FRIGOGLASS S.A.I.C.

Annual Financial Report 2018

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FRIGOGLASS S.A.I.C.
Commercial Refrigerators

Annual Financial Report for the period 1 January to 31 December 2018

It is confirmed that the present Annual Financial Report **(pages 3 – 170)** 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 **22nd March 2019.**

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 individuals are responsible:

The Chairman of the Board of Directors	**The Managing Director**
Haralambos David	Nikolaos Mamoulis
The Group Chief Financial Officer	**The Head of Financial Controlling**
Charalampos Gkoritsas	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 **01.01.2018 - 31.12.2018**, 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, March 22 2019

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 2018

Kifissia, 22 March 2019

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 2018**.**

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. 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 seven countries: Greece, India, Indonesia, Nigeria, South Africa, Romania and Russia. To strengthen this strategic geographic positioning, Frigoglass also operates stand-alone sales offices in Kenya, Norway, Hungary, Poland and Nigeria.

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.

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 has enabled the optimization of the production capacity in Asia, improved the company's fixed cost structure and strengthened its long-term competitiveness.

In December 2018, the Group completed the divestment of its glass container subsidiary Frigoglass Jebel Ali FZE. This divestment is in line with Frigoglass' strategy and will enable the Company to focus on its commercial refrigeration business and the high growth Nigerian glass business operations.

2) Financial and Business Review

2.1) Financial Review

Consolidated Income Statement

The following table presents the consolidated income statements for fiscal years **2018, 2017 and 2016.**

FRIGOGLASS S.A.I.C.

Income Statement

in € 000's

	Consolidated			% Change		% Of Net Trade Sales		
	Year ended							
	31.12.2018	31.12.2017	31.12.2016 Restated	2018	2017	2018	2017	2016
Continuing Operations:								
Revenue from contracts with customers	**417.297**	**386.049**	**382.338**	**8,1%**	**1,0%**	**100,0%**	**100,0%**	**100,0%**
Cost of goods sold	(339.996)	(318.508)	(319.088)	6,7%	-0,2%	81,5%	82,5%	83,5%
Gross profit	**77.301**	**67.541**	**63.250**	**14,5%**	**6,8%**	**18,5%**	**17,5%**	**16,5%**
Administrative expenses	(21.095)	(22.157)	(23.080)	-4,8%	-4,0%	5,1%	5,7%	6,0%
Selling, distribution & marketing expenses	(20.736)	(19.142)	(26.566)	8,3%	-27,9%	5,0%	5,0%	6,9%
Research & development expenses	(3.585)	(3.738)	(4.085)	-4,1%	-8,5%	0,9%	1,0%	1,1%
Other operating income	4.454	6.387	3.521	-30,3%	81,4%	1,1%	1,7%	0,9%
Other gains<losses> -net	303	4.110	(205)			0,1%	1,1%	0,1%
Impairment of Fixed Assets	(2.071)	(1.607)	(1.785)	28,9%	-10,0%	0,5%	0,4%	0,5%
Operating Profit / <Loss>	**34.571**	**31.394**	**11.050**	**10,1%**	**184,1%**	**8,3%**	**8,1%**	**2,9%**
Finance costs	(24.702)	(20.931)	(10.727)	18,0%	95,1%	5,9%	5,4%	2,8%
Finance income	3.535	1.627	982	117,3%	65,7%	0,8%	0,4%	0,3%
Finance costs - net	**(21.167)**	**(19.304)**	**(9.745)**	**9,7%**	**98,1%**	**5,1%**	**5,0%**	**2,5%**
Profit / <Loss> before income tax & restructuring costs	**13.404**	**12.090**	**1.305**	**11%**	**826%**	**3,2%**	**3,1%**	**0,3%**
Restructuring gains / <losses>	(301)	38.243	(22.326)			0,1%	9,9%	5,8%
Profit / <Loss> before income tax	**13.103**	**50.333**	**(21.021)**	**-74,0%**	**-339,4%**	**3,1%**	**13,0%**	**5,5%**
Income tax expense	(13.863)	(15.438)	(19.516)	-10,2%	-20,9%	3,3%	4,0%	5,1%
Profit / <Loss> after income tax expenses from continuing operations	**(760)**	**34.895**	**(40.537)**	**-102,2%**	**-186,1%**	**0,2%**	**9,0%**	**10,6%**
Discontinued Operations:								
Profit / <Loss> after income tax expenses from discontinued operations	**(1.304)**	**(19.958)**	**(39.735)**	**-93,5%**	**-49,8%**	**0,3%**	**5,2%**	**10,4%**
Profit/<Loss> for the Period	**(2.064)**	**14.937**	**(80.272)**	**-113,8%**	**-118,6%**	**0,5%**	**3,9%**	**21,0%**
Attributable to:								
Non controlling interests	6.644	7.289	8.958	-8,8%	-18,6%	1,6%	1,9%	2,3%
Shareholders	**(8.708)**	**7.648**	**(89.230)**	**-213,9%**	**-108,6%**	**2,1%**	**2,0%**	**23,3%**
Depreciation	19.791	21.108	24.105	-6,2%	-12,4%	4,7%	5,5%	6,3%
EBITDA	**56.433**	**54.109**	**36.940**	**4,3%**	**46,5%**	**13,5%**	**14,0%**	**9,7%**

<u>For the Year Ended 31 December 2018</u>

Group's net sales revenue increased by 8,1% to €417,3 million for the year ended 31 December 2018. This increase reflects higher year-on-year commercial refrigeration (ICM) sales in Europe and Africa, as well as, strong demand for glass containers and plastic crates in Nigerian Glass operations.

Commercial refrigeration net sales revenue increased by 6,8% for the year ended 31 December 2018, primarily driven by ICM placements from Coca-Cola bottlers in Europe and Africa. In Eastern Europe, net sales revenue increased 19,2%, reflecting growth across most of our markets. Sales in Western Europe declined 19,8%, reflecting an exceptionally strong fourth quarter last year following increased orders

from Coca-Cola bottlers. In Africa and Middle East, net sales revenue increased by 63,7%, driven by customers' ICM investments in Nigeria and South Africa, as well as, market share gains with Coca-Cola bottlers in North Africa. Net sales revenue in Asia declined by 17,7%, mainly led by lower demand in India and Southeast Asia.

The Glass business reported a strong performance, with net sales revenue increasing by 12,4% for the year ended 31 December 2018, following solid demand for glass containers and plastic crates, as well as, price initiatives. This performance was tempered by lower orders in the metal crowns business. In local currency terms, net sales revenue increased by approximately 18% year-on-year. Supported by the recent startup of an international beverage player's Nigerian brewery in Sagamu, the beer segment enjoyed solid demand growth in the year. The plastic crates business benefited from increasing glass related demand from breweries and soft drink customers, with sales growing by a double digit rate. Sales in our metal crowns business were lower year-on-year due to soft demand from a key soft drink customer, more than offsetting the positive impact of price increases.

Cost of goods sold increased by 6,7% to €340,0 million, reflecting higher year-on-year volume in the commercial refrigeration and glass businesses. Cost of goods sold benefited by input cost reduction initiatives and ICM plants productivity related savings. Overall, cost of goods sold as a percentage of the Group's net sales revenue improved by approximately 100 basis points to 81,5%. Fixed cost absorption in the commercial refrigeration business and input cost savings, as well as, volume growth in the Nigeria-based Glass businesses were the main drivers of this improvement.

Administrative expenses declined by 4,8% to €21,1 million, mainly due to lower employee related expenses and depreciation charges. The ratio of administrative expenses to net sales revenue improved to 5,1%, from 5,7% in the prior year.

Selling, distribution and marketing expenses increased by 8,3% to €20,7 million, mainly driven by higher warranty related expenses due to increased sales. As a percentage of net sales revenue, selling, distribution and marketing expenses were stable at 5,0%.

Research and development expenses decreased by 4,1% to €3,6 million, driven by lower year-on-year depreciation charges and miscellaneous expenses. As a percentage of net sales revenue, research and development expenses improved to 0,9%, from 1,0% in the prior year.

Other income was €4,5 million, compared to €6,4 million last year. Last year's other income mainly includes a one-off gain as insurance compensation. Other gains reached €0,3 million, compared to €4,1 million last year following a one-off gain from China's building disposal.

Finance costs increased by 9,7% year-on-year to €21,2 million, reflecting foreign exchange losses caused by the impact of Naira appreciation against the Euro and South Africa's currency devaluation against the US$.

The Group incurred restructuring costs of €0,3 million related to the termination of one production shift in Indonesia. Frigoglass incurred restructuring gains of €38,2 million for the year ended 31 December 2017 related to the Group's capital restructuring process.

Income tax expense decreased by 10,2% to €13,9 million, driven by lower pre-tax profits in Nigeria.

Frigoglass reported net losses of €1,3 million from discontinued operations, compared to losses of €20,0 million in the prior year period. Including discontinued operations, Frigoglass reported net losses of €8,7 million, also impacted by impairment charges of €2,1 million related to the performance of our business in India, compared to profits of €7,6 million last year.

For the Year Ended 31 December 2017

Net sales revenue increased by 1,0% to €386,0 million 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 €295,5 million for the year ended 31 December 2017. In Eastern Europe, net sales revenue increased by 12,8%, 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 47,2%, 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 decreased by 36,8%, 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 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%. The market conditions in Nigeria remain difficult. 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 from Glass Operations decreased by 2,0% to €90,6 million for the year ended 31 December 2017, primarily reflecting the adverse Naira translation impact and lower 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% 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 by a double digit rate 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 €318,5 million 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 €22,2 million 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 €19,1 million 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 €3,7 million 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 €2,9 million to €6,4 million for the year ended 31 December 2017, mainly due to higher scrap related sales and insurance claims. Other gains reached €4,1 million, compared to losses of €0,2 million, including the gains from the disposal of the building in China.

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

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

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

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

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

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

Consolidated Cash Flow Statement

The following table presents the cash flow for fiscal years **2018, 2017 and 2016.**

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

	Consolidated		
	Year ended		
	31.12.2018	**31.12.2017**	**31.12.2016**
			Restated
Profit / <Loss> after tax	**(2.064)**	**14.937**	**(80.272)**
Adjustments for:			
Income tax expense	13.863	15.438	19.516
Depreciation	19.791	24.625	29.784
Provisions	3.517	8.119	15.909
Impairment of Fixed Assets	2.071	9.591	31.500
Payment of Pension Scheme	(8.182)	(1.106)	(598)
Finance costs, net	21.412	20.724	17.257
P&L from the Disposal of Subsidiary	(6.817)	-	-
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	(293)	(4.670)	41
Changes in Working Capital:			
Decrease / (increase) of inventories	(2.325)	(19.260)	3.625
Decrease / (increase) of trade receivables	4.744	(14.431)	5.694
Decrease / (increase) of other receivables	(4.363)	(2.505)	2.910
Decrease / (increase) of other long term receivables	42	515	453
(Decrease) / increase of trade payables	17.923	4.437	(6.994)
(Decrease) / increase of other liabilities	158	599	3.403
Less:			
Income taxes paid	(18.791)	(9.871)	(13.947)
(a) Cash flows from operating activities	**40.686**	**(33.357)**	**28.281**
Investing Activities:			
Purchase of property, plant and equipment	(31.648)	(17.349)	(11.044)
Purchase of intangible assets	(4.576)	(1.880)	(2.728)
Proceeds from disposal of property, plant & equipment	1.530	10.318	5.106
Proceeds from Discontinued Operations	972	-	-
(b) Net cash flows(used in) /from investing activities	**(33.722)**	**(8.911)**	**(8.666)**
Net cash flows after investing activities (a) + (b)	**6.964**	**(42.268)**	**19.615**
Financing activities:			
Proceeds from loans	111.646	99.549	146.012
<Repayments> of loans	(112.305)	(100.095)	(125.196)
Interest paid	(10.938)	(17.216)	(28.540)
Acquisition of subsidiary's non-controlling interests	-	-	-
Dividends paid to shareholders	-	-	(3)
Dividends paid to non-controlling interests	(448)	(613)	(167)
Share Capital Increase	-	63.459	-
Costs for the Share capital Increase	-	(2.235)	-
(c) Net cash flows from/(used in) financing activities	**(12.045)**	**42.849**	**(7.894)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**(5.081)**	**581**	**11.721**
Cash and cash equivalents at the beginning of the year	**53.130**	**57.526**	**57.492**
Effects of changes in exchange rate	1.008	(4.562)	(11.687)
Cash and cash equivalents at the end of the year from discontinued operations	-	(415)	-
Cash and cash equivalents at the end of the year	**49.057**	**53.130**	**57.526**

Cash Flow

Net cash from/(used in) operating activities

Net cash from operating activities amounted to €40,7 million for the year ended 31 December 2018, compared to net cash used in operating activities of €33,4 million in the prior year. This improvement mainly reflects a higher year-on-year operating profit, lower restructuring costs and improved collections.

Net cash used in operating activities amounted to €33,4 million for the year ended 31 December 2017, compared to net cash from operating activities of €28,3 million a year ago. This decrease is primarily attributable to the capital restructuring related expenses incurred in 2017, as well as, an increase in inventories and receivables.

Net cash from/(used in) investing activities

Net cash used in investing activities amounted to €33,7 million in the year ended 31 December 2018, compared to net cash used in investment activities of €8,9 million in 2017. Last year's net cash flow from investment activities was supported by proceeds from the sale of China building. The increase reflects investments in materials and machinery related to a furnace rebuild in Nigeria and SAP platform implementation.

Net cash used in investing activities amounted to €8,9 million 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 €8,7 million in the year ended 31 December 2016.

Net cash from/(used in) financing activities

Net cash used in financing activities amounted to €12,0 million in the year ended 31 December 2018, compared to net cash from financing activities of €42,8 million in the year ended 31 December 2017. The decrease reflects the share capital increase completed in October 2017 and lower interest paid.

Net cash from financing activities amounted to €42,8 million in the year ended 31 December 2017, compared to net cash used in financing activities of €7,9 million in the year ended 31 December 2016.

Net Trade Working Capital (NTWC)

Net trade working capital from continuing operations as of 31 December 2018 amounted to €101,7 million, compared to €112,9 million as of 31 December 2017. This decrease mainly reflects higher trade creditors related to pre-buying of materials and machinery for the upcoming furnace rebuild in Nigeria.

Net trade working capital from continuing operations as of 31 December 2017 amounted to €112,9 million, compared to €90,3 million 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

(in €m)	**31 December 2018**	**31 December 2017**	**31 December 2016**
Trade Debtors	77.606	84.824	71.845
Inventories	101.739	89.075	76.305
Trade Creditors	77.643	60.985	57.881
Net Trade Working Capital	**101.702**	**112.914**	**90.269**

Capital Expenditures

Capital expenditures from continuing operations amounted to €35,9 million in the year ended 31 December 2018, of which €31,3 million related to the purchase of property, plant and equipment and €4,6 million related to the purchase of intangible assets, compared to €18,1 million in the year ended 31 December 2017, of which €16,2m related to the purchase of property, plant and equipment and €1,9 million related to the purchase of intangible assets. The increase mainly reflects pre-buying materials and related machinery for the upcoming furnace rebuild in Nigeria, as well as, the related expenditure for the SAP platform implementation.

Capital expenditures from continuing operations amounted to €18,1 million in the year ended 31 December 2017, of which €16,2 million related to the purchase of property, plant and equipment and €1,9 million related to the purchase of intangible assets, compared to €12,4 million in the year ended 31 December 2016, of which €9,7 million related to the purchase of property, plant and equipment and €2,7 million 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.

2.2) Parent Company Financial Data

The Parent Company's Net Sales increased by €16,1 million and reached the amount of €42,1 million.

Gross Profit increased by €1,7 million and reached the amount of €3,0 million.

Net Losses after tax decreased by €46,6 million and reached the amount of €1,3 million.

The total Equity of the company from €24,2 million in 2017 decreased by €1,6 million and reached the amount of €22,6 million.

2.3) Business Outlook

We delivered a good performance in the first year post its capital restructuring completion. We drove sales and comparable EBITDA growth, as well as, EBITDA margin enhancement and free cash flow generation in-line with our expectations, representing a milestone in bringing back the company to sustainable growth over the longer term. In 2019, we anticipate commercial refrigeration top-line momentum to continue following increased customer cooler investments and market share gains. In Glass business, we expect increased demand for glass containers, driven by solid beverage market fundamentals, recently added beer capacity and customers' new product launches.

We are also taking steps to deliver further cost efficiencies to assist the profit margin expansion, again in 2019. In commercial refrigeration business, we are implementing initiatives to realize raw material cost savings and productivity gains, as well as, production rebalancing and product range simplification savings. We continue our innovation journey by further developing bespoke ICMs and engaging closely with our customers. The EcoVadis Gold distinction we were awarded is an evidence of our commitment on sustainability. We are also gradually step changing our design for manufacturing process and continuously fine-tuning our manufacturing capabilities to drive further efficiencies. Frigoserve business is gaining traction and we are expecting the expansion of our customer base going forward. Volume leverage, pricing and furnace efficiency improvements will support Glass business profit margin in 2019.

Frigoglass continues to invest for future growth. In 4Q18, the group announced a €25-30 million investment to expand its furnace capacity at the Beta Glass Guinea plant, located in Agbara, Ogun state. The investment includes the replacement of an end of its lifetime furnace with a new larger one, an additional production line, upgrades to existing production lines, as well as, new quality inspection equipment. The new furnace is expected to become fully operational in 2020. With this investment, we support the growth of our international and regional beverage customers in the high growth potential West African region. Following the kick off of SAP platform business transformational project late in 2018, we are currently working to finalize the blueprint phase of our 3-years journey. Finally, we have planned investments to drive cost optimization and operational efficiency improvements in our commercial refrigeration business. Overall, we expect Group's capital expenditure in 2019 in the range of €25-30 million.

