

Frigoglass

Annual Report 2017

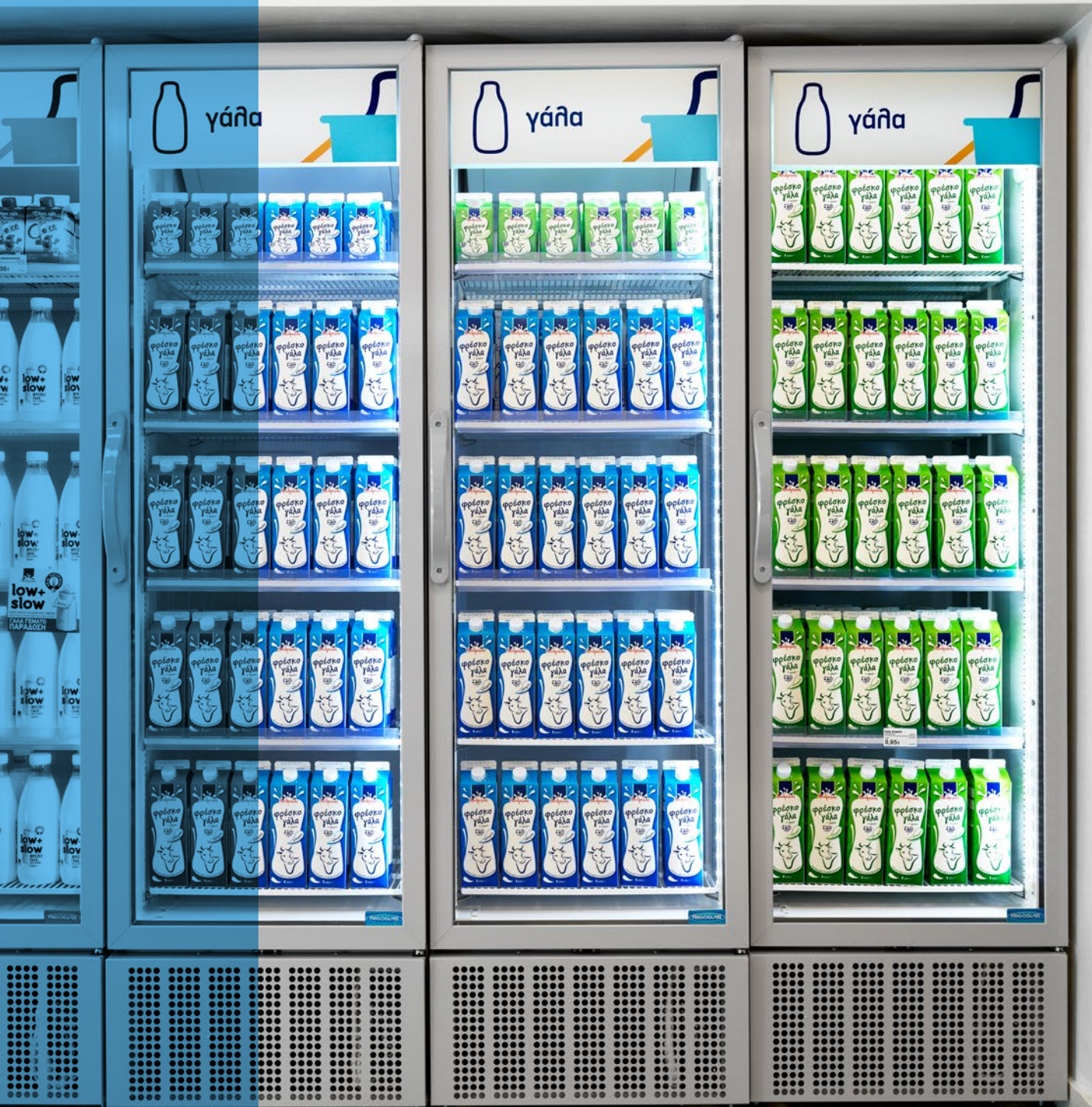


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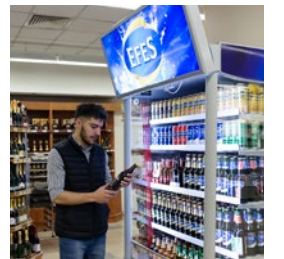
Who we are

Frigoglass is a strategic partner to the world's leading beverage brands. We are one of the global leaders in the Ice Cold Merchandisers (ICM) market and the principal supplier of glass packaging in the high growth markets of West Africa.

Frigoglass has long-standing relationships with blue chip customers in the soft drinks and beverage industries. Our bespoke Ice Cold Merchandisers (beverage coolers) enhance our customers' beverage branding and facilitate immediate beverage consumption. At the same time, our leading innovations in the field of green refrigeration enable our customers to meet their sustainability and carbon emissions reduction targets.

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 market of Africa, which is a 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.



Chairman's letter



Haralambos (Harry) G. David
Chairman of the Board of Directors

2017 was a critical year in strengthening our foundations for long-term sustainable growth. The successful completion of the capital restructuring process late in the year, represents a quantum leap towards our journey to return to profitable growth and long-term value creation.

Most of 2017, was affected by the uncertainties of the restructuring and less by the state of the global economy. Having said that, our company managed its affairs successfully, balancing its relationships with customers, suppliers and employees. With the closing of the restructuring in the fourth quarter, stability resumed and we managed to deliver a small growth for 2017, after several years of decline.

As we speak, global trends are changing our customers' cooler investment patterns. The digital transformation of retail landscape creates opportunities and challenges for our industry. For instance, electronic auctions are increasingly cropping up in the beverage coolers sector, requiring our adaptation. Cold-drink equipment drives impulse consumption in convenience stores and other physical retail outlets, whereas coolers are not adding value to customers' on-line sales that are gaining ground. On another front, the use of Internet of Things (IoT) accelerates the digital transformation of our industry by providing coolers connectivity options to our customers. We have been pioneers on such connectivity solutions that provide our customers with data analytics, drive drink sales and reduce operating costs.

Consumers' beverage preferences are also evolving, making it highly important for our customers to stay on top of consumption trends. These include low- and no-calorie sparkling drinks and more unique product propositions, and lead our customers to adjust their cooler merchandizing solutions. Our long-standing partnerships with global beverage brands and the deep understanding of their merchandizing needs in an ever-changing environment, is the backbone of our sustained innovation.

