

# FRIGOGLASS S.A.I.C.

## *Interim Condensed Financial Statements* *1 January to 31 March 2019*

*This document has been translated from the original version in Greek.  
In the event that differences exist between this translation and the original Greek text,  
the document in the Greek language will prevail over this document.*



**FRIGOGLASS S.A.I.C.**  
**Commercial Refrigerators**  
15, A. Metaxa Street  
GR-145 64 Kifissia  
Athens – Greece  
General Commercial Registry:1351401000



[www.frigoglass.com](http://www.frigoglass.com)

**FRIGOGLASS S.A.I.C.**  
**Commercial Refrigerators**

**Interim Condensed Financial Statements**  
**1 January to 31 March 2019**

The present Interim Condensed Financial Statements are approved by the Board of Directors of “Frigoglass S.A.I.C.” **on the 12<sup>th</sup> June 2019.**

The present Interim Condensed Financial Statements of the period are available on the company’s website [www.frigoglass.com](http://www.frigoglass.com)

**TABLE OF CONTENTS**

|   | <b><u>Pages</u></b> |
|---|---------------------|
| A) Financial Review.....  | 3                   |
| B) Interim Condensed Financial Statements<br>for the period 1 January to 31 March 2019..... | 6                   |
| C) Alternative Performance Measures (“APMs”).....   | 55                  |

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

**The Chairman of the Board of Directors**

**The Managing Director**

Haralambos David

Nikolaos Mamoulis

**The Group Chief Financial Officer**

**The Head of Financial  
Controlling**

Charalampos Gkoritsas

Vasileios Stergiou

## **Financial Review**

### **Three Months Ended March 31, 2019**

Frigoglass delivered a strong first quarter performance and a great start to 2019. Group sales increased by 18.8% year-on-year in the quarter to €125.6 million despite tough comparables with a strong Q1 last year. Sales growth reflects solid demand across all geographies in the commercial refrigeration segment (ICM), as well as, increased glass container demand and pricing in the Glass business.

Commercial refrigeration sales increased by 19.5% for the three months ended 31 March 2019. Eastern Europe performed well in the quarter, with sales increasing by 14.7% year-on-year. This good performance was fuelled by incremental cooler placements from key soft-drinks customers and market share gains with breweries in the region. Frigoserve's recent expansion to Hungary also contributed to the sales growth in the quarter. Sales in Western Europe grew by 24.4%, led by strong demand in France and Germany.

Africa and Middle East also had a good start to the year, with sales growing by 30.7% in the quarter. This solid performance was driven by increased demand in Morocco, Kenya and Nigeria, more than offsetting weaker demand in South Africa following customers' delayed cooler investments due to the ongoing challenging macroeconomic conditions. Sales in our Asia business increased by 8.7%, primarily driven by higher demand from key soft-drinks and brewery customers in India.

Glass business reported a strong performance, in line with our expectations. Solid volume growth, continued price increases and a favorable currency translation resulted in sales growth of 16.5%. Sales in our glass containers business increased by double digit in the quarter, driven by strong demand from key breweries and the wine & spirits segment. Plastic crates and metal crowns businesses also had an improved performance in the quarter, with combined sales growing by 10% year-on-on-year for the same reasons as Glass above.

Cost of goods sold increased by 16.1% to €100.6 million for the three months ended 31 March 2019, as a result of higher year-on-year volume growth. Cost of goods sold was also assisted by ICM plants productivity improvement initiatives and input cost savings. Overall, cost of goods sold as a percentage of the Group's sales improved to 80.1% for the three months ended 31 March 2019, from 82.0% for the three months ended 31 March 2018, aided by the better fixed cost absorption, input cost savings and the benefits from our ongoing productivity improvement initiatives across all our commercial refrigeration plants. Gross margin was also supported by Glass business sales growth and pricing initiatives.

Administrative expenses increased by 5.0% to €5.8 million for the three months ended 31 March 2019, mainly due to increased employee, IT and miscellaneous related expenses. The ratio of administrative expenses to sales improved to 4.6% in the three months ended 31 March 2019, from 5.2% in the three months ended 31 March 2018.

Selling, distribution and marketing expenses increased by 15.7% to €5.9 million for the three months ended 31 March 2019, driven by higher warranty and miscellaneous expenses. As a

percentage of sales, selling, distribution and marketing expenses improved to 4.7% in the three months ended 31 March 2019, from 4.8% in the three months ended 31 March 2018.

Research and development expenses decreased by 0.8% to €0.9 million for the three months ended 31 March 2019, reflecting lower depreciation charges and miscellaneous expenses. As a percentage of sales, research and development expenses improved to 0.7% in the three months ended 31 March 2019, from 0.8% in the three months ended 31 March 2018.

Other income declined by 5.2% to €0.6 million for the three months ended 31 March 2019. Finance costs increased by 19.0% year-on-year to €5.9 million for the three months ended 31 March 2019, impacted by net exchange losses following the appreciation of Naira, while in 1Q18, finance cost was helped by gains caused by the devaluation of Naira to Euro denominated receivables.