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 & 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. Corporate Governance Statement

This present statement has been drafted in accordance with Article 152 of Law 4548/2018, as in force (the "**Law**") and contains all the information required by the respective Greek legislation.

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 Company's Board of Directors' (hereinafter the **"Board"**) 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 Company shall in due time amend the Code for harmonisation purposes with the provisions of the Law, following the abolition of Codified Law 2190/1920 effective as of January, 1 2019.

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
http://www.frigoglass.com/corporate-governance.

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 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 statutory 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 statutory auditors from any liability, following the voting of the annual financial statements;
(f) hearing of the statutory 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, namely the company "Central Securities Depository S.A.", 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 as of today 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.

The table below lists the members of the Board, the dates of commencement and termination of office for each member, as well as the frequency of attendance of each member in the meetings held in 2018.

Title	**Name**	**Executive/ Non-Executive**	**Independence**	**Office Commencement**	**Office Termination**	**Board Member Attendance in 2018**
Chairman	Haralambos (Harry) G. David	Non-executive		14/12/2017	14/12/2020	11/12
Vice Chairman	George G. Leventis	Non-executive		14/12/2017	14/12/2020	12/12
Chief Executive Officer	Nikolaos Mamoulis	Executive		14/12/2017	14/12/2020	12/12
Member	Loukas Komis	Non-executive		14/12/2017	14/12/2020	12/12
Member	Evangelos Kaloussis	Non-executive	Independent	14/12/2017	14/12/2020	12/12
Member	Ioannis Costopoulos	Non-executive	Independent	14/12/2017	14/12/2020	12/12
Member	Jeremy Jensen	Non-executive	Independent	14/12/2017	14/12/2020	12/12
Member	Stephen Graham Bentley	Non-executive	Independent	14/12/2017	14/12/2020	12/12
Member	Iordanis Aivazis	Non-executive	Independent	14/12/2017	14/12/2020	12/12

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 in November 2006. He has been a member of the Board since 1999. He is a Providence College USA alumni, class of 1987. His career began as a certified investment advisor with Credit Suisse in New York. He then served in several executive positions within Leventis Group Companies. Today he holds a position on the Boards of A.G. Leventis (Nigeria) PLC, the Nigerian Bottling Company, Beta Glass (Nigeria) PLC, Ideal Group, Pikwik (Nigeria) Ltd. (A newly formed Joint venture with Pick n Pay, South Africa) and TITAN Cement International S.A. Mr. David is a member of the Organizing Committee of the Athens Classic Marathon and member of the TATE Modern's Africa Acquisitions Committee.
He has served on the boards of Alpha Finance, ΔΕΗ (Hellenic Public Power Corp) and Emporiki Bank (Credit Agricole).

George- Pavlos 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 with the responsibility of overseeing investments in real estate. He has previously worked in the fund management business as an equities analyst. He graduated with a degree in Modern History from Oxford University and holds a postgraduate Law degree from City University. He is an Investment Management Certificate holder. He also sits on the board of HD Insurance Ltd.

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, Mr. Mamoulis 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 Chief Financial Officer 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 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 Frigoglass 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 & vicechairman 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 was appointed to the Board in March 2015. Mr. Costopoulos is currently working for the company Société d'Etudes Techniques et Economiques S.A. (SETE S.A.) in London. 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 chairmanof 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)

Mr. Jensen was appointed to the Board 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, a non-executive member of the board of Patisserie Holdings PLC 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 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 Chief Financial Officer and Chief Operating Officer of OTE S.A. (Hellenic Telecommunications Organisation S.A). After the Deutsche Telekom's (DT) acquisition of OTE he was a member of OTE's board of directors and DT's European Management Board. Moreover, he has served on the board of directors of several Greek pubicly quoted companies. Currently, he is chair 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 NED of ELLAKTOR S.A. He is also chair of the Special Liquidations Committee of the Bank of Greece. He is an English and French speaker.

Stephen Graham Bentley

Member (independent non-executive)

Mr. Bentley was appointed to the Board 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 Corporate Finance Executive 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 more 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.

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 twelve (12) meetings in 2018.

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 the annual financial statements, before their submission to the Board;
- overviewing the statutory auditor's compliance with the reporting requirements specified in Articles 10 and 11 of Regulation (EU) 537/2014;
- reviewing and monitoring of matters relating to the existence and safeguarding of the impartiality and independence of the legal statutory auditor or audit firm, particularly in relation to the provision to the Company of other services by the statutory auditors or audit firms;
- developing an appropriate policy regarding the provision of permissible non-audit services to the Company, including a monitoring mechanism concerning the aggregate fees for non-audit services in accordance with Regulation (EU) 537/2014;
- pre-approving all permissible non-audit services to the Company, after having properly assessed the threats to independence and the safeguards applied of the statutory auditor or the audit firm;
- Hold discussions with the audit firm concerning threats to its independence and applicable safeguards, if the total fees received from the Company represent more than fifteen (15) percent of the total audit firm's fees.

- the selection process of statutory auditors or audit firms and the recommendation for hiring specific statutory auditors or audit firms by the Board;
- validating management's report on the conclusions of the selection process of the statutory auditors or audit firms;
- assessing the personnel, structure and independence of the Internal Audit Department and, if necessary, provide recommendations to the Board;
- reviewing the annual internal audit plan, receiving summaries of internal audit reports and management's response;
- reviewing the effectiveness of the Company's corporate governance and internal control systems;
- reviewing the Company's Internal Regulation of Operation.

Further, the Audit Committee is also responsible for the submission of proposals to the Board regarding any change to the chart of authorities, in principle with 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 six (6) meetings in 2018. 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 2017 annual financial statements and the 2018 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 2017 and their review of the 2018 half year Board of Directors report that forms part of the statutory reporting obligations of the Company.

Moreover, in 2018, 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 2017) 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 – *inter alia* - to:

- oversee the management's succession planning policy;
- establish the compensation and benefits strategy;
- submit to the Board proposals for executive Board members remuneration (including bonus) and update thereof;
- review and agree with the Board, all remuneration arrangements concerning share schemes;
- review of salaries annual report.

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 four (4) meetings in 2018.

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: Haralambos Gkoritsas[1] - Chief Financial Officer

The Investment Committee held two (2) meetings in 2018.

[1] Mr. Haralambos Gkoritsas has been appointed as member of the Investment Committee by the Board in replacement of Mr. Emmanouil Fafalios (former Chief Financial Officer of the Company – who left the Company as of 31.5.2018).

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 2018, the Group reported net losses of €8,7m, compared to profits of €7,6m in the year ended December 2017.
Net profits in the prior year included a gain from 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 also impacted by €42,3m of expenses related to the capital restructuring process.

For the year ended 31 December 2018, the Group has a negative equity position of €43,0m, compared to a negative equity position of €42,3m in the year ended 31 December 2017.

Frigoglass SAIC has an equity position **of €22,6m** for the year ended December 2018 and, therefore, is lower than half (1/2) of the share capital.
As a consequence, the requirements of **article 47 of Law 2190/1920, as replaced by article 119 of the Companies Act 4548/2018** 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. Over the last three years, 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.

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 maturities of almost all of the Group's indebtedness have been extended and committed for around 4,5 years.

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.

In December 2018, the Company completed the divestment of its glass container subsidiary Frigoglass Jebel Ali FZE. This divestment is in line with Frigoglass' strategy and will enable the Company to focus on its commercial refrigeration business and the high growth Nigerian glass business operations.

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 2018 Financial Statements were published, and relate specifically to the Group or the ICM and Glass Operations (from continuing 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 96,4% and 96,8% of group sales in 2018 and 2017 respectively. Sales in Nigeria and Russia in particular, which are the Company's largest markets, accounted for 43,8% and 42,5% of group sales in 2018 and 2017 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.

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 3,6% and 3,2% of consolidated sales in 2018 and 2017 respectively. Total tangible and intangible assets in Greece accounted for 8,5% of the Group’s overall assets on 31.12.2018 and 10% on 31.12.2017. 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 11% 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 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 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.

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.

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.

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 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 2018, around 67% of revenues in the Commercial Refrigeration business and around 81% of revenues in Glass Operations came from the five largest customers, and in 2017 the corresponding figures were approximately 65% and 74% 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 2018, CCH accounted for around 45% of sales in ICM Operations and around 26% of sales in Glass Operations. Other Coca-Cola bottlers accounted for around 26% of sales in ICM Operations in 2018. 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 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 their size and exert downward pressure on prices of the bottling companies 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., 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 is Glass Force. 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 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.

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 2018 more than 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.

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%, 7% and 4% of the total cost of raw materials, respectively, in 2018. For 2017, steel, copper, plastics and aluminium accounted for around 20%, 7%, 8% 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), limestone and glass-sand, which accounted for 26%, 10%, 2% and 1% of the operations total raw material expenses in 2018. The cost of soda ash, cullet, limestone and glass-sand for 2017 was 22%, 12%, 2% and 1%. 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.

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 €5,8m in 2016, €5,5m in 2017 and €6,7m in 2018.

From time to time, the Group may also recall products voluntarily or based on a court order. The Group consumes 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 2018, 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 2018, 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 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 concern, 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.

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.

6) Events after balance sheet date and other information

There are no 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:

in € 000's — Year ended 31.12.2018

Consolidated:			
	Sales of Goods	167.558	Coca-Cola HBC AG Group
	Purchases of Goods & Services	1.156	Coca-Cola HBC AG Group
	Receivables	22.424	Coca-Cola HBC AG Group

Parent Company:	Sales of Goods	Income from Other Services	Income from Commissions on Sales	Management Fees Income	Purchases of Goods & Services	Receivables	Payables	Loans Payable	Interest expense
Frigoglass Cyprus Limited	12	-	-	-	-	2	-	1.337	72
Frigoglass South Africa Ltd	42	-	-	1.532	6	1.319	6	-	-
Frigoglass Indonesia PT	10	26	179	846	1.010	266	1.061	-	-
Frigoglass East Africa Ltd.	11	-	-	-	68	-	9	-	-
Frigoglass Romania SRL	488	621	224	7.150	22.774	2.108	24.339	-	-
Frigoglass Eurasia LLC	284	142	10	7.915	910	2.970	2.467	-	-
Frigoglass India PVT.Ltd.	9	5	2	1.462	1.658	4.986	403	-	-
Frigoglass Hungary Kft	105	-	-	-	-	10	-	-	-
Scandinavian Appliances A.S	5.543	-	-	-	4	579	16	-	-
Frigoglass Sp Zoo	2	-	-	-	-	4	-	-	-
3P Frigoglass Romania SRL	-	-	-	50	93	50	12	-	-
Frigoglass Global Ltd.	-	-	-	905	-	390	-	-	-
Frigoglass West Africa Ltd.	113	-	-	-	-	295	15	-	-
Frigoglass GmbH	-	-	-	-	-	-	3	-	-
Frigoglass Nordic	-	-	-	-	-	-	24	-	-
Frigoglass Industries (Nig.) Ltd	-	-	-	-	1	-	-	-	-
Beta Glass Plc.	185	-	-	-	-	108	-	-	-
Frigoinvest Holdings B.V.	-	-	-	-	-	-	-	25.143	1.601
Total	**6.804**	**794**	**415**	**19.860**	**26.524**	**13.087**	**28.355**	**26.480**	**1.673**
Coca-Cola HBC AG Group	22.560	-	-	-	83	1.627	-	-	-
Grand Total	**29.364**	**794**	**415**	**19.860**	**26.607**	**14.714**	**28.355**	**26.480**	**1.673**

	Consolidated	Parent Company
	31.12.2018	
Fees of member of Board of Directors	360	360
Management compensation	2.765	2.356

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 31.12.2018 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, as replaced by Law 4548/2018
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, as replaced by Law 4548/2018.

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,as replaced by Law 4548/2018.
According to the provisions of article 13, par. 1subpar. b' and c; of the Codified Law 2190/1920 (as replaced today by article 24 par. 1 sub. b' and c' of Law 4548/2018), the General Meeting by its own decision, which is subject to the disclosure formalities of the art. 7b. of the Codified Law 2190/1920 (as replaced today by article 13 of Law 4548/2018), 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 (as replaced today by article 113 of Law 4548/2018), 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 (as replaced today by articles 130 par. 3 and 4 and 132 par. 2 of Law 4548/2018), 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 (as replaced today by article 13 of Law 4548/2018). 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 (as replaced today by article 49 of Law 4548/2018), 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 any consideration, the maximum and minimum range of such 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 global leaders in Ice Cold Merchandisers (ICM), providing our customers with a complete range of innovative merchandising solutions, which uniquely position and promote their brands to 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 to meet their ambitious sustainability and carbon emission reduction targets. Frigoglass is also a principal supplier of glass bottles and complimentary packaging solutions in the high-growth markets of Africa. These markets present an attractive long-term investment opportunity for our customers and as such we remain committed to supporting them in capitalizing on this opportunity.

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 seven countries and an extensive network of sales and after-sales representatives.
In our glass bottle business, we are focused on the markets of Africa. 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:	Norway, Poland and Hungary

Cool Operations:

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

Glass Operations:

Africa	
Production plants and sales offices:	Nigeria

1.3. Key objectives and strategy

In 2018, 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 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 2018, our customer-centric culture continued its positive impact on the company's revenue, proving the success of our highly effective commercial function for a consecutive year. Frigoglass key account management accelerated speed of translating market messages into actions, and high quality customer service across all regions and continents.
For our Glass division, 2018 was a strong year as market demand across West Africa rebounded after the challenges of the two previous years. Despite what was overall a muted year for manufacturers in Nigeria our output grew by 5% in terms of volume. We carried out the full Cold Repair of our flint glass furnace in Ughelli (35 days glass to glass) which increased capacity post-repair by 25-30 tons of glass per day.
In the Beer segment, one of our key customers inaugurated their new brewery in Ogun State, which drove growth in the segment throughout the year. The Food segment continued to grow from a small base whilst international players' penetration of the Nigerian market with locally produced international Spirits brands continued apace. We were able to manage both inbound and outbound supplies through the port of Apapa in spite of the severe congestion and impact on truck and container availability to increase our glass container exports by 18% y-o-y. Our Crate division kept pace with demand from new customers to deliver in excess of 60% volume growth, whilst our Crowns plant felt the impact of lower demand from the Soft Drinks segment.
At the end of the year, we secured our future growth strategy with the announcement that we will invest 25-30 million Euro in a furnace capacity expansion project at our Agbara glass plant over the period 2018-2020, which will increase our capacity at the plant by 35,000 tons per year.

1.3.2. Innovation leader

Hybrid cooler range

The latest breakthrough development, Hybrid, has created excitement to customers in the emerging markets. In several regions of Africa and Asia, where immediate consumption grows faster than electrical power availability, the 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. 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 2018, upon wide market acceptance of the Hybrid concept, Frigoglass expanded the Hybrid line of models to serve more placement needs. The significant increase of annual sales clearly indicated the success of the Hybrid models performance and the trend towards green cooling solutions that depend less on electricity net power.

Market penetration

In 2018 the newly developed Plus range in Russia continued showing positive momentum by doubling its sales compared to the previous year, delivering quality coolers at competitive pricing and helping our customers reach their market penetration targets.

In Africa the readiness to transit more countries and customers to environmentally-friendly HFC-free refrigerants led us to expand the Hydrocarbons to the complete Super range of coolers, including the Subzero models for beer related product placements. With Super and Hybrid, Frigoglass completed its line-up for the continent, offering cooling and aesthetical options to serve any local demand.

In Europe we focused together with our big customers on configuring a solid plan towards a greener future through standardization of the product and options portfolio. This allows for common raw materials, less spare parts and waste, easier recycling and focus on sustainable sourcing of components. The implementation of the plan is expected to start in 2019.

The Flex cooler range, launched in 2017, continued its successful market penetration increasing its sales in both Europe and Africa. In 2018 the Flex family was enhanced with more models to cover further needs, thus becoming one of the core ranges of Frigoglass ICM portfolio.

Finally in Asia, and more specifically in India, we launched “Norcool by Frigoglass”, a complete line-up of freezers, ranging from curved glass-top to hard-top design, which are ideal for tropical climate, use natural refrigerants and operate with high energy efficiency.

Greener Product portfolio and Manufacturing footprint

2018 was the year that, following the European plants transition, also the South African operation produced solely HC coolers, leaving India and Indonesia the only remaining Frigoglass operations still producing HFC refrigerants, for servicing the countries that lack the infrastructure to support greener solutions. The move to HFC-free coolers production will be gradually implemented also in these two plants, which are already appropriately equipped to support a full-scale transition following market needs.

Research & Development

In addition to the labs of India and Greece, in 2018 also the labs in Romania got accreditation according to ISO17025 standard and were recognized by The Coca-Cola Company, PepsiCo and Heineken for certification tests.

This significant development makes more of our labs equivalent to internationally recognized independent labs and allows us to test new configurations locally, avoiding transportation of new model samples to external labs, thus reducing outbound freight and respectively emissions. In addition, it leads to important time and cost savings in the commercialization process.

Connectivity expansion

Our connectivity solutions have become integral part of our product offering. We provide connectivity capabilities and digital services, while enhancing technical excellence.
In 2018 more than 100,000 IoT-enabled coolers were sold, clearly indicating the increasing market trend towards digitalization.

2. Management approach 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 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.

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.