During the year, we have made further progress on the execution of our strategic priorities by continuing putting the customer at the heart of everything we do. The year was also characterized by the successful commercial expansion of ICOOL and Smart ranges, with sales increasing by 50% over the prior year, but also by the development of innovative solutions to satisfy the increasing demand for our quality coolers, at competitive prices, for targeted markets. I am pleased that our strong focus on innovative products is paying off, resulting in market share gains. In the Glass business, we focused on product innovation to expand our customer base in Nigeria. At the same time, we kicked off a process to divest from the dilutive glass container operations in Dubai that successfully led to a sale agreement in 2018. We also continued to implement our cost leadership initiatives to boost profitability.

Sustainability leadership is at the core of our mindset at Frigoglass. In 2017, we continued integrating sustainability into the way we do business, which was prominent in all our sustainability pillars: marketplace, environment, workplace and community. Our product portfolio became even greener, our operations even more environmental friendly and our impact on the world more meaningful. On that front, we were awarded a Gold Recognition Level by EcoVadis for our responsible business practices, placing us in the top 2% of all suppliers globally.

In October 2017, we announced the resignation of Messrs. Ioannis Androutsopoulos, Doros Constantinou and Vassileios Furlis as members of the Board of Directors. I would like to thank them all for their unwavering commitment and valuable contribution during their tenure on Frigoglass. I also want to extend a warm welcome to our new members, Messrs. Jeremy Jensen, Iordanis Aivazis and Stephen Graham Bentley as independent, non-executive members of the Board of Directors, who bring significant and senior experience in finance and management. Their contribution will be valuable to the Board.

Finally, I would like to thank all our shareholders, customers, partners and employees for their important contribution throughout the year. As we look to 2018 and beyond, we remain focused on continuing to innovate across our businesses, executing efficiently to drive sustainable shareholder value, and running our business in a way that contributes to a better world.

Haralambos (Harry) G. David
Chairman of the Board of Directors

During the year, we have made further progress on the execution of our strategic priorities by continuing putting the customer at the heart of everything we do.

CEO's statement



Nikos Mamoulis
Chief Executive Officer

For Frigoglass, 2017 was a challenging and a transformative year. In October, we successfully completed a highly complex recapitalization process that resulted in a significant debt reduction, lower debt service obligations, improved liquidity through new capital injection and debt maturity extensions.

Despite the prolonged period of time and related side effects, the outcome of this process enables us to fully focus on our operations and relentlessly pursue our strategic priorities. This important milestone would not have been possible without the continued trust of our shareholders and the unprecedented engagement of our customers, suppliers and employees, as well as the strong commitment and guidance of our Board. I am very grateful for their support.

During the year, we made good progress across our commercial priorities. Strong sales growth in Europe was the result of our continued focus on leveraging ICOOL's success with Coca-Cola bottlers. Our efforts were highly recognized and valued when we won the "Best Supplier" Award by Coca-Cola European Partners, the biggest bottler of The Coca-Cola Company. At the same time we continued demonstrating product innovation through the launch of the cost-competitive Flex range in Europe. We also made substantial progress against our sustainability goals, by further shifting our ICM product portfolio towards environmentally friendly refrigerants.

In the Glass business, several customer collaboration initiatives implemented throughout the year led to continuous quality enhancement and product innovation, as in the case of lightweight bottles which have delivered multiple benefits to customers.

During the year, there were some significant leadership changes to assist in the execution of our strategic priorities. The new appointments of Group Procurement Director, ICM Manufacturing Director and Head of Quality represent another building block in our company's transformational journey.

We have the right strategy, priorities and culture to unleash Frigoglass' full potential and respond to the fast-changing needs of our customers and partners around the world.

2017 Highlights

We made good progress in 2017, delivering group sales growth of 1% after several years of decline and an EBITDA margin improvement to 14%. Following the successful completion of the capital restructuring, our Net Debt to EBITDA ratio reached a healthier 4.1x level.

Cool business

We achieved sales growth of approximately 2% thanks to our long-lasting partnership with the Coca-Cola bottlers in Europe. I am pleased to see that we are gaining market share as a result of our focus on leveraging the strong momentum we had built through our innovative ICOOL range. In Europe, our commercial refrigeration business also benefited from the addition of one model to the cost-competitive cooler range Plus. At the same time we expanded our portfolio with the Flex range, which offers great flexibility in promotion and placement at the point of sale.

Our business in Asia was impacted by lower customer investments and China plant's closure in 2016. To mitigate this impact and enhance our presence in the medium priced market segment, we launched a new cost-competitive cooler line, the SL range, which received very positive feedback from our customers. In Africa, our sales also declined in 2017 due to lower demand for commercial coolers in East and West Africa regions on continuing difficult market conditions.

Throughout the year, the favorable sales mix, better cost absorption and cost reduction initiatives resulted in material EBITDA margin improvement.

Glass Business

Glass Operations' sales declined by 2% in 2017, mainly reflecting the adverse impact from the devaluation of Nigeria's Naira and lower year-on-year demand in our container glass operations in Nigeria. Our Metal Crowns business had a good performance throughout the year, with sales growing in double-digits.

Another highlight in the Glass business was product innovation as a result of our customer collaboration initiatives. Incorporating detailed customer feedback into the new product design process led to quality and design enhancements, as in the case of lightweight bottles which have delivered both cost and environmental benefits to our customers.

At this point, I would like to thank all Frigoglass people working in our Cool and Glass operations, who remained dedicated to the company and worked hard during this tough year, living our values and purpose. Thank you for your continuous support.

Outlook

In 2018, we remain focused on the execution of our strategic priorities - Customer Focus, Innovation Leadership, Quality First, Winning Organization, Integrated Services (Frigoserve) and Cost Leadership - to transform our business and strengthen our platform for profitable growth.

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

We have several projects in our pipeline that will help unveil our business potential and move forward. These projects include the Quality Transformation Program that aims at strengthening our Quality culture, processes and performance, and the expansion of our Service Operations in Central Europe. They also comprise the implementation of Design for Manufacturing & Assembly in our manufacturing operations, the launch of Frigoglass Academy, an on-line tool to systematically educate our people on our Sustainability related policies, and many more.

In the Glass business, we have recently announced an agreement to sell our glass container business in Dubai. This divestment is in line with our strategy and will sharpen the focus on the commercial refrigeration and Nigerian high growth glass operations.

We are also stepping up investments in 2018 to support expected demand growth in our glass operations in Nigeria through capacity additions, as well as commercial refrigeration cost optimization and efficiency improvement related projects.

