken in accordance with: the regulatory framework of the Athens Stock Exchange; the relevant legal framework of the Hellenic Capital Markets Committee; and the International Standard on Related Services 4400 applicable to agreed-upon procedure engagements. Our responsibility is solely for performing the procedures described below and for reporting to you on our findings.

Procedures:

1. We examined the content of the Report and its consistency with the provisions of the decision 8/754/14.04.2016 of the Hellenic Capital Markets Committee and the decision 25/06.12.2017 of the Athens Stock Exchange.

2. We confirmed the correctness of the categories of funds raised in the Prospectus (issued by the Company on 18 September 2017), and the relevant amounts were confirmed with the Company's decision and announcements.

3. We confirmed the amount of the share capital increase mentioned in the Report: a) is covered by the amount approved by the Extraordinary General Meeting of Shareholders on 27 June 2017, b) agrees to the amounts referred to in the relevant announcement made on 30 October 2017 and c) has been deposited in the relevant bank account maintained by the Company.

4. We examined whether the amount certified by the Board of Directors on 19 October 2017 from the said share capital increase, agrees to the amount recorded in the books and records of the Company, considering the relevant accounting entries.

5. We examined whether the share issue costs mentioned in the Report agree to the amounts recorded in the Company's books and records, by examining supporting documents on a sample basis.

6. We examined whether the amount of the share capital increase has been allocated in accordance with its intended use and schedule, based on the provisions of the Prospectus issued on 18 September 2017, by examining supporting documents on a sample basis.

We report our findings below:

1. The content of the Report is consistent with the provisions of the decision 8/754/14.04.2016 of the Hellenic Capital Markets Committee and the decision 25/06.12.2017 of the Athens Stock Exchange.

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2. The content of the Report includes at least the information provided for this purpose by the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Capital Markets Committee and is consistent with the information in the relevant Prospectus(issued by the Company on 18 September 2017), and the Company's relevant decisions and announcements.

3. The amount of the share capital increase mentioned in the Report (a) is covered by the corresponding amount approved by decision of the Extraordinary General Meeting of the Company's shareholders on 27 June 2017; (b) agrees to the amount mentioned in the Company's announcement made on 30 October 2017 and (c) has been deposited in the relevant bank account.

4. The amount certified by the Company's Board of Directors in its decision dated 19 October 2017 is in line with the amount recorded in the Company's books and records from the share capital increase in question, including the relevant accounting entries.

5. The share issue costs referred to in the Report agree to the amounts recorded in the Company's books and records, by examining the relevant supporting documents on a sample basis.

6. As can be seen from the sample examination of the relevant supporting documents, the amount raised from the share capital increase has been allocated according to its intended uses and within the specified timetable, based on the terms of the Prospectus issued on 18 September 2017.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Report beyond what we have referred to above. Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and is addressed exclusively to the Board of Directors of the Company, so that the latter can fulfill its responsibilities in accordance with the legal framework of the Athens Stock Exchange and the relevant regulatory framework of the Hellenic Capital Markets Commission. This report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the financial statements prepared by the Company for the year from 1 January 2017 to 31 December 2017, for which we have issued a separate audit opinion, as of 25 April 2018.

Athens, 25 April 2018

The Certified Auditor

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Certified Auditors – Accountants
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