Our top ten material issues remain as follows:

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

3.2. Stakeholder engagement

At Frigoglass, we highly appreciate the role of stakeholders and the significance of their involvement when it comes to defining our sustainability strategy. Engaging with them is essential for understanding their needs and creating value for the organization. Their insight also helps us acquire a multi-angle perspective that supports our decision making process and ensures that our sustainability targets and actions respond to their concerns and meet their expectations. In the process of 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. Our employees and our suppliers are equally important stakeholder groups because we depend on them for our operation. Finally, we are conscious of external groups, such as our business partners and product end users, who are influenced by our products and performance. Continuous dialogue and engagement with different stakeholder groups enable us to understand various perspectives, identify opportunities to improve our performance, create value for our customers and shareholders and set our sustainability targets. Integrity, transparency and compliance are the key principles behind all our engagement initiatives. Stakeholder engagement outcomes inform our strategy, risk management and resource allocation, and help us meet stakeholders' expectations and address their concerns.

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 each stakeholder group and how we can effectively manage them in a proactive way
- The effectiveness of our sustainability strategy

Feedback from our stakeholders on how we can improve our management and reporting of sustainability issues has included the following recommendations:

- Integrate sustainability issues further into business strategy
- Enhance our sustainability reporting practices to demonstrate transparency
- Set clear KPIs and targets and measure progress against them
- Promote standardisation of procedures on quality, labour management and environmental issues across all operations

4. Principal risks and their management

In 2018, we continued the implementation of the risk management identification process across our operations, which was an upgrade of our Operational Risk Management tool and update of our reporting system to better assess potential risks and develop mitigation actions.

Frigoglass CEO and the Management Committee oversee the risk and opportunity identification process, which includes regulatory reviews, carbon emission and energy use data collection, as well as consultation with both suppliers and customers. Data collection is used to identify where climate change and other risks and opportunities exist across the company. Specifically, data on carbon emission and energy are used to assess energy efficiency opportunities at a number of our plants, as well as help us set our carbon emission target for 2022 to reduce emissions intensity by 10%. Customers' consultation has been guiding our research and development efforts to produce more energy efficient ICMs.

The updated Operational Risk Management program consists of three major assessment categories. For each of them 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. in each individual plant. Under this program, climate change has been recognized as a key risk that relates to both business continuity and environmental management. Annual Environmental, Health and Safety audits have been carried out in each plant by third parties.

These audits assess how effectively this risk is managed in relation to the program's goals and more specifically:

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

These audits have also been used as an opportunity to identify additional potential risks. The findings from the annual audits have been compiled and shared with the Management Committee for their further assessment and action planning.

Frigoglass has used a risk assessment process to prioritize the identified risks and opportunities, based on the following criteria:

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

The identified risks have been categorized in three groups, and more specifically, as risks resulting from:

- Changes in climate-related regulations
- Changes in physical climate parameters
- Changes from other climate-related developments

4.1. Risks resulting from changes in climate-related 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
Frigoglass is fully equipped in all its plants to produce with HFC free refrigerants. Should additional changes to refrigerant types be required, it is estimated that costs of the magnitude of €3 million will be needed to upgrade production facilities.
Management method
Frigoglass is investing in research and development into alternative refrigerants and in 2018, 82% of our ICM placements worldwide were with Hydrocarbon (HC) 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.

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 of production disruptions from weather-related events is estimated 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 climate-related 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 IoT-enabled ICMs that allow for more efficient control of their operation and servicing.

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, Asia and Africa, 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 economic growth 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. At the same time we strive to fulfil the company's social and environmental responsibilities to the greatest possible extent. We are committed to achieving long-term economic growth, as well as generating and distributing broader economic value for our stakeholders.

Economic value is distributed through various means:

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

In pursuit of value creation, considerable effort has been put forward and several initiatives have been implemented which are directly related to it.
The financial performance of the group is presented in detail in 2018 Financial Statements.

5.2. Fair business practices

Our core values guide our actions, aiming at conducting business in a socially responsible and ethical manner. Our policies and procedures related to Human Rights, Business Ethics, Anti-Corruption and Bribery have been effectively communicated to all (permanent) employees and business partners (e.g. customers and suppliers) through business contract terms and in-person, online training programs. For our internal stakeholders, we have initiated an e-learning platform, the "Frigoglass Academy", which offers systematic training and uses comprehension test to verify understanding of our policies. It also provides reliable statistical data on the population coverage of the training.
The training focuses on the following policies and takes place regularly with updated content, including policy revisions and newly introduced policies:

- Code of Business Conduct and Ethics
- Labor policy
- Environmental policy
- Human Rights policy
- Speak-up policy
- Quality policy
- Health & Safety policy
- Data protection policy (GDPR)

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. An audit process is in place for our largest and most important suppliers, as well as for all our new suppliers. Our ultimate objective is to progressively include a wider range of criteria into our supplier assessment processes and audit forms. This refers not only to operational issues, such as the mitigation of supply chain constraints, but also to 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

In 2018 we initiated a plan to automate the audit process through cooperation with online consulting services that engage our suppliers into annual registration of key sustainability related information. This online platform helps our suppliers not only define their sustainability targets but also track their progress towards reaching the performance, as required by the Frigoglass Supplier Code.

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 code, 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. Every new party, defined by Frigoglass as Supplier or Business Partner, is required to sign the Supplier Code thus committing themselves to complying with its defined principles.
Compliance covers all activities throughout all Suppliers' premises and operations, including their own supply chain, whilst contracts may also 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). 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 more weight 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.

New supplier audits	2014 - 2018
% of new suppliers assessed on sustainability criteria	100%
Instances of identified actual or potential negative impact on the assessment criteria	0

We assess a wide range of suppliers representing annual purchases of over 90% of our total group spent. Out of those, in 2018 over 40% were audited on-site. As part of our responsible procurement strategy, we run training programs on the sustainability criteria we place on

our suppliers. As per Group target, in 2018 all our buyers completed the Sustainable Procurement training. This is an obligatory training that every new buyer of 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. When we identify suppliers with high probability of non-compliance with our Supplier Code of Conduct, we manage supply chain risk by proactively finding potential suppliers with higher probability to comply.

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 are engaged in the preservation and conservation of the global environment and as such we remain committed to reducing the environmental impact of our business. We closely monitor the impact of our products, processes, supply chain and operations on the environment and take concrete measures to minimize it. We follow environmentally conscious and sustainable business practices, which directly inform our corporate strategy and drive our approach to innovation. In the previous years, we made considerable progress towards minimizing the environmental impact of our products, rationalizing our manufacturing processes and improving the efficiency of our operations.

We also systematically enhance environmental awareness through the environmental education of our employees. In this frame, in 2018 we launched an e-learning platform, the "Frigoglass Academy", with the objective to promote environmental awareness, among other things, throughout the company.

6.1. Product environmental stewardship

As a global manufacturer of beverage coolers, we are committed to designing and producing innovative products, which are energy efficient with minimum 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 long been an integral part of our product strategy and one of our main competitive advantages.

Glass operations, on the other hand, are characterized by energy intensive production and require large quantities of raw materials. Therefore, in these operations our primary goal is to recycle and reuse as many materials as possible. Another important goal for Glass is to continue innovating on lightweight bottle production, which again leads to use fewer raw materials and helps us to meet our primary goal.

6.1.1. Improving environmental performance across our ICM range

Continuously improving the environmental performance of our coolers is one of our top priorities, which is aligned with our customers' expectations and upcoming global regulations. During the previous years, our efforts to this front have been intense and have yielded substantial results.

- In close collaboration with our customers and suppliers, we gradually convert our product portfolio into a fleet of coolers with environmentally friendly refrigerants. The share of our so-called "Eco range" has grown considerably in the last years, reaching 82% of our total ICM sales in 2018.

Evolution of green ICM sales in relation to total ICM sales	2014	2015	2016	2017	2018
	41%	48%	60%	70%	82%

- In 2015 we initiated the development of the Hybrid range which uses eutectic technology to secure cold drink availability in regions with long power outages, like in the African continent. This was a significant addition to our offering of coolers that make use of alternative power sources (e.g. Solar 200, EcoCantine), require lower maintenance and work with exceptionally low energy in relation to their size (higher efficiency is achieved through storage of cooling capacity inside the cooler during operating hours). Hybrid models have been so successful during their launch phase that in 2018 the family of Hybrid coolers was enlarged with new sizes to serve the demand of existing and new markets.
- In all our plants we have the manufacturing capability to use environmentally friendly refrigerants, so that we can quickly address potential future changes in refrigerant regulation and efficiently roll out new products.

6.1.2. Assessing the lifecycle of our ICMs

After conducting a life-cycle assessment (LCA) for an average cooler, from extraction of raw materials to disposal, we have concluded that the processes with the most important environmental impact are the following:

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

Following this assessment, all our new ranges are been developed taking into consideration the impact of the above key outcomes.

6.1.3. Production of optimised bottles in our glass operations

In our Nigeria operations, we continued our lightweighting efforts, developing even lighter returnable bottles, which reduce the carbon footprint of our customers. We have also applied rightweighting processes in the development of one-way bottles and jars, for the spirits and food segments respectively, with optimized weight to ensure safe product transportation in the country. We have also produced returnable bottles which are heavier than non-returnable or one-way containers, but have considerable benefits for the environment. These containers are heavier to withstand multiple trips in large glass bottles floats, but have considerable benefits for the environment as they can be used more than 25 times before being downcycled to cullet and reused.

6.2. Energy efficiency of operations

Over the last years we have realized several investments, aiming to protect the environment and enhance the energy efficiency of our plants. Our investments covered a wide spectrum of processes, ranging from simple process optimizations to sophisticated equipment upgrades in our production facilities. Below we highlight some of these investments in our plants:

- Replacement of plant illumination with high efficiency LED lighting and motion sensors for automated operation
- Optimization of paint shops through condensing their operation to less hours of usage and installing higher efficiency machines
- Installation of lower energy consumption machines in high consuming areas of the manufacturing process e.g. metal processing
- Advancement of leakage detection systems e.g. in water, air, refrigerants

Also on the product side we have made extended efforts to optimize the design, standardize the parts, reduce the weight of materials and packaging e.g. pallets. Those actions led mainly to reduction of material use, better warehouse arrangements and space usage optimization as well as more efficient logistics.

Finally, as part of our environmental management system, over 85% of our operation facilities were certified as per ISO14001 in 2018, while our plan remains for all facilities to be certified by 2019.

In addition, as every year, also in 2018 we invested about 5% of our annual IT budget in "Green IT", allowing for reduction of business travels, while maintaining or even improving internal and external communication capabilities.

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 to projects related to improving energy efficiency in operations and reducing our environmental impact. As a result we have never received grievances about the environmental impact of our operations as long as we monitor them.

6.3. Resource management and efficiency

At Frigoglass, we recognized early that our ICM operations are material-intensive. Since 2010, we have been monitoring and reporting on our material use, with the objective to

keep rates of material consumption over produced volume at low levels, despite varying product mix. Furthermore, our Procurement cooperates with strategic suppliers to ensure that stock of raw materials is maintained 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. The following table shows the material quantities used in the last 4 years:

Tonnes of materials used in Cool operations

Tonnes of materials	Metal				Glass			
	2015	**2016**	**2017**	**2018**	**2015**	**2016**	**2017**	**2018**
Europe	10.595	10.066	13.106	14.619	3.391	3.996	5.233	5.275
Asia	9.481	6.330	6.012	5.250	2.721	1.647	1.552	1.147
Africa	2.256	2.127	1.743	1.977	639	602	498	971
Total	**22.331**	**18.523**	**20.861**	**21.846**	**6.751**	**6.245**	**7.283**	**7.392**

Tonnes of materials	Plastics				Refrigerants			
	2015	**2016**	**2017**	**2018**	**2015**	**2016**	**2017**	**2018**
Europe	1.140	1.105	1.438	2.399	41	37	42	25
Asia	2.840	2.490	2.311	1.327	47	32	24	26
Africa	176	163	120	0	19	14	4	3
Total	**4.156**	**3.758**	**3.869**	**3.726**	**107**	**83**	**70**	**54**

Tonnes of materials	Insulation				Paint			
	2015	**2016**	**2017**	**2018**	**2015**	**2016**	**2017**	**2018**
Europe	1.299	1.196	2.288	1.913	123	100	81	87
Asia	1.045	624	633	731	126	41	34	19
Africa	337	320	238	341	33	12	5	2
Total	**2.681**	**2.140**	**3.159**	**2.984**	**282**	**153**	**120**	**108**

Material consumption intensity in Cool operations

	2015	2016	2017	2018
Tonnes of total material consumption	36.309	30.902	35.362	36.110
kg of materials / ICM standard unit sales	61,7	61,6	56,1	55,8

The evolution of our material consumption demonstrates the payoff of our strategies, with steady year by year reduction of the materials used per ICM standard unit sale. Specifically for 2018 we managed to reduce material intensity by a further 0,5% compared to 2017.

In Glass operations, materials consumption is mainly based on recycled cullet and therefore this part of our business is by definition very material efficient.

Tons of materials used in Glass operations

Tonnes of materials	Silica sand				Cullet			
	2015	**2016**	**2017**	**2018**	**2015**	**2016**	**2017**	**2018**
Asia	47.170	51.952	33.895	0	18.829	8.484	37.265	0
Africa	94.208	84.517	73.859	89.722	67.837	65.294	83.588	82.869
Total	**141.378**	**136.469**	**107.754**	**89.722**	**86.666**	**73.778**	**120.853**	**82.869**

Tonnes of materials	Soda ash				Limestone powder			
	2015	**2016**	**2017**	**2018**	**2015**	**2016**	**2017**	**2018**
Asia	16.453	17.765	12.071	0	11.864	12.850	8.923	0
Africa	23.070	22.765	19.037	23.642	21.696	20.988	17.620	21.978
Total	**39.523**	**40.530**	**31.108**	**23.642**	**33.560**	**33.838**	**26.543**	**21.978**

Tonnes of materials	Other			
	2015	**2016**	**2017**	**2018**
Asia	7.703	8.638	6.996	0
Africa	4.918	5.002	4.667	5.577
Total	**12.621**	**13.640**	**11.663**	**5.577**

Material consumption intensity in Glass operations

	2015	2016	2017	2018
Tonnes of total material consumption	313.748	298.255	297.921	223.788
kg of materials / Tonnes of glass production	1,99	1,22	1,36	1,30
% of recycled input materials (cullets)	28%	25%	41%	37%

In 2018, glass production was reduced by 20%, due to the divestment of the Jebel Ali plant, however material intensity improved by 4,3%, highlighting the efficiency of our Nigeria plants.

6.4. Water consumption management

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

In our Cool operations, used water 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, where we utilize the latest advances in water treatment 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

In our ICM operations, hazardous and non-hazardous waste is generated from the manufacturing process of coolers.
Reducing waste from production, without undermining the effectiveness of the process, is a key priority for Frigoglass.

In 2018, general waste was increased due to the increase in production and progress towards improving our waste intensity was slower in relation to 2017, however still lower than 2016 levels. In terms of recycling levels, we are on track with our goal to recycle 90% of our waste by 2020, achieving an 87,9% rate in 2018.

Tonnes of general waste generated in Cool operations

	2015	2016	2017	2018
General waste	5.668	4.554	4.721	5.327
Recycled general waste	4.848	4.022	4.043	4.681
% Recycled waste	*85,5%*	*88,3%*	*85,6%*	*87,9%*

At Frigoglass, we respect local legislation and comply with 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.

Tonnes of hazardous waste generated in Cool operations

	2015	2016	2017	2018
Hazardous waste	44,6	43,1	34,9	34,8*
% change		-3%	-19%	-0,2%

* Accounting only for hazardous waste associated with production activities.

In 2018, we continued to limit the generation of hazardous waste associated with our production activities (reduced by 0,2% in relation to 2017), while an additional 30,2 tonnes are attributed to the disposal of obsolete stock.

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

7. Workplace

At Frigoglass, our people are our greatest asset. We believe that our long-term success depends on our ability to attract, develop and maintain an engaged workforce. We implement a long-term strategy that focuses on finding and retaining talent, promoting their development whilst supporting and safeguarding their rights. We always strive to attract highly qualified personnel, respect their aspirations and ensure their continued professional growth. We also pay special attention to providing a healthy, safe and

supportive working environment. We always operate with the highest ethical standards and promote diversity in the workplace.

The following table refers to Frigoglass permanent employees in operational sites and Head Offices for 2017 and 2018 (not including seasonal staff):

	Permanent employees		Managerial		Non-Managerial	
	2017	**2018**	**2017**	**2018**	**2017**	**2018**
Head offices	75	77	43	44	32	33
Nigeria	737	737	76	78	661	659
Dubai	309	-	22	-	287	-
India	235	232	18	14	217	218
Indonesia	247	175	10	10	237	165
Greece	98	97	11	11	87	87
Romania	1348	1129	19	19	1329	1110
Russia	717	624	17	18	700	606
South Africa	337	279	23	7	314	272
Total	**4.103**	**3.350**	**239**	**201**	**3.864**	**3.150**

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 for 2018:

2018	Male	Female	<30	31-40	41-50	>51
Head offices	49	28	3	25	34	15
Nigeria	716	21	26	179	270	262
India	228	4	45	116	62	9
Indonesia	148	27	25	100	48	2
Greece	88	10	-	7	46	45
Romania	799	330	332	318	327	152
Russia	542	82	105	282	144	93
South Africa	230	49	43	118	85	33
Total	**2.800**	**551**	**579**	**1.145**	**1.016**	**611**
	84%	*16%*	*17%*	*34%*	*30%*	*18%*

Our main areas of focus include maintaining employee satisfaction by creating an inclusive, diverse and safe working environment, promoting their training and development, and encouraging proactiveness in the workplace. We strive to provide an engaging and motivating environment that empowers our people to give their best and develop their full potential.