In the years to come we will continue demonstrating leadership in sustainability and creating value for our shareholders, customers, people and the communities in which we operate. With a rigorous focus on our strategic priorities, and with the engagement and energy of a great team, I am looking forward to 2018 being a year of building further growth momentum for Frigoglass.

Nikos Mamoulis
Chief Executive Officer

We have the right strategy, priorities and culture to unleash Frigoglass' full potential and respond to the fast-changing needs of our customers and partners around the world.

2017 financial highlights

Sales (€m)

386.0

2016: 382.3

EBITDA (€m)¹

54.1

2016: 36.9

EBITDA Margin (%)¹

14.0

2016: 9.7

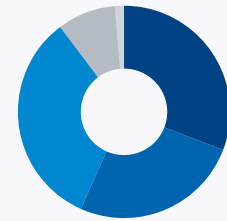
Net Profit (€m)

7.6 (27.6)*

2016: -89,2 (-49.5)*

Consolidated revenue breakdown

By geography



Eastern Europe
€119.2m (31%)

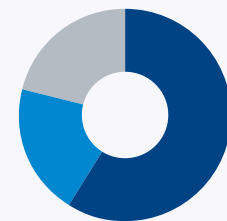
Western Europe
€100.1m (26%)

Africa/Middle East
€128.2m (33%)

Asia
€34.3m (9%)

North America
€4.3m (1%)

By customer group



Coca-Cola
€228.9m (59%)

Breweries
€76.1m (20%)

All others
€81.1m (21%)

¹ For details on Alternative Performance Measures (APMs) please refer to the Annual Financial Report 2017
* Net Profit from continuing operations



Where we operate

Cool Operations

Europe

Production plants and sales offices

- Greece
- Russia
- Romania

Sales Offices

- Germany
- Norway
- Poland
- Turkey

Cool Operations

Asia & Africa / Middle East

Production plants and sales offices

- India
- Indonesia
- South Africa

Sales Offices

- Kenya
- Nigeria
- UAE (Dubai)

Glass Operations

Production plants and sales offices

- Nigeria
- UAE (Dubai)*



* On 2 April 2018, Frigoglass entered into an agreement to sell the entire share capital of its wholly owned subsidiary Frigoglass Jebel Ali.

Strategic Priorities

Our strategic priorities – Customer Focus, Innovation Leader, Integrated Services (Frigoserve), Quality First, Cost Leadership and Winning Organization – reflect the Group's consistent view of its direction in a longer perspective and remained unchanged throughout this challenging year. These focus areas contributed to enhanced organizational performance, and were key in realizing our business plan and returning to profitable growth.



Customer Focus

In Frigoglass, we put the customer in the center of our business model. During the last years, we have redefined our ICM Commercial Vision and have taken a number of steps to further improve our Customer Focus.

Our ICM Commercial Vision is supported by 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 2017, we saw the immediate and tangible impact of a customer-centric culture transformation on the company revenue. The organizational changes implemented in late 2016 resulted in a highly effective commercial function in 2017, which focused on strategy implementation and led to strong sales growth.

The division of Frigoglass sales team into two major categories, the Coca-Cola Account sales team and the Global Accounts/Market Development sales team brought better key account management, accelerated speed in translating market messages into actions, and high quality customer service across all regions and continents.

Glass business

For our Glass division, 2017 was a challenging year as market demand across West Africa was very subdued in the first half of the year, due to low investments of all major customers driven by currency uncertainty. During this downturn we enhanced our customer base and product range for pharmaceutical bottles through a fast track new product development process which supported in particular the operation of our Amber furnace.



During the second half of the year, we experienced a strong rebound with customers in Soft drinks, Beer, Wines and Spirits, all getting back to a more normal investment pattern, resulting from the improved stability in the Naira. Product development plans with Beer customers were muted, however we partnered with a local manufacturer of mayonnaise, Apple & Pears, to launch the first range of proprietary food jars in Nigeria. Also thanks to our strong customer orientation, we launched bulk production of global Spirits brands that are now being filled locally.

Close collaboration with our customers for the business of plastic crates and metal crowns through an improved key account management team enabled a solid performance in 2017.

Innovation Leader

Market penetration

Listening closely to our customers and implementing our route-to-market approach, in 2017 we initiated the introduction of Flex cooler range, which offers great flexibility in promotion and placement at the point of sale. Flex coolers combine compact size that fits every kind of outlet, provide strong product and brand visibility, and drive impulse buying. Our customers in Europe recognized very quickly the merchandising benefits of the new range and placed orders to cover various merchandising needs. Next year the demand for Flex coolers is expected to grow further.

The year was characterized by the successful commercial expansion of ICOOL and Smart ranges, but also by the development of innovative solutions to satisfy the increasing demand for quality coolers at competitive pricing for targeted markets. In Europe, we successfully kept the momentum with ICOOL and Smart ranges, with sales increasing over 50% over the prior year. At the same time in Russia, we rolled out the Plus range with a successful expansion of our customer base.

Greener product portfolio

In 2017, Frigoglass extended its manufacturing capability of environmental-friendly coolers within its operations, generating an even greener product portfolio. In Europe, Frigoglass adopted an HFC-free approach and produced only HFC-free coolers, eliminating all models that used other refrigerants. In South Africa, the biggest part of the production output was towards Hydrocarbon (HC) coolers, while in India, we reached full HC production capability. The plant in India has been appropriately equipped for the expected transition of the local market to green coolers and in parallel has ensured security of supply for the markets of neighboring regions.

Furthermore, staying consistent with our commitment to be the industry leader in energy consumption, we dedicated our efforts in further reducing our products' energy consumption and carbon footprint. We are proud that in 2017 we managed to further optimize the cooling mechanism of the best-in-class range and develop the LC (low charge) version of ICOOL range, which raised the bar in energy efficiency.

Connectivity expansion

Our connectivity solutions that were launched two years ago and gained ground in 2016, were further expanded in the European market in 2017. Our digital cooling device not only provides connectivity capabilities and digital services but also enhances technical excellence. During the year, we further enhanced its connectivity features by adding Bluetooth connectivity modules which resulted in an even more efficient device. In 2017, this device was placed on more than 70,000 coolers, which is an indicator of market potential. Going forward, more customers are expected to adopt the solution and upgrade their fleet of assets.





Integrated Services (Frigoserve)

In 2017, we continued our journey of providing customers with excellence in operations and best-in-class services, through a unique, innovative integrated customer service program. We expanded the business by offering new services in the existing geographies, adding new geographies in the twelve countries where we operate and expanding into new market segments.