In 2018, Frigoglass Greece (Head Office & KA plant) and Frigoglass India were certified with the SA8000 Social Responsibility Standard. It is worth mentioning that zero (0) non-conformities occurred and we achieved a very high score (4.2 /5). Last year, Frigoglass

Greece was also certified with ISO27001, the international standard for information security management systems.

7.1. Labour practices and human rights

Respect for human rights is a fundamental value of Frigoglass. Some countries, where Frigoglass operates, are identified as presenting higher risk of labour and human rights violations. In these locations, we regularly evaluate our standards and procedures for identifying, preventing and mitigating adverse labour practices and adverse 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).

Our Human Rights Policy, which is guided by the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, sets out the principles for how we relate to our employees, contractors, suppliers and partners. We are committed to respecting all internationally recognized human rights. Forced or slave labour and child labour are strictly forbidden, while we prohibit the employment of persons under 18 years of age in occupations that require exposure to hazardous conditions, as provided for in ILO Convention 182. Our employees have the right to join and support a union and be covered by a collective agreement. In the majority of our plants there are unions or authorized employee representatives. We encourage constructive dialogue with our employees' freely chosen representatives and we are committed to bargaining in good faith.

Our Speak up policy, which is intended to allow employees and business partners raise any concerns and indicate any violation of the company policies and procedures, provides a free communication channel around the clock, every day of the year.

At Frigoglass, we aim to provide competitive compensation to our employees, based on a structured remuneration process. We offer wages which are well above the local law, always complying with all national laws on overtimes and working hours. In the case of significant operational changes, our employment contracts contain at least one week's notice to employees, unless otherwise required by local laws.

7.2. Diversity and equal opportunity

We aim to foster an inclusive environment where our people can meet and exceed their expectations, regardless of race, gender, or socioeconomic background, and conversely benefit from diversity to deliver the highest value to our stakeholders. Diversity and inclusion are a vital part of our corporate culture. During the recruitment process, we undertake a number of steps to ensure workforce diversity 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 tolerate any form of harassment, abuse or exploitation.

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 is read and signed by all employees during the hiring process. Besides that, it is an integral part of the training program of our new e-learning tool.

We provide non-discriminatory, fair employee compensation, and firmly believe that talent diversity has a direct impact on our success. We embrace diversity and celebrate our people's unique qualities, differences and similarities, so much that our success is

attributed to it. Diversity is part of our culture that drives creativity and leads to innovative solutions for our customers. We're proud that there have been no recorded incidents of discrimination during the reporting period. Our internal audits and whistleblowing procedures are aiming at maintaining zero incident levels.
Frigoglass is committed to promoting gender diversity and equality in the workplace. We strive to provide equal job and advancement opportunities for men and women in our operations. Our goal is to become more gender balanced and gradually increase the representation of women in leadership positions.

The table below demonstrates our progress towards gender diversity in leadership positions with steady year by year increase of female representation, reaching 12,7% within 2018.

Governance personnel	2016		2017		2018	
	Male	Female	Male	Female	Male	Female
Head offices	7	0	43	0	6	0
Nigeria	76	6	68	8	72	6
UAE (Dubai)	7	1	5	0	-	-
India	6	1	15	3	14	0
Indonesia	3	1	6	4	6	4
Greece	3	1	11	0	10	0
Romania	5	1	16	3	14	5
Russia	6	1	14	3	14	4
South Africa	7	1	20	3	9	2
Total	**120**	**13**	**198**	**24**	**145**	**21**
	90,2%	*9,8%*	*89,2%*	*10,8%*	*87,3%*	*12,7%*

7.3. Occupational health and safety

Occupational health and safety have always been a top priority for Frigoglass. Our manufacturing operations are part of the heavy industry and consequently the work environment and several production processes in our facilities hold potential risks. At Frigoglass, we aim to maintain high level of safety across the business whilst consistently improving our safety culture. It is of outmost importance to ensure that all employees are aware of the hazards and potential risks, and always comply with safety standards and regulations. In this respect, at Frigoglass we:

- Provide compulsory training on health and safety (H&S) issues to employees as well as to external partners working at our facilities;
- Offer healthcare programs to all our employees;
- Provide personal protective equipment and follow procedures of handling chemicals and hazardous materials in all our plants, which are regularly inspected and updated;
- Cooperate closely with clinics and/ or hospitals located in the vicinity of our plants;
- Conduct regular risk analysis on H&S issues and implement appropriate measures for controlling risks.

We are committed to keeping workplace accidents at zero levels by applying and implementing various structural and technical measures, as well as conducting risk

assessments on our facilities and equipment. More specifically, risk assessments are conducted on a periodic basis in order to promptly identify and mitigate potential hazards. They include the following steps:

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

In 2018 over 75% of our operational sites have been certified per OHSAS 18001. In line with our commitment to workplace health and safety, we target to obtain OHSAS 18001 certification for all the remaining plants by 2020. In all our plants we also implement a concrete and comprehensive safety management system, which is subject to
strict approval processes. As part of this system, we closely monitor the accident frequency rates in all our plants and we are constantly working towards minimising them.

In 2018 injury and absenteeism rates per 1000 hours of work were 0,58% and 0,68% respectively compared to 0,62% and 0,31% in 2017.

7.4. Employee training and career development

At Frigoglass we recognize the importance of employee training and development. We continuously try to provide our people with opportunities to grow professionally and resources to advance their career. The company ensures that all employees are equipped with the right mix of knowledge, skills and abilities to fulfil their job requirements. Frigoglass systematically invests in employee training, providing a wide range of training opportunities. We view employee training and development as an essential element of our success, as it effectively aligns action with objectives. The company puts emphasis on the development of technical skills and is committed to supporting employee professional advancement. We also provide training on ethical issues, such as anti-corruption, anti-competitive behaviour and human rights, which aim at further promoting an equal and fair working environment. The average hours of recorded training per employee in 2018 amounted to 22,6.

2018 was the second year of operation of the "Frigoglass Academy", the online platform that provides a wide range of training courses to our people. The program addresses all our permanent employees with computer access and in the following years will also cover those currently lacking access. The program offers extensive training on our Code of Business Conduct, Values and core operating policies i.e. Human Rights, Labor, Environment, Speak-up and Health & Safety.

Performance reviews are also a key component of employee development. At Frigoglass, reviews take place twice a year and give our people the opportunity to provide and receive feedback through individual guidance. 100% of our supervisory and managerial level employees receive annual performance reviews based on pre-determined and agreed-upon performance criteria. Career development needs and actions are often tackled through informal meetings and mentoring, while we always listen closely to our workforce's views on how their career goals can be met.

The new hires and employee turnover for 2018 are presented in the tables below:

2018	Total new hires	% workforce
Head offices	10	13%
Nigeria	27	3,7%
India	21	9,1%
Indonesia	4	2,3%
Greece	0	0%
Romania	602*	53,3%
Russia	9	1,4%
South Africa	37	13,3%
Total	**710**	**21%**

**New hires mainly reflect the increase in production shifts in 2018*

2018	Voluntary turnover	Total turnover, including dismissals and contract expirations
Head offices	3	12
Nigeria	31	44
India	23	19
Indonesia	5	5
Greece	0	2
Romania	247	820
Russia	49	106
South Africa	37	17
Total	**395**	**1025**

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 and Group) which comprise the separate and consolidated balance sheet as of 31 December 2018, 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 2018, 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, 2018 to December 31, 2018 during the year ended as at 31 December 2018, are disclosed in note 30 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***
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 2018, property, plant and equipment amount to €121.2mn for the Group and €3.9mn 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 some of 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 Merchandisers (ICM) operations in Greece, India and Indonesia. 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 2018, an impairment charge of €2.1 mn was recognized with respect to the Group's operations in India, which was allocated to machinery and technical installation.	We evaluated management's overall impairment testing process, including process for identifying indicators for impairment, preparation of impairment testing models as well as their review and approval. The key assumptions assessed per case 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 year. • 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 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 2018, 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 some of 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 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 2018 no impairment charge was recognized with respect to the Company's investment in subsidiary.

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

The key assumptions assessed per case 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 year.
- 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.

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

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.

down certain operating units. This resulted in the Group reporting a negative equity position of €43.0 mn for the year ended 31 December 2018, 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 replaced on 1/1/2019 by Article 119/4548/2018.

As at 31 December 2018 the Group has cash and cash equivalents of €49.1 mn out of which €14 mn represent Nigerian Naira cash balance which is subject to cash restrictions.
For the year ended 31 December 2018, the Group reported net loss of €0.7 mn,.
When adopting the going concern basis, the Group has, among other things, prepared a liquidity forecast based on cash flow projections for 2019. 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 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.

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 and the Alternative Performance Measures ("APMs") (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 20 years.

PricewaterhouseCoopers S.A.	Athens, 28 March 2019
Certified Auditors – Accountants	The Certified Auditor
268, Kifissias Avenue	
152 32 Halandri	
SOEL Reg. No 113	Despina Marinou
	SOEL Reg. No 17681

FRIGOGLASS S.A.I.C.
Commercial Refrigerators

Annual Financial Statements
for the period 1 January to 31 December 2018

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

	Note	Consolidated Year ended 31.12.2018	Consolidated Year ended 31.12.2017	Parent Company Year ended 31.12.2018	Parent Company Year ended 31.12.2017
Continuing operations:					
Revenue from contracts with customers	5 & 23	**417.297**	**386.049**	**42.073**	**26.007**
Cost of goods sold	30	(339.996)	(318.508)	(39.064)	(24.728)
Gross profit		**77.301**	**67.541**	**3.009**	**1.279**
Administrative expenses	30	(21.095)	(22.157)	(15.133)	(15.243)
Selling, distribution & marketing expenses	30	(20.736)	(19.142)	(4.669)	(4.141)
Research & development expenses	30	(3.585)	(3.738)	(2.648)	(2.373)
Other operating income	26	4.454	6.387	20.758	18.523
Other gains<losses> - net	26	303	4.110	(11)	(24)
Impairment of fixed assets	6 & 7	(2.071)	(1.607)	-	(784)
Operating Profit / <Loss>		**34.571**	**31.394**	**1.306**	**(2.763)**
Finance costs	17	(24.702)	(20.931)	(1.799)	(9.828)
Finance income	17	3.535	1.627	1	5
Finance costs - net		**(21.167)**	**(19.304)**	**(1.798)**	**(9.823)**
Profit / <Loss> before income tax & restructuring costs		**13.404**	**12.090**	**(492)**	**(12.586)**
Restructuring gains/<losses>	28	(301)	38.243	-	(34.501)
Profit / <Loss> before income tax		**13.103**	**50.333**	**(492)**	**(47.087)**
Income tax expense	18	(13.863)	(15.438)	(779)	(780)
Profit / <Loss> after income tax expenses from continuing operations		**(760)**	**34.895**	**(1.271)**	**(47.867)**
Discontinued operations:					
Profit / <Loss> after income tax expenses from discontinued operations attributable to the shareholders of the company	29	(1.304)	(19.958)	-	-
Profit / <Loss> for the period		**(2.064)**	**14.937**	**(1.271)**	**(47.867)**
Attributable to:					
Non-controlling interests		6.644	7.289	-	-
Shareholders		(8.708)	7.648	(1.271)	(47.867)
Depreciation	30	19.791	21.108	3.542	3.515
EBITDA	27	**56.433**	**54.109**	**4.848**	**1.536**

	Note	Amounts in €			
Basic Earnings / <Loss> per share, after taxes attributable to the shareholders					
- Continuing operations	21	(0,0208)	0,3298	(0,0036)	(0,5718)
- Discontinued operations	21	(0,0037)	(0,2384)	-	-
Total		**(0,0245)**	**0,0914**	**(0,0036)**	**(0,5718)**
Diluted Earnings / <Loss> per share, after taxes attributable to the shareholders					
- Continuing operations	21	(0,0208)	0,3298	(0,0036)	(0,5718)
- Discontinued operations	21	(0,0037)	(0,2384)	-	-
Total		**(0,0245)**	**0,0914**	**(0,0036)**	**(0,5718)**

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

	Consolidated	
	Year ended	
	31.12.2018	31.12.2017
Profit / <Loss> after income tax expenses	**(2.064)**	**14.937**
Other Compehensive Income:		
Items that will be reclassified to Profit & Loss in subsequent periods:		
Discontinued operations:Currency translation differences recycled to P&L	(3.684)	-
Currency translation differences	2.231	(13.028)
Items that will be reclassified to Profit & Loss in subsequent periods:	**2.231**	**(13.028)**
Items that will not be reclassified to Profit & Loss in subsequent periods:		
Actuarial gains/ <losses>	(413)	40
Income tax effect of actuarial gain/ <losses>	-	(55)
Items that will not be reclassified to Profit & Loss in subsequent periods	**(413)**	**(15)**
Other comprehensive income / <expenses> net of tax	**1.818**	**(13.043)**
Total comprehensive income / <expenses> net of tax	**(246)**	**1.894**
Attributable to:		
- Non-controlling interests	8.591	2.396
- Shareholders	(8.837)	(502)
	(246)	**1.894**
Total comprehensive income / <expenses> net of tax attributable to the shareholders of the company from:		
- Continuing operations	(9.409)	18.586
- Discontinued operations	572	(19.088)
	(8.837)	**(502)**

	Parent Company	
	Year ended	
	31.12.2018	31.12.2017
Profit / <Loss> after income tax expenses	**(1.271)**	**(47.867)**
Other compehensive income:		
Items that will not be reclassified to Profit & Loss in subsequent periods:		
Actuarial gains/ <losses>	(413)	52
Items that will not be reclassified to Profit & Loss in subsequent periods	**(413)**	**52**
Total comprehensive income / <expenses> net of tax	**(1.684)**	**(47.815)**

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	
		31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Assets:					
Property, plant & equipment	**6**	121.235	106.755	3.908	4.415
Intangible assets	**7**	11.133	10.776	7.369	7.289
Investments in subsidiaries	**14**	-	-	60.005	60.005
Deferred tax assets	**33**	400	1.432	-	-
Other long term assets	**29**	3.323	329	78	115
Total non current assets		**136.091**	**119.292**	**71.360**	**71.824**
Inventories	**8**	101.739	89.075	2.232	1.747
Trade receivables	**9**	77.606	84.824	3.952	4.223
Other receivables	**10**	27.441	25.475	1.005	2.299
Current tax assets		4.163	1.463	-	-
Intergroup receivables	**20**	-	-	13.087	14.312
Cash & cash equivalents	**11**	49.057	53.130	2.352	998
		260.006	**253.967**	**22.628**	**23.579**
Assets held for sale	**29**	-	17.575	-	-
Total current assets		**260.006**	**271.542**	**22.628**	**23.579**
Total Assets		**396.097**	**390.834**	**93.988**	**95.403**
Liabilities:					
Non current borrowings	**13**	227.998	233.414	-	-
Deferred tax liabilities	**33**	16.698	13.533	-	-
Retirement benefit obligations	**32**	6.582	14.510	5.480	5.056
Intergroup bond loans	**13**	-	-	26.480	33.702
Provisions	**31**	3.468	3.910	-	-
Deferred income from government grants		-	18	-	17
Total non current liabilities		**254.746**	**265.385**	**31.960**	**38.775**
Trade payables		77.643	60.985	6.052	3.745
Other payables	**12**	53.539	42.485	5.067	4.750
Current tax liabilities		5.867	11.830	-	-
Intergroup payables	**20**	-	-	28.355	23.895
Current borrowings	**13**	47.261	42.441	-	-
		184.310	**157.741**	**39.474**	**32.390**
Liabilities associated with assets held for sale	**29**	-	9.973	-	-
Total current liabilities		**184.310**	**167.714**	**39.474**	**32.390**
Total Liabilities		**439.056**	**433.099**	**71.434**	**71.165**
Equity:					
Share capital	**15**	127.958	127.958	127.958	127.958
Share premium	**15**	(33.801)	(33.801)	(33.801)	(33.801)
Other reserves	**16**	(11.948)	(12.232)	25.463	25.463
Retained earnings		(174.194)	(165.073)	(97.066)	(95.382)
Equity attributable to equity holders of the parent		**(91.985)**	**(83.148)**	**22.554**	**24.238**
Non-controlling interests		49.026	40.883	-	-
Total Equity		**(42.959)**	**(42.265)**	**22.554**	**24.238**
Total Liabilities & Equity		**396.097**	**390.834**	**93.988**	**95.403**

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

	Consolidated						
	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 period	-	-	-	7.648	**7.648**	7.289	**14.937**
Other Comprehensive income / <expense>	-	-	(7.542)	(608)	**(8.150)**	(4.893)	**(13.043)**
Total comprehensive income / <expense>, net of taxes	**-**	**-**	**(7.542)**	**7.040**	**(502)**	**2.396**	**1.894**
Dividends to non controlling interest	-	-	-	-	**-**	(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	(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)**
Balance at 01.01.2018	**127.958**	**(33.801)**	**(12.232)**	**(165.073)**	**(83.148)**	**40.883**	**(42.265)**
Profit / <Loss> for the period	-	-	-	(8.708)	**(8.708)**	6.644	**(2.064)**
Other Comprehensive income / <expenses> after tax	-	-	284	(413)	**(129)**	1.947	**1.818**
Total comprehensive income / <expenses>, net of taxes	**-**	**-**	**284**	**(9.121)**	**(8.837)**	**8.591**	**(246)**
Dividends to non-controlling interests	-	-	-	-	**-**	(448)	**(448)**
Total Transactions with owners in their capacity as owners	**-**	**-**	**-**	**-**	**-**	**(448)**	**(448)**
Balance at 31.12.2018	**127.958**	**(33.801)**	**(11.948)**	**(174.194)**	**(91.985)**	**49.026**	**(42.959)**