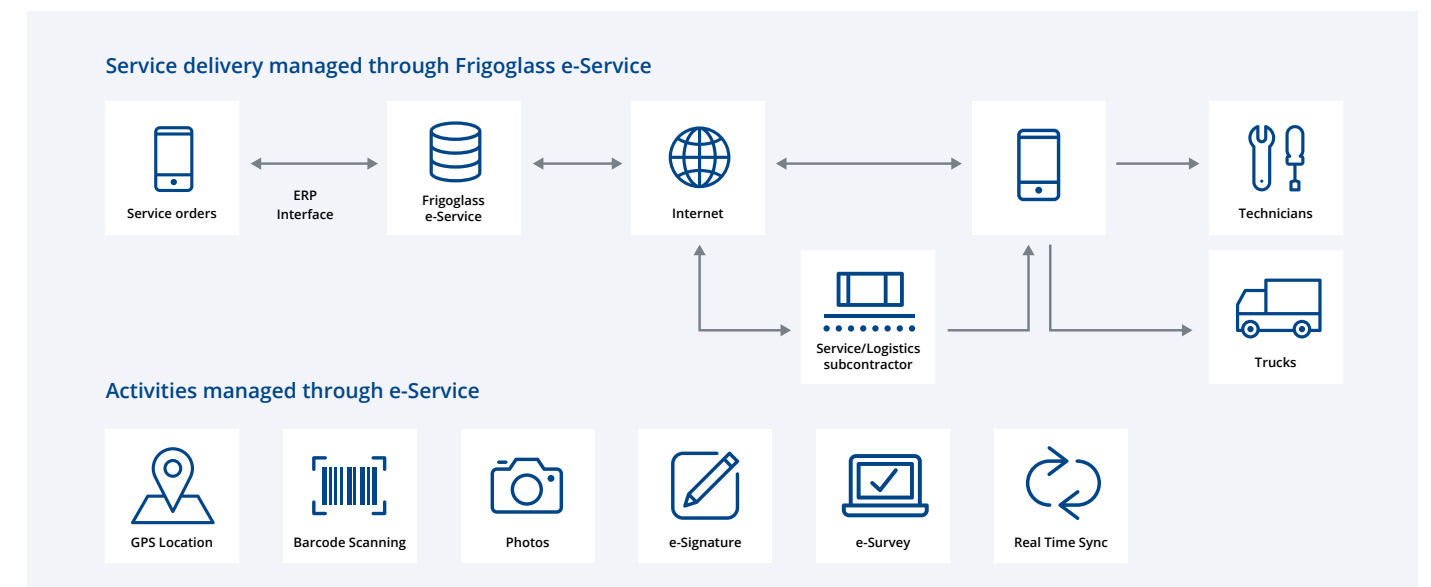
During the year, we achieved further progress with Coca-Cola bottlers in Europe and North Africa. More specifically, in Poland we rolled-out our offering in the entire country, in Norway we added new services to our offering, in Russia we expanded to new geographies, and in Nigeria we increased our coverage to service a total fleet of 80,000 coolers.

In addition, we capitalized on existing infrastructure and networks to enhance our relationships with breweries. We ran a successful pilot with draught beer machines in Greece and Bulgaria, and at the same time we initiated a refurbishment program for local brewing companies in Russia.

In 2017, we made cost and quality improvements in our operations. We initiated field audits to evaluate the systems that are in place and secure the quality of provided services. We also revisited our operating model of logistics and made careful amendments to achieve cost and performance improvements. Also we conducted our annual service survey with all our customers in Europe to examine the overall level of their satisfaction. We are pleased to report that all areas of research improved, compared to the previous year, and customers viewed Frigoglass as a Trusted Partner.

Moreover, we continued investing in the upgrade of Frigoglass e-Service, our highly sophisticated IT system. We replaced obsolete CRM applications with updated software and we enhanced various functionalities to achieve quality and efficiency improvements.

Our continuous improvements in processes, systems and people have allowed us to grow and provide our integrated services to a total number of 900,000 assets. In 2018, we plan to open a service center in Hungary to further enhance our Services footprint and build partnerships with more clients across Central Europe. Our goal for 2018 is to provide our services to a fleet that will reach 1,000,000 assets.



Quality First

Quality has always been a key strategic priority and objective for Frigoglass. Our continuous investment in people and quality systems have allowed us to ensure best-in-class quality results in the products we deliver and the services we provide to our customers.

Keeping the customer at the heart of our business and despite a challenging economic climate, we managed to deliver sustained Quality and respond efficiently to higher production volumes through 2017. Our quality performance metrics continued improving as a result of team efforts to build an efficient and robust Quality function. More specifically, in our India and Romania operations the First-Time Pass Index and Product-Release Index remained at exceptional levels, while in all other plants the indices showed a consecutive positive trend for the last 3 years. Moreover, the customer Complaints rate (PPM) significantly reduced in all our operations, resulting in an overall double-digit improvement.

In 2017 we successfully implemented the Hermes Project Pilot aiming to establish a standard, cross-functional and effective method for new Product Development projects, ensuring Product and Engineering integrity from the earliest stages of the process. Hermes Project equipped the team with tools that allow for high degree of early identification of potential interface problems. Following the successful pilot, this proactive approach will be implemented as a standard process to address future challenges in product development.

As part of our continuous efforts to achieve top quality, South Africa was our first plant having been certified with the recently revised ISO 9001:2015, ISO's flagship quality management systems standard, replacing the previous version (ISO 9001:2008) that had already been achieved in all our production hubs. The revised standard focuses on improving an organization's management system and processes, putting increased importance on risk management. Our proactive engagement to upgrade our certification level is a proof of our commitment to provide the highest quality products and services to our customers. Our plan is to certify the quality management system of all Frigoglass ICM plants according to the new version of the standard by the end of 2018.

The past years Frigoglass focused its efforts in developing and improving processes that enhance Quality in fields directly related to its operations. In 2017, we launched a 3-year Total Quality Strategic Plan with the aim of ensuring the best-in-class standards across the entire organization, including both operations and functions, and enhancing our competitiveness going forward. The initiative will energise driving forces throughout the organization, with activities that aim to embed a Quality culture in every aspect of organizational life.





Cost Leadership

In 2017, our relentless focus on cost leadership continued, aiming to gain efficiencies in production, procurement and operating cost base. During the year, we identified and realized, cost-savings initiatives which revolved around three areas: product standardization, procurement cost control and manufacturing efficiency.