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 01.01.2017	**15.178**	**2.755**	**16.380**	**(47.567)**	**(13.254)**
Profit / <Loss> for the period	-	-	-	(47.867)	**(47.867)**
Other comprehensive income / <expenses>	-	-	-	52	**52**
Total comprehensive income / <expenses> net of taxes	**-**	**-**	**-**	**(47.815)**	**(47.815)**
Dividends to shareholders **(note 15)**	-	-	-	-	**-**
Share capital increase (Note 15)	121.887	(34.321)	-	-	**87.566**
Share capital decrease	-	-	-	-	**-**
Cost fot the Share capital increase (Note 15)	-	(2.235)	-	-	**(2.235)**
Transfers between reserves (Note 15)	(9.107)	-	9.107	-	**-**
Share option reserve (Note 16)	-	-	(24)	-	**(24)**
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**

Balance at 01.01.2018	**127.958**	**(33.801)**	**25.463**	**(95.382)**	**24.238**
Profit / <Loss> for the period	-	-	-	(1.271)	**(1.271)**
Other comprehensive income / <expenses>	-	-	-	(413)	**(413)**
Total comprehensive income / <expenses> net of taxes	**-**	**-**	**-**	**(1.684)**	**(1.684)**
Total Transactions with owners in their capacity as owners	**-**	**-**	**-**	**-**	**-**
Balance at 31.12.2018	**127.958**	**(33.801)**	**25.463**	**(97.066)**	**22.554**

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		Parent Company	
		Period ended		Period ended	
		31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit / <Loss> for the period		**(2.064)**	**14.937**	**(1.271)**	**(47.867)**
Adjustments for:					
Income tax expense	18	13.863	15.438	779	780
Depreciation		19.791	24.625	3.542	3.515
Provisions		3.517	8.119	477	(180)
Impairment of fixed assets	6 & 29	2.071	9.591	-	784
Retirement benefit obligations paid	32	(8.182)	(1.106)	(617)	(585)
Finance costs, net	17	21.412	20.724	1.798	9.823
Profit/<Loss> of the Sale of Subsidiary	29	(6.817)	-	-	-
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	(293)	(4.670)	11	-
Changes in working capital:					
Decrease / (increase) of inventories		(2.325)	(19.260)	(435)	846
Decrease / (increase) of trade receivables		4.744	(14.431)	271	(408)
Decrease / (increase) of intergroup receivables	20	-	-	1.226	15.754
Decrease / (increase) of other receivables		(4.363)	(2.505)	515	(2.314)
Decrease / (increase) of other long term receivables		42	515	36	-
(Decrease) / increase of trade payables		17.923	4.437	2.307	(1.641)
(Decrease) / increase of intergroup payables	20	-	-	4.460	7.232
(Decrease) / increase of other liabilities		158	599	302	(2.109)
Less:					
Income taxes paid		(18.791)	(9.871)	-	-
(a) Cash flows from /(used in) operating activities		**40.686**	**(33.357)**	**13.401**	**(16.370)**
<u>Cash flows from investing activities</u>					
Purchase of property, plant and equipment	6	(31.648)	(17.349)	(214)	(372)
Purchase of intangible assets	7	(4.576)	(1.880)	(2.944)	(1.610)
Increase of investment in subsidiaries	14	-	-	-	(37.459)
Proceeds from disposal of property, plant & equipment		1.530	10.318	2	20
Proceeds from disposal of subsidiary	29	972	-	-	-
(b) Net cash flows(used in) /from investing activities		**(33.722)**	**(8.911)**	**(3.156)**	**(39.421)**
Net cash generated from operating and investing activities (a) + (b)		**6.964**	**(42.268)**	**10.245**	**(55.791)**
<u>Cash flows from financing activities</u>					
Proceeds from borrowings	13	111.646	99.549	-	-
<Repayments> of borrowings	13	(112.305)	(100.095)	-	-
Proceeds from intergroup loans	13	-	-	10.200	13.900
<Repayments> of intergroup loans	13	-	-	(17.906)	(10.800)
Interest paid	13	(10.938)	(17.216)	(1.185)	(8.680)
Dividends paid to non-controlling interests		(448)	(613)	-	-
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		**(12.045)**	**42.849**	**(8.891)**	**55.644**
Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c)		**(5.081)**	**581**	**1.354**	**(147)**
Cash & cash equivalents at the beginning of the period - Continuing operations		53.130	56.655	-	-
Cash & cash equivalents at the beginning of the period - Discontinued operations	29	-	871	-	-
Cash and cash equivalents at the beginning of the period		**53.130**	**57.526**	**998**	**1.145**
Effects of changes in exchange rate		1.008	(4.562)	-	-
Cash and cash equivalents from discontinued operations	29	-	(415)	-	-
Cash and cash equivalents at the end of the period	11	**49.057**	**53.130**	**2.352**	**998**

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'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, Greece

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

The financial statements have been approved by the Board of Directors on
22 March 2019 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 2018, the Group reported net losses of €8,7m, compared to profits of €7,6m in the year ended December 2017.
Net profits in the prior year included a gain from 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 also impacted by €42,3m of expenses related to the capital restructuring process.

For the year ended 31 December 2018, the Group has a negative equity position of €43,0m, compared to a negative equity position of €42,3m in the year ended 31 December 2017.

Frigoglass SAIC has an equity position **of €22,6m** for the year ended December 2018 and, therefore, is lower than half (1/2) of the share capital.
As a consequence, the requirements of **article 47 of Law 2190/1920, as replaced by article 119 of the Companies Act 4548/2018** 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. Over the last three years, 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.

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 maturities of almost all of the Group’s indebtedness have been extended and committed for around 4,5 years.

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.

In December 2018, the Company completed the divestment of its glass container subsidiary Frigoglass Jebel Ali FZE. This divestment is in line with Frigoglass' strategy and will enable the Company to focus on its commercial refrigeration business and the high growth Nigerian glass business operations.

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.
Impairment losses are recognised in the income statement.

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 10 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 10 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

(i) Classification

From 1 January 2018, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(iv) Impairment
From 1 January 2018, the group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 9 for further details.

Accounting policies applied until 31 December 2017

The group has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the group's previous accounting policy.

Classification
Until 31 December 2017, the group classified its financial assets in the following categories:
- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

As at 31 December 2017, the Group had only loans and receivables.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

Subsequent measurement
The measurement at initial recognition did not change on adoption of IFRS 9, see description above. Subsequent to the initial recognition, loans and receivables were carried at amortised cost using the effective interest method.

Impairment
The group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was 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) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated.

Assets carried at amortised cost
For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the group could measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent period, the amount of the impairment loss decreased and the decrease could 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 was recognised in profit or loss. Impairment testing of trade receivables is described in note 9.

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 amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60- 180 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.
Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit in a separate line in the income statement. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of trade receivables.
In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The group considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or late payments (more than 30 days overdue).

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.
Subsequent recoveries of amounts previously written off are credited against ‘selling and marketing costs’ in the income statement.

2.12 Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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 from sale of goods and sale of services

The Group recognises revenue, other than interest and dividend income and other such income from financial instruments recognised in accordance with IFRS 9, upon transfer of promised goods or services to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services based on the following five step approach:

Step 1: Identify the contracts with customers
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Sales of goods

The Group manufactures and sells commercial refrigeration units (ICM segment) and packaging materials (glass segment) for the beverage industry. Revenue from the sale of goods is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products and there is no unfullfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risk of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the group has objective evidence that all criteria for acceptance have been satisfied.

The ICM units are often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue is recognised based on the price specified in the contract, net of estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 60 - 180 days, which is consistent with market practice.
The group's obligation to repair or replace fully faulty commercial refrigerator units under the standard and extended warranty terms is recognised as a provision, see notes 31 & 12.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sales of services

The ICM segment provides also logistic services, extended warranty services and refurbishment services under fixed price contracts. Revenue from providing services is recognised over time in the accounting period in which the services are rendered. Extended warranty revenue is recognised based on actual service provided at the end of the reporting periodas a proportion of the total services to be provided because the customer receives and uses benefits simultaneously.

In the case of logistics services and refurbshiment where the contract includes a fee per unit, revenue is recognised in the amount to which Frigoglass has a right to invoice.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Interest income

Interest income is calculated by applyingthe effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Dividend income

Dividend income are recognised as other income in profit or loss (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 **01.01.2018.**

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. The effect of this standard on the Group is disclosed below.

Standards and Interpretations effective for the current financial year

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 that was applied under IAS 39. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model in IAS 39.

The Group and the Company applied the Standard from 1 January 2018 retrospectively, without revising comparative information from previous years.
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 does not affect the financial statements.

IFRS 15 "Revenue from Contracts with Customers"
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 recognises 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 adopted the Standard on January 1, 2018.
The Group and the Company examined contracts with customers in order to identify changes in the time or amount of revenue recognition including receipts from sales of commercial refrigeration, service provision, and sales of glass.
Results have shown that no adjustment is required during the transition.

IFRS 2 (Amendments) “Classification and measurement of Shared-based Payment transactions”
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”
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.

Standards and Interpretations effective for subsequent periods

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.

The Group will apply IFRS 16 from its mandatory adoption date of 1 January 2019. It will apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. The standard will affect primarily the accounting for the Group and Parent Company operating leases. The Group will apply the practical expedients for short-term leases and low value leases. It also intends to apply the transition expedient and exclude leases for which the lease term ends within 2019.
Right-of-use assets will be measured at an amount equal to the lease liability.
The Lease liability is the present value of the remaining lease payments, discounted using lessee’s incremental borrowing rate at the date of initial application.
Right-of-use asset is the amount of lease liability (adjusted by the amount of any previously recognised prepaid or accrued lease payments relating to that lease)
less Impairment provision calculated under IAS 36 (or onerous provision under IAS 37 using the practical expedient on first adoption).

Based on the information currently available, and subject to the completion of the above mentioned implementation tasks the Group estimates that it will recognize lease liabilities in the range of €6,5million to € 7,5 million as at 1 January 2019. The respective amount for the Parent Company will be € 1,5 million.
The estimated impact on the EBITDA of the Group is an increase in the range of €2 million to €3 million. The respective amount for the Parent Company will be € 0,6 million.

The Group does not expect the adoption of IFRS 16 to impact its ability to comply with Group's loan covenants.

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.

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.

IAS 1 and IAS 8 (Amendments) "Definition of a material" (effective for annual periods beginning on or after 1 January 2020)
The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS. The amendments have not yet been endorsed by the EU.
IFRS 3 (Amendments) "Definition of a business" (effective for annual periods beginning on or after 1 January 2020)
The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

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

IFRS 3 "Business combinations"
The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint arrangements"
The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 "Income taxes"
The amendments clarify that a company accounts for all income tax consequences of dividend payments 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 Euro, US dollar, Nigerian Naira, South African Rand, Indian Rupee, Norwegian Crone, Russian Rouble, Romania Leu and the Indian Rouble. The Group is exposed to the effect of foreign currency risk on future transactions, recognised monetary assets and liabilities that are denominated in currencies other than the local entity's functional currency.

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 following tables present details of the Group's sensitivity to reasonably possible increases and decreases in the US dollar against the relevant foreign currencies. In determining reasonably possible changes, the historical volatility over a 12-month period of the respective foreign currencies in relation to the US dollar has been considered. The sensitivity analysis includes outstanding foreign currency denominated monetary items, external loans, and loans between operations within the Group where the denomination of the loan is in a currency other than the functional currency of the local entity.

Exchange risk sensitivity to reasonably possible changes in the US dollar against relevant other currencies			
		US dollar weakens against local currency	US dollar strengthens against local currency
	% historical volatility over a 12-month period	Gain)/loss in income statement € million	Gain)/loss in income statement € million
Euro	**7,3%**	-447	517
Romanian Lei	**6,8%**	-73	84
Indian Rupee	**5,8%**	-99	111
South African Rand	**13,9%**	-421	558
Naira Nigeria	**8,7%**	-754	899
		-1.795	**2.169**

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, independently rated parties with high quality credit credentials are accepted. **(Note 34).**

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The identified impairment loss was immaterial.

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 9)**

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.

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 34)**

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. As a consequence, the requirements of article **article 47 of Law 2190/1920, as replaced by article 119 of the Companies Act 4548/2018** are applicable.

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 Assets and Goodwill

The Group tests annually whether Assets or Goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.5 & 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 6 & 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 the year end, 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 9**.

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 32** 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 Statement of Financial Position and Statement of Profit & Loss per business segment are presented below:

a) Analysis per business segment i) Statement of Profit & Loss	Year ended 01.01-12.12.18	Year ended 31.12.2017	Continuing operations: Year ended 31.12.2018			Year ended 31.12.2017		
	Discontinued Glass Operations		ICM Operations	Glass Operations	**Total**	ICM Operations	Glass Operations	**Total**
Revenue from contracts with customers								
At a point in time	24.819	20.760	262.980	101.840	**364.820**	244.373	90.599	**334.972**
Over time	-	-	52.477	-	**52.477**	51.077	-	**51.077**
Total Revenue from contracts with customers	**24.819**	**20.760**	**315.457**	**101.840**	**417.297**	**295.450**	**90.599**	**386.049**
Operating Profit / <Loss>	(7.729)	(18.538)	11.865	22.706	**34.571**	11.455	19.939	**31.394**
Finance costs - net	(392)	(1.420)	(22.849)	1.682	**(21.167)**	(28.213)	8.909	**(19.304)**
Profit / <Loss> before income tax & restructuring costs	(8.121)	(19.958)	(10.984)	24.388	**13.404**	(16.758)	28.848	**12.090**
Restructuring gains/<losses>	-	-	(301)	-	**(301)**	38.243	-	**38.243**
Profit / <Loss> before income tax	(8.121)	(19.958)	(11.285)	24.388	**13.103**	21.485	28.848	**50.333**
Income tax expense	-	-	(5.711)	(8.152)	**(13.863)**	(5.867)	(9.571)	**(15.438)**
Profit / <Loss> after income tax expenses from continuing operations	(8.121)	(19.958)	(16.996)	16.236	**(760)**	15.618	19.277	**34.895**
Profit / <Loss> attributable to the shareholders of the company from continuing operations	(8.121)	(19.958)	(16.610)	9.206	**(7.404)**	15.768	11.838	**27.606**
Depreciation	74	3.517	12.591	7.200	**19.791**	13.962	7.146	**21.108**
Impairment of fixed assets	-	(7.984)	(2.071)	-	**(2.071)**	(1.607)	-	**(1.607)**
EBITDA	(7.655)	(7.037)	26.527	29.906	**56.433**	27.024	27.085	**54.109**

There are no sales between the two segments.

	Y-o-Y % 31.12.2018 vs 31.12.2017		
	ICM Operations	Glass Operations	**Total**
Total Revenue from contracts with customers	6,8%	12,4%	**8,1%**
Operating Profit / <Loss>	3,6%	13,9%	**10,1%**
EBITDA	-1,8%	10,4%	**4,3%**

Note 5 - Segment Information (continued)

ii) Statement of Financial Position

	Year ended 31.12.2018			Year ended 31.12.2017			
	ICM Operations	Glass Operations	**Total**	Held for sale	ICM Operations	Glass Operations	**Total**
Total assets	247.816	148.281	**396.097**	17.575	255.438	117.821	**390.834**
Total liabilities	427.778	11.278	**439.056**	9.973	372.862	50.264	**433.099**
Capital expenditure	11.402	24.464	**35.866**	1.127	6.971	11.131	**19.229**

Reference Note 6 & 7

Segment liabilities are measured in the same way as in the financial statements.
These liabilities are allocated based on the operations of each segment.

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

	Consolidated		Discontinued Glass Operations	
	Year ended		Year ended	
	31.12.2018	**31.12.2017**	**01.01-12.12.18**	**31.12.2017**
ICM Operations :				
East Europe	142.043	119.200		
West Europe / America	83.681	104.391		
Africa / Middle East	61.533	37.587		
Asia/Oceania	28.200	34.272		
Total	**315.457**	**295.450**		
Glass Operations :				
Africa	101.840	90.599		
Total	**101.840**	**90.599**		
Total Sales :				
East Europe	142.043	119.200	-	-
West Europe / America	83.681	104.391	64	247
Africa / Middle East	163.373	128.186	10.358	8.839
Asia/Oceania	28.200	34.272	14.397	11.674
Consolidated	**417.297**	**386.049**	**24.819**	**20.760**

A significant amount of our revenues is derived from a small number of large multinational customers each year. In the year ended December 31 2018, 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	
	31.12.2018	31.12.2017
ICM Operations :		
East Europe	1.337	1.231
West Europe / America	27.066	16.956
Africa / Middle East	6.864	2.095
Asia/Oceania	2	373
Sales to third parties	**35.269**	**20.655**
Intercompany sales (Note 20)	6.804	5.352
Total Sales	**42.073**	**26.007**

c) Capital expenditure per geographical area

	Consolidated	
	Period ended	
	31.12.2018	31.12.2017
ICM Operations :		
East Europe	6.464	3.374
West Europe / America	4.226	1.972
Africa / Middle East	304	630
Asia/Oceania	408	995
Total	**11.402**	**6.971**
Glass Operations:		
Africa	24.464	11.131
Total	**24.464**	**11.131**
Consolidated	**35.866**	**18.102**
Discontinued operations	**359**	**1.127**

Note 6 - Property, plant & equipment

	Consolidated					
	Land	Building & technical works	Machinery technical installation	Motor vehicles	Furniture & fixtures	Total
Cost						
Balance at 01.01.2018	**5.097**	**60.013**	**202.320**	**5.751**	**11.445**	**284.626**
Additions	-	655	17.164	1.012	886	19.717
Construction in progress & advances	-	269	11.075	-	228	11.572
Disposals	(252)	(2.191)	(953)	(677)	(346)	(4.419)
Tangible Assets Write off	-	(39)	(2.784)	(29)	(551)	(3.403)
Exchange differences	11	163	4.623	120	52	4.969
Balance at 31.12.2018	**4.856**	**58.870**	**231.445**	**6.177**	**11.714**	**313.062**
Accumulated Depreciation						
Balance at 01.01.2018	**-**	**27.585**	**136.469**	**4.275**	**9.542**	**177.871**
Additions	-	1.784	12.492	736	763	15.775
Disposals	-	(1.700)	(558)	(591)	(333)	(3.182)
Impairment charge	-	-	2.071	-	-	2.071
Tangible Assets Write off	-	(44)	(2.720)	(44)	(551)	(3.359)
Exchange differences	-	144	2.731	(254)	30	2.651
Balance at 31.12.2018	**-**	**27.769**	**150.485**	**4.122**	**9.451**	**191.827**
Net book value at 31.12.2018	**4.856**	**31.101**	**80.960**	**2.055**	**2.263**	**121.235**
Net book value at 31.12.2017	**5.097**	**32.428**	**65.851**	**1.476**	**1.903**	**106.755**

Pledged assets 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.