Product standardization

In 2017, we made product range simplification investments that drove cost efficiencies and improved our profit margin. We implemented initiatives that focused on further standardizing components of our coolers. We extended the use of DC (Direct Current) block motors used in Europe for the majority of ICOOL models, maintaining high energy efficiency and achieving further standardization of the line-ups.

In Asia, we expanded the commonalization of compressors using Hydrocarbon (HC) refrigerant, by introducing the product range Super HC - which represents the HFC-free expansion of the R134a range produced in India - and created a greener product offering. In the same region, we applied a number of processes to achieve the optimization of the cooling mechanism in cold-merchandising models that are destined to cover the needs of juice companies.

In Europe and responding to Coca-Cola bottlers demand for even more environmentally-friendly coolers, we discontinued the production of all ICOOL coolers with CO2 refrigerant and consequently enhanced the manufacturing of those using HC, which resulted in an entire product family with HFC-free refrigerant and favorably supported our product standardization objectives.

Manufacturing efficiency

Manufacturing footprint rationalization, complemented also by product portfolio rationalization, was combined with continued Lean manufacturing initiatives to drive significant productivity improvements in our commercial refrigeration business. Following the discontinuation of our China operations the previous year, we invested on the expansion and modernization of production in Asia, by adding an automated production line in India to meet customer needs.

Overhead cost reduction measures in our operations also contributed to profit margin improvement. Notable reductions in per unit energy and other production costs such as maintenance and consumables were achieved. This effect was mainly driven by energy-saving projects, preventive maintenance programs and waste minimization through Lean implementation.

Our cost leadership achievements are the end-result of close collaboration of cross-functional teams within each plant and between different plants. We have been nurturing, supporting and developing this framework of operation not only to drive the cost aspect of our operational effectiveness, but also our agility as a Manufacturing organization. In 2017, our European operations managed to deliver record-breaking volumes in a very short time by responding in-full and on-time to satisfy significant year-end demand from one of the most important bottlers of Coca-Cola.

Procurement cost control

During 2017 there were some organizational changes towards the creation of a more strategic Supply Chain function, mainly focused on driving cost leadership initiatives and maximizing efficiencies, on standardizing processes and on enhancing strong relations with our suppliers. A new Procurement Director was appointed with the aim to create a more centralized Procurement and ensure an optimized supply base.

At the same period of time, the negative impact of price rise in commodities like steel, copper, aluminum and chemicals, which are heavily used in manufacturing of our ICM business, created challenges which were mitigated by long-term booking agreements.

In an effort to achieve procurement cost control, we made global cost-saving adjustments in our operations and additionally implemented local cost-reduction projects in our plants in Russia, Romania, India, Indonesia and South Africa. We focused on achieving raw material cost savings through strategic sourcing and category management processes, and finally secured the smooth supply of raw materials to the plants.

People

People have always been the most valuable asset of Frigoglass. With a key priority to Build a Winning Organization, in 2017 we continued our efforts to cultivate a high performance culture and improve cross team collaboration.

Building a Winning Organization

In our journey going forward, we recognized that our role as People leaders is very important in building trust in the Performance Dialogue process and leading by example. We had to ensure that Performance Dialogue is not considered as just another task routinely completed, but as a process for establishing a shared understanding about what is to be achieved, and how is it to be achieved.

In this context, in 2017, we introduced our new competencies and organized training sessions for our employees around the globe. Training sessions focused on learning and implementing the new competencies and included role-playing activities for giving and receiving feedback setting specific and measurable objectives. Regular performance dialogue and feedback can help increase employees capabilities and update their framework to meet business objectives.

During the year, we thoroughly designed and piloted Frigoglass Academy, an online Learning Management System (LMS) destined to cover training and development needs. Special attention was paid on designing a user-friendly platform that not only provides valuable business e-courses, but also promotes comprehension of all Frigoglass fundamental policies. The e-learning pilot testing was successfully completed and the tool is planned to be launched globally within 2018.

In 2017, there were some significant leadership changes which helped us manage the company's transformation, build a lean organization and deliver on our strategic priorities. The organizational structure was reinforced by the Group Procurement Director, the ICM Manufacturing Director and the Head of Quality. These senior appointments have allowed us to drive cost leadership initiatives, improve quality standards and maximize operational efficiencies.

Following the introduction of the role of Group Health & Safety Manager the previous year, we implemented an extended health & safety program in our operations which helped us minimize workplace accidents and prevent injuries. Furthermore, our Head Offices and our plants in Romania, Russia and South Africa were certified per OHSAS 18001. Our target is to comply with occupational health & safety requirements set by the standard in more operations and obtain the certification for all our plants by 2020.

Frigoglass Tree of Values

Since our founding, Frigoglass core purpose and culture as an organization has remained consistent. However, earlier this year we began to examine the words we were using to describe the principles of our work – namely our Values. We discussed, rewrote and revised them to create the new Values statements that more accurately reflect what we do and how we do it. We're proud to announce the outcome, the Frigoglass TREE of Values.

TEAMWORK

We win together,
we are part of
one global team

RESPONSIBILITY

We honor our commitments,
we care for the world
where we operate

ETHOS

We act ethically,
we lead by example

EXCELLENCE

We strive for excellence
in everything we do



Sustainability

Sustainability is central to Frigoglass business strategy. At Frigoglass, our approach to key sustainability aspects is underpinned by a set of guiding principles. We are committed to upholding high professional standards, being transparent, trusted and fair, and fostering a culture of partnership and collaboration. We value the long-term relationships with our customers, partners and suppliers, and we aim to lead by example toward a more sustainable future.



Sustainability Strategy

Frigoglass approach is based on four sustainability and responsibility pillars, which are very material to the business and our stakeholders.

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 our 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 minimize 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.

Material issues

In 2017, we adopted the latest version of the sustainability guidelines produced by the Global Reporting Initiative (GRI Standards), ensuring that we stay up to date with the progress on sustainability reporting.

In line with the new reporting framework, we revisited and reevaluated the issues that are material for our organisation and stakeholders. This materiality analysis was 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.

Our resulting top ten material issues for 2017 were:

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

During 2017 we continued to make very good progress against our ambitious sustainability targets, which are directly related to our material issues and revolve around the above four pillars. During the year, we achieved to increase the ratio of green products' sales and reduce the average energy consumption of our cooler fleet. As part of our ongoing efforts to reduce carbon footprint of our operations and products, we further invested in green solutions and technologies. Also, we monitored health and safety in the workplace and significantly decreased accident and injury rates in our plants.

These are only a few examples of our progress. Frigoglass approach, policies and targets, as well as Key Performance Indicators (KPI) associated with each of the above focus areas are presented in detail in the upcoming 2017 Sustainability Report.



Independent assessment

Our sustainability progress is validated annually by various independent global organizations and programs, such as CDP and EcoVadis, which provide reliable and objective assessment. In 2017, our sustainability efforts were recognized internationally, as we were awarded a Gold Recognition Level by EcoVadis for our sustainability performance in 2016. Frigoglass was evaluated for its responsible business practices in relation to Environment, Labor, Fair Business Practices and Sustainable Procurement, and the result of performance improvements in all four CSR categories placed the company among the Top 2% of all suppliers assessed by Ecovadis globally.

As we aim to maintain our stakeholders' engaged in a business environment that is continuously shifting, we regularly reevaluate our business and sustainability priorities to make sure they remain in line with those of our stakeholders.



Business review Europe

Innovation and customer focus remained key priorities in 2017. Our updated commercial strategy, focusing on growing our market share in the Coca-Cola system and at the same time expanding our customer base with international accounts, started to pay off. Sales in the European commercial refrigeration business grew by approximately 28% in the year, driven by strong beverage cooler investments from Coca-Cola bottlers.

The year was marked by the successful commercial expansion of ICOOL and Smart ranges, with sales increasing by 50% over the prior year. The recently launched Flex range was positively received by our customers in Europe and our cost-competitive cooler, Plus, helped us further penetrate the low-priced market segment.

In **Western Europe**, growth momentum continued throughout the year, with sales growing by approximately 51% year-on-year. This performance reflects sustained strong ICM demand from Coca-Cola European Partners mainly in Germany, France, United Kingdom, Sweden and Belgium. Also, our sales in Switzerland, and Greece increased, led by higher year-on-year placements from Coca-Cola HBC. The bottlers increased their beverage cooler investments in energy efficient coolers to enhance their coverage on the immediate consumption channel.

In **Eastern Europe**, sales grew in double digits, compared to the previous year. This result was driven by increased demand from Breweries and Coca-Cola bottlers. Russia was significantly up year-on-year, following strong demand from Coca-Cola HBC for our highly innovative coolers and from some key brewery customers. Following signs of macroeconomics improvement, key

customers in Russia's beer segment invested in coolers to improve their execution in the marketplace. Sales in Romania and Bulgaria increased in relation to the prior year, reflecting incremental placements by Coca-Cola bottlers.

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, support our expectation for building further momentum this year.

Going forward, we will 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 roll-out to new markets and new geographies, as well as by the expansion of our customer base. In 2018, we will continue to focus on creating value for our customers through continuous innovation.

Sales (€m)
 Eastern Europe

119.2

2016: 105.7

Western Europe

100.1

2016: 66.1



Business review Africa and Middle East

Our sales in Africa declined by approximately 37% year-on-year. In Nigeria, our sales were impacted by lower orders by the Coca-Cola bottler due to the continued difficult trading conditions. The market conditions in Nigeria were challenging with the consumer environment still weak, reflecting low oil production output, economic recession and high inflationary pressure.

In East Africa, sales also declined compared to the previous year due to lower beverage cooler investments from Coca-Cola bottlers and Breweries in the region. In this environment, we continued developing green products and converting our production output towards Hydrocarbon (HC) coolers.

During the year, we strengthened our product offering with Hybrid cooler that is designed to mitigate the impact of power outages in the continent. The solution, which was successfully piloted in the past year, is available both in the Smart and ICOOL product families, ensuring excellent product visibility and maintaining full illumination during power off cycles.

In the Middle East region, our sales were lower versus a strong comparable base, reflecting lower beverage cooler placements in the year by soft drink customers.

Outlook

We are optimistic about the future of our Cool business 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. The recently launched Super range with HCF-free refrigerant will also help us become more competitive in the continent. Key brewery customers in Africa are expected to increase ICM investment this year, following a low level of capital spending in 2017.

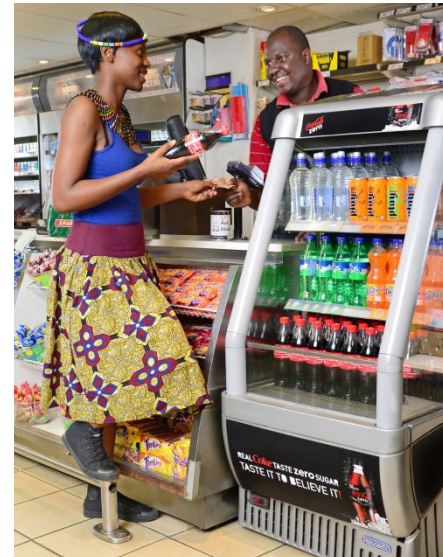
We will continue our efforts towards increasing penetration of environmental-friendly coolers, generating an even greener product portfolio for the region.

This gradual replacement of non HFC-free merchandisers supports our sustainability objectives and will help us grow our market share in the region.

Sales (€m)

37.6

2016: 59.1





Business review

Asia

Significant challenges in a number of markets resulted in a year-on-year contraction of our sales in Asia. This performance was mainly due to the discontinuation of China manufacturing operations that took place mid-year in 2016, and the intense competition in Southeast Asia.

Increased demand from Coca-Cola bottlers and higher cooler placements from Carlsberg in India, resulted in increased sales in the market. This good performance was more than offset by lower demand from breweries and other customers in the markets of Southeast Asia.

Outlook

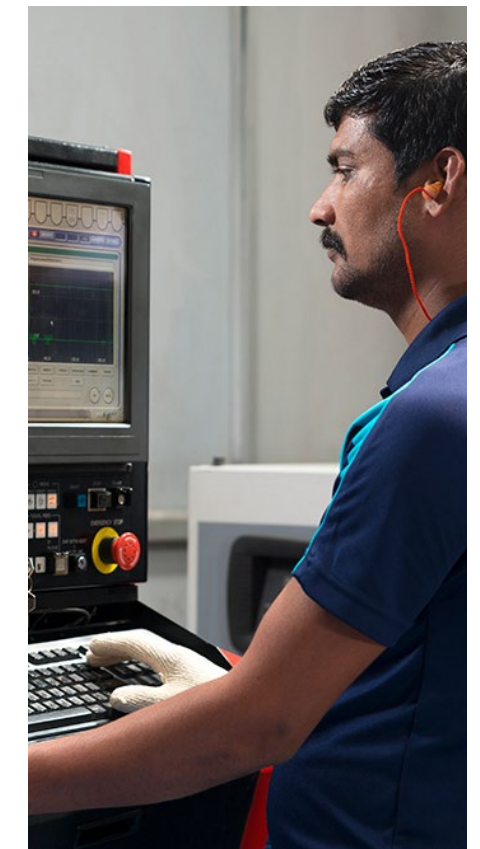
In Asia, we focus on our new product launches, such as the SL range, to enhance our presence in the low-to-medium priced market segment and improve our cost competitiveness. The successful launch of Hydrocarbon (HC) coolers during the year is consistent with our strategic decision to gradually amplify HFC-free refrigerants in Asia and significantly contribute to our customers' sustainability goals.