Exchange differences: Negative foreign exchange differences arise from currency devaluation against the Euro and positive exchange differences from currencies appreciation against the Euro.

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 segment: Frigoglass India	
After - Tax discount rate:	**12,6%**
Gross margin pre Depreciation:	**8,4% - 11,0%**
Growth rate in perpetuity:	**4,0%**

Due to adverse operating results impairment assessment at **31.12.2018**, was carried out, using the assumptions stated above, which resulted to impairment loss of **€ 2,1 m.** for the Frigoglass India PVT Ltd..

ICM segment: Frigoglass India PVT Ltd.

As at **31.12.2018**, the recoverable amount of the CGU of the ICM manufacturing Frigoglass India was **€ 6,9 m..**

If the growth rate used in the value-in-use calculation had been 1% lower than management's estimates as at **31.12.2018** (3,0% instead of 4,0%), the Group would not have to recognise an additional impairment against the carrying amount of property, plant and equipment. If the after-tax discount rate applied to the cash flow projections of this CGU had been 1% higher than management's estimates (13,6% instead of 12,6%), the Group would have had to recognise an additional impairment against property, plant and equipment of € 0,54 m..

Note 6 - Property, plant & equipment (continued)

	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 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.

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:

Note 6 - Property, plant & equipment (continued)

	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)

	Parent Company					
	Land	Building & technical works	Machinery technical installation	Motor vehicles	Furniture & fixtures	Total
Cost						
Balance at 01.01.2018	**303**	**9.014**	**14.292**	**267**	**2.906**	**26.782**
Additions	-	32	87	95	-	214
Disposals	-	-	(33)	-	-	(33)
Tangible Assets Write off	-	-	(418)	-	(345)	(763)
Balance at 31.12.2018	**303**	**9.046**	**13.928**	**362**	**2.561**	**26.200**
Accumulated Depreciation						
Balance at 01.01.2018	**-**	**6.333**	**13.308**	**255**	**2.471**	**22.367**
Additions	-	300	247	5	128	680
Disposals	-	-	(20)	-	-	(20)
Tangible Assets Write off	-	-	(390)	-	(345)	(735)
Balance at 31.12.2018	**-**	**6.633**	**13.145**	**260**	**2.254**	**22.292**
Net book value at 31.12.2018	**303**	**2.413**	**783**	**102**	**307**	**3.908**
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 assets are described in detail in Note 13 - Non current and current borrowings.

	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**

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..

Note 7 - Intangible assets

	Consolidated			
	Development costs	**Patents & trademarks**	**Software & other intangible assets**	**Total**
Cost				
Balance 01.01.2018	**28.833**	**212**	**24.088**	**53.133**
Additions	110	-	2.103	2.213
Construction in progress & advances	2.335	-	28	2.363
Disposals	-	-	(21)	(21)
Write off of Intangible Assets	(1.439)	(178)	(396)	(2.013)
Exchange differences	27	3	15	45
Balance at 31.12.2018 **D**	**29.866**	**37**	**25.817**	**55.720**
Accumulated Depreciation				
Balance at 01.01.2018	**22.250**	**212**	**19.895**	**42.357**
Additions	2.198	-	2.033	4.231
Disposals	-	-	(21)	(21)
Write off of Intangible Assets	(1.439)	(178)	(389)	(2.006)
Exchange differences	25	3	(2)	26
Balance at 31.12.2018	**23.034**	**37**	**21.516**	**44.587**
Net book value at 31.12.2018	**6.832**	**-**	**4.301**	**11.133**
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 assets are described in detail in Note 13 - Non current and current borrowings.

Note 7 - Intangible assets (continued)

	Consolidated			
	Development costs	**Patents & trademarks**	**Software & other intangible assets**	**Total**
Cost				
Balance at 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 & reclassification (Note 6)	(86)	-	(9)	(95)
Tangible Assets Write off	(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.

Note 7 - Intangible assets (continued)

	Parent Company			
	Development costs	Patents & trademarks	Software & other intangible assets	Total
Cost				
Balance at 01.01.2018	**21.429**	**35**	**16.959**	**38.423**
Additions	45	-	1.806	1.851
Construction in progress & advances	1.093	-	-	1.093
Write off of Intangible Assets	-	-	(7)	(7)
Balance at 31.12.2018	**22.567**	**35**	**18.758**	**41.360**
Accumulated Depreciation				
Balance at 01.01.2018	**16.617**	**35**	**14.482**	**31.134**
Additions	1.512	-	1.345	2.857
Balance at 31.12.2018	**18.129**	**35**	**15.827**	**33.991**
Net book value at 31.12.2018	**4.438**	**-**	**2.931**	**7.369**
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.

Pledged assets are described in detail in Note 13 - Non current and current borrowings.

	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**

Construction in progress and advances is always capitalised until the end of the forthcoming year.

Note 8 - Inventories

	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Raw materials	66.597	64.384	3.046	2.760
Work in progress	2.533	2.671	28	29
Finished goods	42.023	31.659	1.056	851
Less: Provision	(9.414)	(9.639)	(1.898)	(1.893)
Total	**101.739**	**89.075**	**2.232**	**1.747**

Analysis of Provisions :	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Opening Balance at 01/01	**9.639**	**17.441**	**1.893**	**2.076**
Additions during the year	2.095	5.932	50	-
Unused amounts reversed	(547)	(520)	-	-
Total Charges to the income statement	**1.548**	**5.412**	**50**	**-**
Realised during the year	(1.754)	(6.885)	(45)	(183)
Transfer to / from & reclassification	-	(1.364)	-	-
Assets held for sale	-	(3.953)	-	-
Exchange differences	(19)	(1.012)	-	-
Closing Balance at 31/12	**9.414**	**9.639**	**1.898**	**1.893**

The reclassification includes provision for raw materials that has been expensed in previous years and was recorded directly against raw materials stock.

Pledged assets are described in detail in Note 13 - Non current and current borrowings.

Note 9 - Trade receivables

	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Trade receivables	78.611	91.018	4.570	9.846
Less: Provisions	(1.005)	(6.194)	(618)	(5.623)
Total	**77.606**	**84.824**	**3.952**	**4.223**

The decrease in the balance of the trade receivables is mainly attributable to the seasonality of sales (Note 23).

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 and Heineken.

The Group does not require its customers to provide any pledges or collateral due to the general high calibre and international reputation of portfolio.

Management does not expect any losses from non-performance of trade receivables, other than as provided for as at **31.12.2018**.

Provisions for Trade receivables: The decrease in the balance mainly derives from the accounting write off of a residual customer in Libya and the corresponding reversal of the relevant provision.

Pledged assets are described in detail in Note 13 - Non current and current borrowings.

From 1 January 2018, the Group applies the simplified approach of IFRS 9 and calculates ECLs based on lifetime expected credit losses. Regarding trade receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECLs). The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

Analysis of provisions for trade receivables:	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Opening balance at 01/01	**6.194**	**9.154**	**5.623**	**6.556**
Additions during the year	69	61	-	40
Used amounts reversed	(4.996)	(680)	(4.990)	(680)
Total charges to income statement	**(4.927)**	**(619)**	**(4.990)**	**(640)**
Realized during the year	(246)	(2.179)	(15)	(293)
Exchange differences	(16)	(162)	-	-
Closing Balance	**1.005**	**6.194**	**618**	**5.623**

Note 9 - Trade receivables (continued)

Trade debtors: Credit rating (S&P rating)	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
CCH Group (BBB+)	22.424	18.165	1.627	2.272
Other Coca-Cola bottlers (N/A)	10.319	27.450	532	5.152
Diageo Group / Guinness (A-)	2.272	2.635	-	-
Heineken Group (BBB+)	7.102	10.336	705	277
Pepsi Group (A+)	5.918	5.904	2	3
Other (N/A)	30.576	26.528	1.704	2.142
Total	**78.611**	**91.018**	**4.570**	**9.846**

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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
00 - 30 days	51.305	53.034	1.652	1.787
31 - 60 days	14.616	21.242	868	984
61 - 90 days	5.158	5.124	321	794
91 - 120 days	1.226	2.702	206	214
121 - 150 days	1.346	928	135	66
151 - 180 days	648	820	-	-
> 180 days	4.312	7.168	1.388	6.001
Total	**78.611**	**91.018**	**4.570**	**9.846**

The overdue analysis of the trade debtors is the following:	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Not yet Overdue	65.671	75.992	3.619	4.404
Overdue 00 - 30 days	7.797	6.155	84	247
Overdue 31 - 60 days	1.216	1.643	19	70
Overdue 61 - 90 days	1.196	544	82	12
Overdue 91 - 120 days	876	515	49	14
Overdue 121 - 150 days	780	332	127	5
Overdue 151 - 180 days	120	213	-	-
Overdue > 180 days	955	5.624	590	5.094
Total	**78.611**	**91.018**	**4.570**	**9.846**
Less: Provisions	(1.005)	(6.194)	(618)	(5.623)
Net trade debtors	**77.606**	**84.824**	**3.952**	**4.223**

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 mainly relate to the overdue balances over 180 days.
Expected credit losses for trade receivables past due up to 180 days are not material and are based on history of default adjusted for forward looking information on macroeconomic factors.

Note 10 - Other receivables

	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
V.A.T receivable	9.846	11.904	329	842
Grants for exports receivable	8.714	7.306	-	-
Insurance prepayments	1.228	1.282	160	201
Prepaid expenses	1.287	1.131	57	86
Receivable from the disposal of subsidiary (Note 29)	2.286	-	-	-
Other taxes receivable	1.425	921	-	-
Advances to employees	550	561	23	15
Other receivables	2.105	2.370	436	1.155
Total	**27.441**	**25.475**	**1.005**	**2.299**

The amount of Grants for exports receivable of **€ 8.7m (2017 € 7.3m)** comprise of Export Expansion Grants (EEG) and Negotiable Duty Credit Certificate (NDCC). Export Expansion Grants (EEG) are granted by the Nigerian Government on exports of goods produced in the country, having met certain eligibility criteria. These are recognized at fair value, and Management does not expect any losses from the non-recoverability of these grants. Negotiable Duty Credit Certificates (NDCC) originate from export grants received from government and the instrument is useful for settlement of custom duties payable to government, with no expiry date, under the previous scheme.

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 done 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. and 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 c. settlement of AMCON liabilities. The Certificate shall be valid for two years and transferable once to final beneficiaries.

Existing EEG claims not yet settled 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). In January 2018 the NDCC was handed over to the government.

The V.A.T receivable is fully recoverable through the operating activity of the Group and the Company.

Other receivables comprise various prepayments and accrued income not invoiced. The fair value of other receivables closely approximates their carrying value.

Pledged assets are described in detail in Note 13 - Non current and current borrowings.

Note 11 - Cash & cash equivalents

	Consolidated		Parent Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Cash on hand	7	8	1	1
Short term bank deposits	49.050	53.122	2.351	997
Total	**49.057**	**53.130**	**2.352**	**998**

The tight liquidity in **2017 and 2018** 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 € 14 m. (2017: € 20m). 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 **31.12.2018** was **0,05% (December 2017: 2,9%)**.

Note 12 - Other payables

	Consolidated		Parent Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Taxes and duties payable	3.807	1.785	530	1
VAT payable	1.371	1.028	-	-
Social security insurance	1.506	1.704	473	493
Customers' advances	1.886	1.293	87	87
Other taxes payable	2.067	1.645	-	-
Accrued discounts on sales	13.957	11.327	374	273
Accrued fees & costs payable to third parties	5.494	5.538	555	1.110
Accrued payroll expenses	8.214	5.765	2.425	1.953
Other accrued expenses	2.697	2.843	64	144
Accrued interest for bank loans	5.096	2.454	-	-
Expenses for restructuring activities	-	126	-	-
Accrual for warranty expenses	3.332	2.542	297	367
Other payables	4.112	4.435	262	322
Total	**53.539**	**42.485**	**5.067**	**4.750**

The fair value of other creditors approximates their carrying value.

Accrued discount on sales: The increase in the balance is mainly attributable to the higher discounts, sales and seasonality.

Accrued interest for bank loans: The increase in the balance is mainly attributable to different payment patterns.

Note 13 - Non current & current borrowings

	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Bank loans	53.014	55.485	-	-
Intergroup bond loans	-	-	26.480	33.702
Bond loans	174.984	177.929	-	-
Total Non current borrowings	**227.998**	**233.414**	**26.480**	**33.702**

	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Bank overdrafts	1.259	2.584	-	-
Bank loans	46.002	39.857	-	-
Total current borrowings	**47.261**	**42.441**	**-**	**-**
Total borrowings	**275.259**	**275.855**	**26.480**	**33.702**

Maturity of non current borrowings	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Between 1 & 2 years	-	-	-	-
Between 2 & 5 years	227.998	233.414	26.480	33.702
Over 5 years	-	-	-	-
Total	**227.998**	**233.414**	**26.480**	**33.702**

Effective interest rates	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Bond loans	5,80%	5,77%	5,90%	8,60%
Non current borrowings	4,28%	4,29%	-	-
Bank overdrafts	9,40%	9,15%	-	-
Current borrowings	3,35%	3,13%	-	9,13%

	Consolidated		Parent Company	
Net debt / Total capital	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Total borrowings	275.259	275.855	26.480	33.702
Cash & cash equivalents	(49.057)	(53.130)	(2.352)	(998)
Net debt (A)	**226.202**	**222.725**	**24.128**	**32.704**
Total equity **(B)**	(42.959)	(42.265)	22.554	24.238
Total capital **(C) = (A) + (B)**	183.243	180.460	46.682	56.942
Net debt / Total capital (A) / (C)	**123,44%**	**123,42%**	**51,69%**	**57,43%**

Note 13 - Non current & current borrowings (continued)

The foreign currency exposure of borrowings is as follows:

	Consolidated					
	31.12.2018			31.12.2017		
	Current borrowings	Non current borrowings	Total	Current borrowings	Non current borrowings	Total
- EURO	40.751	215.697	**256.448**	37.937	213.836	**251.773**
- USD	3.410	12.301	**15.711**	1.920	19.578	**21.498**
- INR	3.100	-	**3.100**	2.584	-	**2.584**
Total	**47.261**	**227.998**	**275.259**	**42.441**	**233.414**	**275.855**

Discontinued Glass Operations	31.12.2018	31.12.2017
Committed unutilized Revolving Credit Facilities (RCFs)	15.330	14.075

	Parent Company					
	31.12.2018			31.12.2017		
	Current borrowings	Non current borrowings	Total	Current borrowings	Non current borrowings	Total
- EURO	-	26.480	**26.480**	-	33.702	**33.702**
Total	**-**	**26.480**	**26.480**	**-**	**33.702**	**33.702**

The movement of liabilities from financing activities is listed below:

Consolidated

Total borrowings	Non current borrowings	Current borrowings	Total
Balance 01.01.2018	**233.414**	**42.441**	**275.855**
Cash flows	(6.213)	4.852	(1.361)
Other non-cash movements	797	(32)	765
Balance 31.12.2018	**227.998**	**47.261**	**275.259**

The raised funds of € 111.6 million and repayments of € 112.3 million relate to the use of available loan lines and similar repayments by the Group's subsidiaries.

Parent Company

Total borrowings

Intergroup bond loans	Non current borrowings	Current borrowings	Total
Balance 01.01.2018	**33.702**	**-**	**33.702**
Cash flows	(8.891)	-	(8.891)
Other non-cash movements	1.669	-	1.669
Balance 31.12.2018	**26.480**	**-**	**26.480**

Consolidated

Total borrowings	Non current borrowings	Current borrowings	Total
Balance 01.01.2017	**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 01.01.2017	**-**	**91.559**	**91.559**
Cash flows	-	(5.580)	(5.580)
Conversion of debt to equity	(59.605)	-	(59.605)
Reclassification	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 Second Lien Notes, the Group borrows at floating interest rates.

Following the completion of the capital restructuring on 23 October 2017, Frigoglass entered into new debt arrangements that replaced part of the existing Group financing with new financing with extended maturities. The remaining existing debt was either capitalized or repaid. The €250m Senior Notes (the "2013 Notes") issued by Frigoglass Finance B.V. in May 2013 were cancelled and delisted from the Luxembourg Stock Exchange, while new Notes of lower value were issued. The Bank facilities granted to the Group from its four core banks were similarly adjusted and extended. The loan received by the Company's largest shareholder Boval S.A., was capitalized and an additional share capital cash injection took place.

More specifically, 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 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 (RCF) made available by the core banks.