We focused on growing our customer base in Asia and provide our current and potential customers with innovative ICM solutions and high quality integrated services.

Sales (€m)

34.3

2016: 54.2



Business review

Glass

Sales in our Glass operations decreased by 2% year-on-year, largely due to the adverse local currency translation impact and the continuing difficult trading environment in Nigeria. Demand, however, gradually started to recover in the latter part of the year. In local currency terms, Glass business sales increased by a double digit rate.

In the first half of the year, currency uncertainty due to the depreciation of the Nigerian Naira and the challenging economic conditions resulted in lower demand for glass in the region. During this phase, we focused our efforts on expanding our customer base and enhancing our product range for pharmaceutical bottles through an intense product development process.

In the second half of the year, the stabilization of Naira led to a strong rebound in demand from customers in Soft drinks, Beer and Wine & Spirits. Demand for new returnable glass float injections from customers in the Beer segment started picking up following signs of economic recovery and new product launches, while consumer price increases throughout the year from a key soft-drinks customer dampened demand for its products. Towards the end of 2017, we partnered with a local manufacturer of mayonnaise and worked closely to launch the first range of proprietary food jars in Nigeria.

Metal Crowns' sales grew in double-digits in 2017 due to increased customer penetration. This good performance came from increased orders from Soft Drink companies and Breweries which recognized the added value of our complementary offering to glass bottles. Sales in the Plastic Crates business were below last year's level, mainly reflecting lower year-on-year demand from customers in the soft-drinks beverage market segment.

With regards to our Frigoglass Jebel Ali operations, we kicked off a process to divest from the glass container plant in Dubai during the year that resulted in a sale agreement in 2018.

Outlook

Looking ahead, the Glass business will benefit from increased demand for glass and our complementary plastic crates offering, following mainly ABInBev's new Sagamu brewery startup in May.

In 2018, we plan to make capital investments aiming to improve the performance of our Nigerian operations. This capital expenditure includes, among others, a cold repair of one of our furnaces in Nigeria.

The sale of our Dubai operations which was initiated last year is expected to be completed in the second half of 2018. This divestment is in line with Frigoglass' strategy and will enable us to focus on the high growth Nigerian glass operations. Frigoglass is focused on further broadening the customer base of our Glass business across Africa, providing our customers with high-quality, innovative and value-adding solutions.



Sales (€m)

90.6

2016: 92.4



Corporate governance

Governance framework

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.

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.

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

Members

Loucas Komis
Non-executive Board 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.

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.

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

Members

Haralambos (Harry) G. David
Non-executive 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.

Corporate governance

Investment Committee

The duties of the investment committee ("the **Investment Committee**") are to recommend to the Board the Company's strategy and business development 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

Members

Nikos Mamoulis
Executive member

Loucas Komis
Non-executive member

Emmanouil Fafalios
Chief Financial Officer¹

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

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.

Board of Directors

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.

¹ Mr. Emmanouil Fafalios has left the Company, effective May 31, 2018

Board of Directors

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.

Board of Directors

Board of Directors

(three-year term ending in 2020)

Haralambos (Harry) G. David
Chairman, non-executive member

George Leventis
Vice Chairman, non-executive member

Nikos Mamoulis
Chief Executive Officer, executive member

Loukas D. Komis
non-executive member

Evangelos Kaloussis
non-executive member / independent

Ioannis Costopoulos
non-executive member / independent

Jeremy Jensen
non-executive member / independent

Iordanis Aivazis
non-executive member / independent

Stephen Bentley
non-executive member / independent

Management Committee

Nikos Mamoulis
Chief Executive Officer

Emmanouil Fafalios
Chief Financial Officer²

Nick Evangelou
Chief Commercial Officer ICM

Darren Bennett-Voci
Glass Division Director

Hector Pergamalis
Manufacturing Director ICM

Nikos Doumas
Group Procurement Director

Emmanouil Souliotis
Group Human Resources Director

Vassilis Soulis
Service Director

Certified auditors

PricewaterhouseCoopers
268 Kifissias Avenue,
152 32 Halandri,
Athens, Greece

Legal advisors

Theodore Rakintzis
Kyriakides-Georgopoulos, Law Firm

Remuneration

Salary

The salary structure is determined by an internal grading system, reflecting market pay practices. Salary ranges are determined by a number of factors, including level of accountability, know-how and professional experience.

Management short-term incentive plan

The management short-term incentive plan is based on the Management by Objectives principle. The incentive plan links individual performance with company results, aiming to increase employee commitment, thus in turn encouraging exceptional performance.

All managerial level positions are eligible for year-end bonuses. Employee performance is appraised and compensated annually according to objectives achievement. Targets are set to reflect the Company's annual strategy and the plan's breakdown varies according to the individual's position within the Company. Bonus payout is calculated on personal objectives achievement, as well as on the Company, function, region and/or operational targets.

Stock options

Members of the Management Committee and senior management are eligible to participate in Frigoglass' stock option plan. Options are viewed as part of the total remuneration package addressing potential for development.

Options are granted at a pre-determined exercise price, vested in one-third increments each year and can be exercised for up to ten years from the date they are granted. The terms of each plan are subject to approval at the Annual General Meeting

Pension scheme

Employees participate in the Company's pension scheme in countries where it is applicable, thereby providing a savings and incentive tool.

Other benefits

Fringe benefits are offered to employees according to the grade level. These benefits range from company car, fuel allowance, private health care, meal allowance, mobile phone, kindergarten allowance and others according to local market practices.

² Mr. Emmanouil Fafalios has left the Company, effective May 31, 2018

Financial risks

Frigoglass' global business activities expose the company to a variety of financial risks including foreign exchange, raw materials, credit, liquidity and interest rate risks. The objective of our risk management program is to curtail potential adverse impacts on the Company's financial performance.

Treasury risk management is the responsibility of the Treasury department, which aims to effectively manage the financial risks of Frigoglass and all its subsidiaries, according to the policies approved by the Board of Directors. Treasury identifies, evaluates, monitors and hedges financial risks alongside the Company's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange, interest rate and credit risks, use of financial instruments and investment of excess liquidity. Treasury refrains from speculative transactions or transactions that are not related to the Company's operations.

The Company's financial instruments consist mainly of bank deposits, trade receivables and payables, bank overdrafts, revolving credit facilities, long term bank loans, corporate bond and loans to/ from subsidiaries. The Company may use derivative financial instruments in order to hedge certain risks.

In October 2017, the Group finalized restructuring its indebtedness and capital structure (the "Restructuring"). For a description of the Restructuring, please refer to the 2017 financial statements.

1. Market risk

a. Foreign exchange risk

The Company operates globally and is exposed to foreign exchange risks. Fluctuations in exchange rates, particularly in the US Dollar, Nigerian Naira, South African Rand, Indian Rupee, Norwegian Krone and Russian Ruble against the Euro may have an adverse impact on our financial performance.

Our subsidiaries with functional currencies other than the reporting currency (Euro) use natural hedging to limit their exposure to foreign currency risk. Natural currency hedging can be achieved by matching, to the possible maximum extent, revenue and expense cash flows in the same currency in order to limit the impact of currency exchange rate movements. When natural hedging cannot be achieved, the Company may make use of derivatives.

Frigoglass has investments in subsidiaries which operate in various countries. Their net financial positions are exposed to foreign translation exchange risk during the consolidation to the Company's financial statements. The Company is not substantially exposed to this type of risk since most of its subsidiaries use the Euro as their functional currency, with the exception of operations in Nigeria, India, Indonesia, Kenya and South Africa.

The Treasury department may use forward exchange contracts in a variety of currencies that mature within one year to mitigate foreign exchange risk, if required.

b. Price risk

The Company is exposed to fluctuations in raw material prices. This risk is often fully or partially offset in a number of ways, including increased productivity, higher sales volume leading to a positive operating leverage effect and higher selling prices.

2. Credit risk

Credit risk arises from cash and cash equivalents as well as from credit exposure to customers, which includes outstanding receivables and committed transactions.

The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The granting of credit is controlled by credit limits and the application of certain terms. All subsidiaries monitor the creditworthiness of their debtors on an ongoing basis with a quarterly central review. Appropriate provision for impairment losses is made for specific credit risks. At the year end, Frigoglass considered that there were no material credit risks that had not been covered by doubtful debt provisions.

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

3. Liquidity risk

Liquidity risk is managed by maintaining sufficient cash reserves and the availability of funds through adequate credit facilities.

For the Company to efficiently manage its liquidity risk, first of all, Frigoglass monitors expected cash flows with a 13 week forecast, which provides sufficient visibility for the company to timely plan and adjust its cash flows. Any potential cash shortfalls are funded by the use of the committed credit facilities which the Company secured through its recent Restructuring.

4. Interest rate risk

The Company's income and operating cash flows are not dependent on interest rate fluctuations since we do 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 Company continuously reviews interest rate trends and financing needs. Consequently, all short- and long-term bank borrowings are entered into floating rates with re-evaluation dates of less than six months. Our 2nd Lien Notes have a fixed interest rate.

Capital risk management

The objective in managing capital is to safeguard our ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders as well as maintaining an optimal capital structure.

Please refer to the Group's 2017 financial statements and public announcements for a description of the Restructuring and its impact on the Group's capital structure.

Shareholder information

Listing

Athens Exchange

Ticker symbol: **FRIGO**
 ISIN: **GRS346003007**
 Reuters: **FRIR.AT**
 Bloomberg: **FRIGO GA**

Credit rating

S&P Global Ratings: B- / Negative Outlook

2017 share price (€ per share)

Quarter ended	High	Low	Close
29 December	0.21	0.20	0.20
29 September	0.19	0.19	0.19
30 June	0.29	0.28	0.29
31 March	0.31	0.31	0.31

Market capitalisation

Market capitalisation at 31 December 2017:
€72.5 million

Share capital

In July 2017, the nominal value of each common registered share of the Company increased from €0.30 to €0.90 through the merger of every 3 existing shares to 1 new share and the total number of shares decreased from 50,593,832 to 16,864,610 (reverse share split 3:1). In parallel, the Company's share capital decreased by €9.1 million, following a corresponding decrease of the nominal value of each Company's share from €0.90 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. A rights issue through a cash payment and pre-emptive rights in favour of the existing shareholders was completed in October 2017. As a result, the Company's share capital was increased by €63.5 million. Frigoglass issued 163,984,878 new Company shares, following the conversion of 163,984,878 Convertible Bonds with a nominal value of €0.36348 each, held by the participating bank lenders and owners of the €250 million Senior Notes issued by Frigoglass Finance B.V. in May 2013. The Board of Directors of Frigoglass in October 2017 ratified the relevant share capital increase as a result of the above conversion by the amount of €59.6 million. The share capital of the Group as at 31 December 2017 comprised of 355,437,751 fully paid up ordinary shares with a nominal value of € 0.36 each.

Major shareholders

On 31 December 2017, the following shareholders possessed more than 5% of the share capital of the Company:

Shareholders	% of share capital of the Company
Truad Verwaltungs A.G.	48.55
Marc Lasry – Avenue Capital ¹	11.68
Alpha Bank S.A.	5.95

¹Mr. 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.



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Important note regarding forward-looking statements

This document may contain forward-looking statements which are based on current expectations and assumptions about future events. All statements other than statements of historical fact included in this announcement, including, without limitation, statements regarding Frigoglass' future financial position, capital expenditures, projected sales, costs and costs savings, if any, may be forward-looking statements. These forward-looking statements are subject, among other things, to business, economic and competitive uncertainties and contingencies, which relate to factors that are beyond Frigoglass' ability to control or estimate precisely and that could cause actual results to differ materially from those expressed therein. In view of the above, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Frigoglass does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement. With respect to any estimates of future cost savings included herein, Frigoglass can provide no assurance that the full benefits it expects will be realized within the time periods specified or that implementation costs associated with such cost savings will not exceed its expectations. For a more detailed description of the main risks and uncertainties that could cause actual results to differ materially from those expressed or implied by forward-looking statements, please refer to Frigoglass' annual financial statements, which can be found on the company's website at www.frigoglass.com.





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