(3) Out of the 2013 Notes and pre-restructuring facilities provided by the core banks €59,6m were equitized and €3,46m were repaid. Furthermore, €45m of debt (from the 2013 Notes and the core banks' facilities) were written off. In total, Frigoglass Group pre-restructuring debt was reduced by €138m. Furthermore, the fair value of the new shares that started trading in the Athens Stock Exchange on 16 November 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.

(4) The new restructured debt has reduced interest rates, which along with the lower level of Debt is estimated to halve the Group's annual pre-restructuring interest costs.

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 (also available in US Dollars and other currencies approved by the lenders), a US$10.000.000 First Lien Term Loan Facility and a €7.100.937,38 First Lien Term Loan Facility. Following the mandatory and voluntary partial redemption of the First Lien Facilities on 31 December 2018, the total RCF commitments adjusted to €24.376.041,14 and the First Lien Term Loan Facilities to US$9.405.802,23 and €6.730.455,01 respectively.

The maturity date of the First Lien Facilities Agreement is 31 December 2021. A €2m aggregate amortisation payment will be paid every six months starting from March 2019 to repay the First Lien Debt.

Interest is accrued based on EURIBOR/LIBOR (as applicable) plus an interest rate of 4,25% per annum.

There are two financial 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 an interest rate of Euribor plus 4,25% per annum due 31 December 2021 (the "First Lien Notes"). Following the mandatory and voluntary partial redemption of the First Lien Notes on 31 December 2018, the principal amount reduced to €76.449.252,17.

The First Lien Notes Subscription Agreement contains the same financial covenants and undertakings as the First Lien Facilities, except for the financial covenants.

Interest is paid on January 15 and June 15 each year, starting as of 15 January 2018. The First Lien Notes are listed on the official list of the International Stock Exchange and are private notes held in certificated form and settled through the Notes Agent/Issuer.

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 (also available in US Dollars and other currencies approved by the lenders) and a €17.393.375,21 Second Lien Term Loan 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.

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 31 March 2022 (the "Second Lien Notes") at a fixed interest 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.

Interest is paid on January 15 and July 15 each year, starting as of 15 January 2018. The Second Lien Notes are listed on the official list of The International Stock Exchange. The notes are settled through the Clearstream/Euroclear.

Guarantees

The following companies have granted guarantees in respect of the First and Second Lien Debt:

1. Frigoglass S.A.I.C.
2. Frigoglass Finance B.V.
3. Frigoinvest Holdings B.V.
4. Frigoglass Romania S.R.L.
5. Frigoglass Eurasia LLC
6. Frigoglass West Africa Limited
7. Frigoglass Industries Nigeria Limited
8. Beta Glass Plc.
9. PT Frigoglass Indonesia
10. 3P Frigoglass S.R.L
11. Frigoglass Cyprus Limited
12. Frigoglass Global Limited
13. Frigoglass South Africa (Proprietary) Limited
14. Frigoglass East Africa Limited

Following the completion of Frigoglass Jebel Ali FZE sale on 12 December 2018, the securities and guarantees granted by Frigoglass Jebel Ali FZE were 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**:**

Asset	**in € 000's as at 31.12.2018**
Tangible assets	35.071
Other long term assets	43
Inventories	34.023
Trade debtors	22.233
Intergroup receivables	55.178
Intergroup loan receivables	266.257
Other debtors	2.838
Cash & cash equivalents	6.650
Total	**422.293**

Note 14 - Investments in subsidiaries

	Parent Company	
	31.12.2018	**31.12.2017**
	Net book value	**Net book value**
	60.005	**58.045**
Additions	-	1.960
Total Frigoinvest Holdings B.V (The Netherlands)	**60.005**	**60.005**

In its separate financial statements, the Parent Company accounts for investments in subsidiaries at historic cost less any impairment losses.

2017

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 Spzoo	Poland	Full	100,00%
Frigoglass India PVT.Ltd.	India	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%
Frigoglass Ltd.	Ireland	Full	100,00%
Glass Operations			
Frigoglass Global Limited	Cyprus	Full	100,00%
Beta Glass Plc.	Nigeria	Full	55,21%
Frigoglass Industries (NIG.) Ltd.	Nigeria	Full	76,03%

The Parent Company does not have any shareholdings in the preference shares of subsidiary undertakings included in the Group.

Frigoglass North America Ltd. Co, Frigoglass Iberica SL, Frigoglass Philippines Inc. and Frigoglass Turkey S Sanayi İç ve Dış Ticaret AŞ were liqudated during 2018.
Frigoglass Jebel Ali FZE was sold in December 2018 (Note 29).

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.	2018	2017
Total assets	91.101	78.659
Total liabilities	35.414	31.098
Total equity	**55.687**	**47.561**
Net sales revenue	28.926	26.288
Profit / <Loss> after income tax expenses	5.852	9.620
Non controlling interest - %	23,97%	23,97%
Profit / <Loss> after income tax expenses attributable to non-controlling interests	1.403	2.306
Dividends to non-controlling interests	-	-
Capital expenditure	2.556	1.110

Beta Glass Plc.	2018	2017
Total assets	131.944	104.899
Total liabilities	48.446	36.246
Total equity	**83.498**	**68.653**
Net sales revenue	72.914	64.311
Profit / <Loss> after income tax expenses	13.056	11.928
Non controlling interest - %	44,79%	44,79%
Profit / <Loss> after income tax expenses attributable to non-controlling interests	5.847	5.342
Dividends to non-controlling interests	448	613
Capital expenditure	21.908	10.021

Frigoglass West Africa Ltd.	2018	2017
Total assets	24.024	14.917
Total liabilities	26.104	15.325
Total equity	**(2.080)**	**(408)**
Net sales revenue	17.130	8.006
Profit / <Loss> after income tax expenses	(1.609)	(623)
Non controlling interest - %	23,97%	23,97%
Profit / <Loss> after income tax expenses attributable to non-controlling interests	(386)	(149)
Dividends to non-controlling interests	-	-
Capital expenditure	86	493

The tight liquidity in 2017 and 2018 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 € 14 m. (2017: € 20m). 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

A) Share capital:

2018

The share capital of the Group as at **31.12.2018** comprised of **355.437.751** fully paid up ordinary shares with an nominal value of € 0,36 each.

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 01.01.2017	**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)**
Balance at 31.12.2018	**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 under all plans is as follows:

	2018		2017	
	Weighted Average exercise price (€)	Number of stock options	Weighted Average exercise price (€)	Number of stock options
Beginning Balance 01.01	**9,32**	**334.234**	**3,76**	**1.833.541**
Adjusted* Balance 01.01	**9,32**	**334.234**	**11,27**	**611.096**
Grants	-	-	-	-
Expirations	9,21	(51.360)	47,49	(8.658)
Forfeitures	-	-	12,53	(268.204)
Ending Balance 31.12	**9,34**	**282.874**	**9,32**	**334.234**
Vested and exercisable at the end of the period	**9,34**	**282.874**	**10,05**	**308.625**

* 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
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	**282.874**

Weighted average remaining contractual life of options outstanding at the end of period **4,85**

Note 16 - Other reserves

	Consolidated					
	Statutory reserves	Share option reserve	Extraordinary reserves	Tax free reserves	Currency translation reserve	Total
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 / Cancellation of share option reserve	-	(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)**
Balance at 01.01.2018	**4.177**	**670**	**14.638**	**8.760**	**(40.477)**	**(12.232)**
Exchange differences from discontinued operations recycled to P&L	-	-		-	(3.684)	(3.684)
Exchange differences from continuing operations	-	-	91	-	3.877	3.968
Balance at 31.12.2018	**4.177**	**670**	**14.729**	**8.760**	**(40.284)**	**(11.948)**

	Parent Company				
	Statutory reserves	Share option reserve	Extraordinary reserves	Tax free reserves	Total
Balance at 01.01.2017	**4.020**	**694**	**4.835**	**6.831**	**16.380**
Expiration / Cancellation of share option reserve	-	(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**
Balance at 01.01.2018	**4.020**	**670**	**12.013**	**8.760**	**25.463**
Balance at 31.12.2018	**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	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Finance income				
Interest income	**(3.535)**	**(1.627)**	**(1)**	**(5)**
Interest Expense	17.115	16.918	1.673	7.335
Exchange loss / (gain) & Other Financial costs	7.587	4.013	126	2.493
Total finance cost	**24.702**	**20.931**	**1.799**	**9.828**
Total finance cost / <income>	**21.167**	**19.304**	**1.798**	**9.823**
Total finance cost / <income> from discontinued operations	**-**	**1.420**		

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 **31.12.2018** 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**
01.01.2018 - 31.12.2018	-EURO	1,00%	1.579
	-USD	1,00%	167
	-INR	1,00%	31
		Total	**1.777**

Note 18 - Income tax

	Consolidated		Parent Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Corporate tax	10.127	16.497	779	780
Deferred tax	3.736	(1.059)	-	-
Total	**13.863**	**15.438**	**779**	**780**

	Consolidated		Parent Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Profit / <Loss> before income tax	**13.103**	**50.333**	**(492)**	**(47.087)**
Tax calculated at the nominal tax rates	**5.262**	**(1.831)**	**(143)**	**(13.655)**
Tax effects of:				
Income not subject to tax	(829)	(7.806)	-	-
Expenses not deductible for tax purposes	1.862	13.445	866	10.778
Utilization of previously unrecognized tax losses	(103)	-	(695)	-
Tax losses for which no deferred income tax asset was recognized	6.027	9.726	-	2.877
Other taxes	1.644	1.904	751	780
Tax expense as of income statement	**13.863**	**15.438**	**779**	**780**

The Group did not recognize deferred tax assets for accumulated tax losses **€ 29 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.

Note 18 - Income tax (continued)

For 2018 in Greece tax rate is 29%, as from 2019 applicable in Greece new tax rate 28%, as from 2020 will be 27%, as from 2021 will be 26% and as from 2022 will be 25%.
The Group and the Company calculate the period income tax using the tax rate that would be applicable to the expected annual earnings.
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 2018**, 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 **2014-2018**. 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 2017** 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.

Unaudited Tax Years

The Parent Company has not been audited by tax authorities for the 2010 financial year.
Up to **31.12.2018** we have not been officially served with any audit mandate by the competent Greek tax authorities for the
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 **2011-2017** 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 - 2017.
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 € 1,6 m. has been raised up to 31 December 2018.

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	2018	Ice Cold Merchandisers
SC. Frigoglass Romania SRL	Romania	2012-2018	Ice Cold Merchandisers
PT Frigoglass Indonesia	Indonesia	2015-2018	Ice Cold Merchandisers
Frigoglass South Africa Ltd.	S. Africa	2012-2018	Ice Cold Merchandisers
Frigoglass Eurasia LLC	Russia	2013-2018	Ice Cold Merchandisers
Frigoglass (Guangzhou) Ice Cold Equipment Co. ,Ltd.	China	2017-2018	Sales Office
Scandinavian Appliances A.S	Norway	2010-2018	Sales Office
Frigoglass Spa zo.o	Poland	2009-2018	Service & Repair of ICM's
Frigoglass India PVT.Ltd.	India	2016-2018	Ice Cold Merchandisers
Frigoglass East Africa Ltd.	Kenya	2014-2018	Sales Office
Frigoglass GmbH	Germany	2016-2018	Sales Office
Frigoglass Hungary Kft	Hungary	2017-2018	Service & Repair of ICM's
Frigoglass Nordic AS	Norway	2010-2018	Sales Office
Frigoglass West Africa Limited	Nigeria	2015-2018	Ice Cold Merchandisers
Frigoglass Cyprus Limited	Cyprus	2011-2018	Holding Company
Norcool Holding A.S	Norway	2010-2018	Holding Company
Frigoinvest Holdings B.V	Netherlands	2013-2018	Holding Company
Frigoglass Finance B.V	Netherlands	2013-2018	Financial Services
3P Frigoglass Romania SRL	Romania	2017-2018	Plastics
Frigoglass Global Limited	Cyprus	2015-2018	Holding Company
Beta Glass Plc.	Nigeria	2014-2018	Glass Operation
Frigoglass Industries (NIG.) Ltd.	Nigeria	2014-2018	Crowns & Plastics

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 **31.12.2018** for the Group amounted to **€ 597 thousands** (**31.12.2017**: € 709 thousands) and relate mainly to purchases of machinery. There are no capital commitments for the Parent Company for the years ended **31.12.2017** and **31.12.2018**.

Operating lease commitment

The Group leases buildings and vehicles under operating leases.
Total future lease payments under operating leases are as follows:

	Consolidated					
	31.12.2018			31.12.2017		
	Buildings	Vehicles	Total	Buildings	Vehicles	Total
Within 1 year	1.124	374	1.498	1.936	435	2.371
Between 1 to 5 years	725	891	1.616	3.460	1.150	4.610
Over 5 years	-	-	-	1.368	9	1.377
Total	**1.849**	**1.265**	**3.114**	**6.764**	**1.594**	**8.358**

	Parent Company					
	31.12.2018			31.12.2017		
	Buildings	Vehicles	Total	Buildings	Vehicles	Total
Within 1 year	273	166	439	273	241	514
Between 1 to 5 years	273	527	800	545	877	1.422
Over 5 years	-	-	-	-	9	9
Total	**546**	**693**	**1.239**	**818**	**1.127**	**1.945**

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	31.12.2018	31.12.2017
BOVAL S.A. : Participation in the share capital increase	-	60.000
Balance of loan with the BOVAL S.A.	-	-
Loan interest to BOVAL S.A.	-	248

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 50,75% 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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Sales of goods and services	167.558	123.621	22.560	13.611
Purchases of goods and services	1.156	219	83	15
Receivables / <Payables>	22.424	18.165	1.627	2.272

b) The intercompany transactions and balances of the **Parent** company with the Group's subsidiaries were:

	31.12.2018	31.12.2017
Sales of goods	6.804	5.352
Other services	794	771
Income from subsidiaries: Services fees and royalties on sales	19.860	16.797
Income from subsidiaries: commissions on sales	415	350
Purchases of goods / Expenses from subsidiaries	26.524	13.583
Interest expense	1.673	7.335
Receivables	13.087	14.312
Payables	28.355	23.895
Loans payables (Note 13)	26.480	33.702

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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Fees for Board of Directors	360	130	360	130
Management compensation	2.765	2.488	2.356	2.137

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 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.

in 000's € (apart from earning per share and number of shares)	Consolidated		Parent Company	
	Year ended		Year ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit / <Loss> after income tax **from Continuing operations** attributable to the shareholders of the company	(7.404)	27.606	(1.271)	(47.867)
Profit / <Loss> after income tax **from Discontinued operations** attributable to the shareholders of the company	(1.304)	(19.958)	-	-
Profit / <Loss> after income tax for attributable to the shareholders of the company	(8.708)	7.648	(1.271)	(47.867)
Weighted average number of ordinary shares for the purposes of basic earnings per share	355.437.751	83.709.741	355.437.751	83.709.741
Weighted average number of ordinary shares for the purpose of diluted earnings per share	355.437.751	83.709.741	355.437.751	83.709.741
a) Basic:				
Profit / <Loss> per share after taxes from Continuing operations attributable to the shareholders of the company	(0,0208)	0,3298	(0,0036)	(0,5718)
Profit / <Loss> per share after taxes from Discontinued operations attributable to shareholders of the company	(0,0037)	(0,2384)	-	-
Basic earnings / <losses> per share	**(0,0245)**	**0,0914**	**(0,0036)**	**(0,5718)**
b) Diluted:				
Profit / <Loss> per share after taxes from Continuing operations attributable to the shareholders of the company	(0,0208)	0,3298	(0,0036)	(0,5718)
Profit / <Loss> per share after taxes from Discontinued operations attributable to the shareholders of the company	(0,0037)	(0,2384)	-	-
Diluted earnings / <losses> per share	**(0,0245)**	**0,0914**	**(0,0036)**	**(0,5718)**

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 assets 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 **€ 257 m**.. See Note 13 for the guarantors.

	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Guarantees	**256.596**	**260.612**	**256.549**	**260.612**

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 2018		Consolidated 2017	
Q1	105.664	25%	88.214	23%
Q2	142.449	34%	115.561	30%
Q3	80.299	19%	76.045	20%
Q4	88.885	21%	106.229	28%
Total Year	**417.297**	**100%**	**386.049**	**100%**

As shown above the Group's operations exhibit seasonality.

Note 24 - Post balance sheet events

There are no 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 31.12.2018	Consolidated 31.12.2017
ICM Operations	3.744	3.644
Glass Operations	1.410	1.398
Total	**5.154**	**5.042**
Discontinued operations	**-**	**327**

	Parent Company 31.12.2018	Parent Company 31.12.2017
Average number of personnel	**207**	**206**

	Consolidated 31.12.2018	Consolidated 31.12.2017	Parent Company 31.12.2018	Parent Company 31.12.2017
Wages & salaries	58.321	52.771	11.741	11.087
Social contribution	6.480	6.042	2.060	1.946
Total Payroll (Note 30)	**64.801**	**58.813**	**13.801**	**13.033**
Pension plan (defined contribution)	1.377	2.188	550	1.397
Retirement benefit (defined benefit) (**Note 32**)	(126)	2.357	628	605
Provision for stock option plan	-	(24)	-	(24)
Employee benefits, personnel expenses	8.222	8.979	1.429	2.195
Total Continuing operations	**74.274**	**72.313**	**16.408**	**17.206**

Note 26 - Other operating income & Other gains/<losses> - net

	Consolidated		Parent Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Other operating income				
Income from subsidiaries: Services fees & royalties on sales	-	-	19.860	16.797
Income from subsidiaries: Commission on sales	-	-	415	350
Revenues from insurance claims	155	1.345	155	1.345
Revenues from scraps sales	894	858	-	-
Other charges to customers	2.178	1.253	-	-
Other	1.227	2.931	328	31
Total: Other operating income	**4.454**	**6.387**	**20.758**	**18.523**

	Consolidated		Parent Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Other gains<losses> - net				
Profit/<Loss> from disposal of property, plant & equipment	293	4.670	(11)	-
Other	10	(560)	-	(24)
Total: Other gains/<losses> - net	**303**	**4.110**	**(11)**	**(24)**

Profit/<Loss> from disposal of property, plant & equipment in 2017 concerns the sale of the factory in China.

Note 27 -Reconciliation of EBITDA

Continuing operations	Consolidated		Parent Company	
	Year ended		Year ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit / <Loss> before income tax	**13.103**	**50.333**	**(492)**	**(47.087)**
plus: Depreciation	19.791	21.108	3.542	3.515
plus: Impairment of tangible assets	2.071	1.607	-	784
plus: Restructuring costs	301	(38.243)	-	34.501
plus: Finance <costs> / income *	21.167	19.304	1.798	9.823
EBITDA	**56.433**	**54.109**	**4.848**	**1.536**

* Finance <costs> / income = Interest expense - Interest income +/- Exchange Gain/Loss - Other Financial costs **(Note 17)**

Note 28 - Restructuring gains/<losses>

	Consolidated	Parent Company
	31.12.2018	
Restructuring activities of ICM Operations:		
<Losses> from restructuring activities of ICM Operations	(301)	-
Restructuring gains/<losses>	**(301)**	**-**

The Group incurred during 2018 restructuring costs of € 0.3 mil. related to the termination of one production shift in Frigoglass Indonesia PT.

	Consolidated	Parent Company
Capital restructuring expenses:	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 its capital restructuring in October 2017.

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)

Note 29 - 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 decision to sell this operation was taken at the Board of Directors meeting held on 2 March 2018.

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.

On 12th December 2018 Frigoglass S.A.I.C announced that it has completed the divestment of its glass container subsidiary Frigoglass Jebel Ali FZE to ATG Investments Limited.

B) Income Statement

	01.01-12.12.18	31.12.2017
Revenue from contracts with customers	**24.819**	**20.760**
Cost of goods sold	(31.789)	(30.427)
Gross profit/<loss>	**(6.970)**	**(9.667)**
Administrative expenses	(170)	(59)
Selling, distribution & marketing expenses	(926)	(1.078)
Research & development expenses	-	-
Other operating income	337	250
Impairment of fixed assets	-	(7.984)
Operating Profit / <Loss>	**(7.729)**	**(18.538)**
Finance <costs>/income	(392)	(1.420)
Profit / <Loss> before income tax & restructuring costs	**(8.121)**	**(19.958)**
Profit / <Loss> before income tax	**(8.121)**	**(19.958)**
Profit / <Loss> after income tax expenses from discontinued operations	**(8.121)**	**(19.958)**
Attributable to:		
Non-controlling interests	-	-
Shareholders	**(8.121)**	**(19.958)**
Depreciation	74	3.517
EBITDA	**(7.655)**	**(7.037)**

Note 29 Discontinued operations (continued)

C) Balance Sheet	12.12.2018	31.12.2017
Property, plant & equipment	750	38
Intangible assets	-	16
Inventories	4.161	12.264
Trade receivables	6.289	3.139
Other receivables	2.390	1.703
Cash & cash equivalents	2.634	415
Assets held for sale	**16.224**	**17.575**
Retirement benefit obligations	1.671	1.760
Trade payables	7.729	7.073
Other payables	1.042	1.140
Liabilities associated with assets held for sale	**10.442**	**9.973**
Net assets classified as held for sale	**5.782**	**7.602**

D) Cash Flow Statement	12.12.2018	31.12.2017
Profit / <Loss> after income tax	**(8.121)**	**(19.958)**
(a) Cash flows from /(used in) operating activities	**(3.100)**	**(2.889)**
(b) Net cash generated from investing activities	**(359)**	**(861)**
(c) Net cash generated from intergroup balances	**5.565**	**3.378**
Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c)	**2.106**	**(372)**
Cash and cash equivalents at the beginning of the year	**415**	**871**
Effects of changes in exchange rate	113	(84)
Cash and cash equivalents at the end of the period	**2.634**	**415**

E) Details of the Sale of Subsidiary

Consideration Received or Receivable:

Cash	3.606
Short Term Fair Value of Deferred Consideration	2.286
Long Term Fair Value of Deferred Consideration	3.023
Total Disposal Consideration	**8.915**

Consideration Received	3.606
Less: Cash & cash equivalents	(2.634)
Net Proceeds from disposal	**972**

Carrying amount of Net Assets Sold	5.782
Gain on Sale before tax & reclassification of foreign currency translation reserve	3.133
Income Tax Expense on Gain	-
Reclassification of foreign currency translation reserve	3.684
Gain on sale after income tax	**6.817**
Profit after tax of discontinued operation 01.01-12.12.18	(8.121)
Profit & & <Loss> from Discontinued Operations	**(1.304)**

Note 30 - Expenses by nature

The expenses of the Group and Parent company are analyzed below:

	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Raw materials, consumables, energy & maintenance	226.517	215.463	28.864	15.963
Wages & salaries **(Note 25)**	64.801	58.813	13.801	13.033
Transportation expenses	12.617	11.666	1.785	995
Employee benefits, personnel expenses **(Note 25)**	8.222	8.979	1.429	2.195
Travel & car expenses	4.245	4.396	1.213	1.377
Provision for staff leaving indemnities and actual cost paid **(Note 25)**	(126)	2.357	628	605
Audit & third party fees	17.890	15.728	4.141	3.391
Rent, insurance, leasing payments and security expenses	7.597	6.864	995	1.089
Provisions for trade debtors, inventories, warranties and free of charge goods	8.730	5.764	(107)	(614)
Promotion and after sales expenses	13.635	11.270	3.711	3.138
Telecommunications, subscriptions and office supply expenses	952	1.018	163	209
Other expenses	1.656	941	1.349	1.613
Provision for stock options **(Note 15 & 16)**	-	(24)	-	(24)
Depreciation	19.791	21.108	3.542	3.515
Government grant income for exports	(1.115)	(798)	-	-
Total	**385.412**	**363.545**	**61.514**	**46.485**

Categorized as:

	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Cost of goods sold	339.996	318.508	39.064	24.728
Administration expenses	21.095	22.157	15.133	15.243
Selling, distribution & marketing expenses	20.736	19.142	4.669	4.141
Research & development expenses	3.585	3.738	2.648	2.373
Total	**385.412**	**363.545**	**61.514**	**46.485**

Depreciation allocated to:	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Cost of goods sold	14.795	15.294	326	434
Administration expenses	2.500	3.039	1.139	1.131
Selling, distribution & marketing expenses	144	158	71	71
Research & development expenses	2.352	2.617	2.006	1.879
Total	**19.791**	**21.108**	**3.542**	**3.515**

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, in € 000's:

	2018	2017
Audit fees	200	397
Tax certificate	70	75
Other fees	73	378
Total fees	**343**	**850**

Note 31 - Provisions for other liabilities & charges

	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Provisions for warranties	2.689	3.356	-	-
Other provisions	779	554	-	-
Total provision for other liabilities and charges	**3.468**	**3.910**	**-**	**-**

Provisions for Warranties	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Opening balance	**3.356**	**2.904**	**-**	**-**
Additional provision for the year	220	1.377	-	-
Unused amounts reversed	(849)	(592)	-	-
Charged to income statement	**(629)**	**785**	**-**	**-**
Utilized during the year	-	(218)	-	-
Exchange difference	(38)	(115)	-	-
Closing balance	**2.689**	**3.356**	**-**	**-**

As at 31 December **2018** 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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Opening balance	**554**	**616**	**-**	**56**
Additional provision for the year	38	36	-	-
Unused amounts reversed	(18)	(56)	-	(56)
Charged to income statement	**20**	**(20)**	**-**	**(56)**
Utilized during the year	227	-	-	-
Exchange difference	(22)	(42)	-	-
Closing balance	**779**	**554**	**-**	**-**

The category "Other provisions" includes mainly provisions for taxes on sales.

Total provisions for other liabilities & charges	**3.468**	**3.910**	**-**	**-**

Note 32 - Retirement benefit obligations

	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Retirement benefit	6.582	14.510	5.480	5.056
Total retirement benefit obligations	**6.582**	**14.510**	**5.480**	**5.056**

The amounts recognized in the income statement are as follows:	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Current service cost	818	1.027	203	241
Interest cost	1.216	1.210	80	85
Past service cost	448	120	345	279
Other Expenses (income)	(2.608)	-	-	-
Total	**(126)**	**2.357**	**628**	**605**

Movement in the net liability recognized on the balance sheet:	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Net liability at the beginning of the period	**14.510**	**16.536**	**5.056**	**5.088**
Benefits paid	(8.182)	(1.106)	(617)	(585)
Total expenses recognized in the income statement	(126)	2.357	628	605
Total expenses recognized in the income statement / Discontinued operations	-	204	-	-
Total amount recognized in the OCI	413	(40)	413	(52)
Exchange difference	(33)	(1.681)	-	-
Net liability at the end of the period	**6.582**	**16.270**	**5.480**	**5.056**
Liabilities directly associated with assets classified as held for sale	-	(1.760)	-	-
Net liability at the end of the period	**6.582**	**14.510**	**5.480**	**5.056**

Note 32 - Retirement benefit obligations (continued)

Main assumptions used:	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Discount rate	2,62%	7,52%	1,73%	1,58%
Salary increase	2,48%	9,01%	1,75%	1,75%
Plan duration	17,04	10,76	14,20	15,12

The components of recognized actuarial <gain> / loss charged directly to other comprehensive income (OCI) are as follows:

	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Change in financial and other assumptions	413	(40)	413	(52)
Recognized actuarial <gain> / loss to OCI	**413**	**(40)**	**413**	**(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 2018.**

The Defined Pension scheme in Nigeria was a voluntary scheme by the company and based on agreement between Unions and the management of the 3 companies located in Nigeria. There was no legal requirement to have a Pension scheme in Nigeria. Following various discussions, after 2017, with the Employee Unions on managing the pension sceme, the Company entered into an Agreement with the Unions.
The Agreement with the Unions confirmed that the scheme will be discontinued with effect from 01.01.2019, and all outstanding liabilities per employee as of 31.12.2018 will be settled in the month of December 2018.
Consequently all the pension scheme liabilities per employee were settled in December 2018 and paid directly to the employees. During settlement a gain of € 2,6 mil. arose.

Sensitivity analysis for significant assumptions

A quantitative sensitivity analysis for significant assumptions is shown below:

	Consolidated		Parent Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Discount rate 0,5% higher	(431)	(412)	(359)	(355)
Discount rate 0,5% lower	463	461	391	388

In the following 12 months no significant cash outflows are expected.

Note 33 - Deferred tax

Consolidated

Deferred tax asset	Tax losses carried forward	Provisions & Liabilities	Pensions & employee benefit plan	Unrealized exchange differences	Other	Total
Balance at 01.01.2018	**840**	**2.476**	**2.666**	**95**	**6**	**6.083**
Charged to income statement	(852)	(611)	(2.705)	1.745	148	(2.275)
Exchange differences	12	58	39	90	(20)	179
Balance at 31.12.2018	**-**	**1.923**	**-**	**1.930**	**134**	**3.987**

Deferred tax liabilities	Accelerated tax depreciation	Unrealized exchange differences	Other	Total
Balance at 01.01.2018	**11.938**	**6.228**	**18**	**18.184**
Charged to income statement	991	475	(5)	1.461
Exchange differences	338	304	(2)	640
Balance at 31.12.2018	**13.267**	**7.007**	**11**	**20.285**

Net deferred tax asset / (liability)	**(16.298)**

Closing balance at:	Consolidated 31.12.2018	Consolidated 31.12.2017
Deferred tax assets	400	1.432
Deferred tax liabilities	16.698	13.533
Net deferred tax asset / (liability)	**(16.298)**	**(12.101)**

Note 33 - Deferred tax (continued)

Consolidated

Deferred tax asset	Tax losses carried forward	Provisions & Liabilities	Pensions & employee benefit plan	Unrealized exchange differences	Other	Total
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)
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)

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 34 - Bank deposits analysis

Bank credit rating (S&P, Fitch, Moody's rating)

		Consolidated		Parent Company	
		31.12.2018	31.12.2017	31.12.2018	31.12.2017
BBB+	Citibank	1.395	1.456	18	15
B	I.B.T.C (Stanbic)	27.025	29.010	-	-
A	HSBC	4.809	8.991	616	544
BBB+	China Merchand Bank (CMB)	4	133	-	-
AA-	TD Bank	-	613	-	-
BBB+	First National Bank (S.Africa)	286	1.451	-	-
CCC+	Alpha Bank	833	4.860	125	106
Ba2	Sberbank	8.747	3.170	-	-
CCC+	Eurobank Ergasias	2.982	946	1.554	325
A+	D n B Nor Bank (Norway)	687	725	-	-
Baa1	ING Group	494	61	-	-
N/A	Other Banks	1.788	1.706	38	7
Total		**49.050**	**53.122**	**2.351**	**997**

Note 35 - Short & long term borrowing analysis

Bank credit rating (S&P, Fitch, Moody's rating)		Consolidated		Parent Company	
		31.12.2018	31.12.2017	31.12.2018	31.12.2017
N/A	Bond loan	174.984	177.929	26.480	33.702
BBB+	Citibank	9.928	9.330	-	-
B	I.B.T.C (Stanbic)	4.161	2.857	-	-
A	HSBC	21.958	23.369	-	-
CCC+	Alpha Bank	17.479	18.359	-	-
Ba2	Sberbank	30.000	27.000	-	-
CCC+	Eurobank Ergasias	13.650	14.427	-	-
N/A	Other Banks	3.099	2.584	-	-
Total		**275.259**	**275.855**	**26.480**	**33.702**

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 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 31.12.2018				
Trade creditors	77.643	-	-	-
Other creditors (excluding taxes -duties & social security insurance payable)	44.788	-	-	-
Loans	61.407	12.418	245.383	-
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	-
Parent Company 31.12.2018				
Trade creditors	6.052	-	-	-
Other creditors (excluding taxes -duties & social security insurance payable)	4.064	-	-	-
Loans	1.562	1.562	29.604	-
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	-

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)

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/income. 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)	4Q18	4Q17	FY18	FY17
Profit / (Loss) before income tax	**(2,568)**	**76,526**	**13,103**	**50,333**
Depreciation	5,251	5,343	19,791	21,108
Restructuring costs	4	(70,799)	301	(38,243)
Finance costs	5,352	3,081	21,167	19,304
Impairment of fixed assets and goodwill	(4)	1,607	2,071	1,607
EBITDA	**8,035**	**15,758**	**56,433**	**54,109**
Net sales revenue	88,885	106,230	417,297	386,049
EBITDA margin, %	**9.0%**	**14.8%**	**13.5%**	**14.0%**

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 2018	31 December 2017
Continuing operations		
Trade debtors	77,606	84,824
Inventories	101,739	89,075
Trade creditors	77,643	60,985
Net Trade Working Capital	**101,702**	**112,914**

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)	FY18		
	Continuing operations	Discontinued operations	Reported
Net cash from operating activities	43,786	(3,100)	40,686
Net cash from investing activities	(33,363)	(359)	(33,722)
Free Cash Flow	**10,423**	**(3,459)**	**6,964**

(in € 000's)	FY17		
	Continuing operations	Discontinued operations	Reported
Net cash from operating activities	(30,468)	(2,889)	(33,357)
Net cash from investing activities	(8,050)	(861)	(8,911)
Free Cash Flow	**(38,518)**	**(3,750)**	**(42,268)**

Adjusted Free Cash Flow

Adjusted Free Cash Flow facilitates comparability of Cash Flow generation with other companies, as well as enhances 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, the proceeds from disposal of property, plant and equipment (PPE), the payment of pension scheme in Nigeria and the proceeds from the sales of discontinued operations.

(in € 000's)	FY18		
	Continuing operations	Discontinued operations	Reported
Free Cash Flow	**10,423**	**(3,459)**	**6,964**
Restructuring Costs	838		838
Payment of Pension Scheme in Nigeria	7,311		7,311
Procceds from Discontinued Operations	(972)		(972)
Proceeds from disposal of PPE	(1,530)		(1,530)
Adjusted Free Cash Flow	**16,070**	**(3,459)**	**12,611**

(in € 000's)	FY17		
	Continuing operations	Discontinued operations	Reported
Free Cash Flow	**(38,518)**	**(3,750)**	**(42,268)**
Restructuring Costs	45,463		45,463
Payment of Pension Scheme in Nigeria	495		495
Proceeds from disposal of PPE	(10,318)		(10,318)
Adjusted Free Cash Flow	**(2,878)**	**(3,750)**	**(6,628)**

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 2018	31 December 2017
Continuing operations		
Long-term borrowings	227,998	233,414
Short-term borrowings	47,261	42,441
Cash and cash equivalents	49,057	53,130
Net Debt	**226,202**	**222,725**

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)	FY18		
	Continuing operations	Discontinued operations	Reported
Purchase of PPE	(31,289)	(359)	(31,648)
Purchase of intangible assets	(4,576)		(4,576)
Capital expenditure	**(35,865)**	**(359)**	**(36,224)**

(in € 000's)	FY17		
	Continuing operations	Discontinued operations	Reported
Purchase of PPE	(16,222)	(1,127)	(17,349)
Purchase of intangible assets	(1,880)		(1,880)
Capital expenditure	**(18,102)**	**(1,127)**	**(19,229)**