Income tax expense was €3.7 million for the three months ended 31 March 2019, unchanged compared to the prior year's quarter.

Frigoglass reported net profits of €2.0 million, compared to net losses of €3.7 million, reflecting the improved operating profit and the net losses from discontinued operations that impacted the prior year's quarter.

## **Cash Flow**

### **Net cash from/(used in) operating activities**

Net cash used in operating activities amounted to €10.4 million for the three months ended 31 March 2019, compared to net cash from operating activities of €0.3 million for the three months ended 31 March 2018, reflecting higher year-on-year working capital requirements in the seasonally high first quarter.

### **Net cash from/(used in) investing activities**

Net cash used in investing activities amounted to €1.9 million in the three months ended 31 March 2019, compared to €3.8 million in the three months ended 31 March 2018, reflecting lower capital expenditure in ICM and Glass operations.

### **Net cash from/(used in) financing activities**

Net cash from financing activities amounted to €1.5 million in the three months ended 31 March 2019, compared to net cash from financing activities of €5.8 million in the three months ended 31 March 2018. This decrease reflects lower net proceeds of bank loans and higher interest paid.

### **Net trade working capital**

Net trade working capital as of 31 March 2019 amounted to €136.1 million, compared to €124.9 million as of 31 March 2018. This increase reflects inventory build-up following strong demand in the next couple of months and increased trade receivables due to the sales growth in 1Q19.

| <i>(in €m)</i>                   | <b>31 March 2019</b> | <b>31 March 2018</b> |
|----------------------------------|----------------------|----------------------|
| Inventories                      | 115.1                | 92.3                 |
| Trade debtors                    | 116.8                | 97.7                 |
| Trade creditors                  | 95.8                 | 65.1                 |
| <b>Net Trade Working Capital</b> | <b>136.1</b>         | <b>124.9</b>         |

### **Capital Expenditures**

Capital expenditures amounted to €2.7 million in the three months ended 31 March 2019, of which €1.5 million related to the purchase of property, plant and equipment and €1.2 million related to the purchase of intangible assets, compared to €3.8 million in the three months ended 31 March 2018, of which €3.3 million related to the purchase of property, plant and equipment and €0.5 million related to the purchase of intangible assets.

### **Business Outlook**

Following a solid set of first quarter results and signs of continuing momentum in the early months of the second quarter of the year, we are confident in delivering top-line growth and comparable profit margin improvement for a second consecutive year post our capital restructuring completion. In 2019, some of our strategic beverage partners are utilizing their annual capital spending related to coolers earlier this year to benefit from the positive market trends experienced in several of their territories. In this context, we are supporting our customers by ramping up production. In Glass, we anticipate glass containers top-line momentum to continue following solid beverage market fundamentals, incremental beer capacity and customers' product launches.

In the commercial refrigeration business, we are executing initiatives to solidify raw material cost savings, productivity gains and benefits from further rightsizing our manufacturing footprint. Volume leverage and pricing will support Glass business profit margin improvement in 2019.

We maintain our full-year capital expenditure estimate in the range of €25-30 million.

**FRIGOGLASS S.A.I.C.**  
**Commercial Refrigerators**  
**Interim Condensed Financial Statements**  
**1 January to 31 March 2019**

| <b>Table of Contents</b>                                    | <b>Pages</b> |
|---|--------------|
| 1. Interim Condensed Statement of Profit & Loss.....        | 8            |
| 2. Interim Condensed Statement of Comprehensive Income..... | 9            |
| 3. Interim Condensed Statement of Financial Position.....   | 10           |
| 4. Interim Condensed Statement of Changes in Equity.....    | 11           |
| 5. Interim Condensed Statement of Cash Flows.....           | 13           |
| 6. Notes to the interim condensed financial statements      |              |
| <b>(1)</b> General Information.....                         | 14           |
| <b>(2)</b> Basis of Preparation.....                        | 15           |
| <b>(3)</b> Principal accounting policies.....               | 17           |
| <b>(4)</b> Critical accounting estimates and judgments..... | 20           |
| <b>(5)</b> Segment Information.....                         | 22           |
| <b>(6)</b> Property, Plant & equipment.....                 | 25           |
| <b>(7)</b> Intangible assets.....                           | 27           |
| <b>(8)</b> Inventories.....                                 | 30           |
| <b>(9)</b> Trade receivables.....                           | 31           |
| <b>(10)</b> Other receivables.....                          | 32           |
| <b>(11)</b> Cash & cash equivalents.....                    | 33           |
| <b>(12)</b> Other payables.....                             | 33           |
| <b>(13)</b> Non current & current borrowings.....           | 34           |
| <b>(14)</b> Investments in subsidiaries.....                | 40           |
| <b>(15)</b> Share capital.....                              | 41           |
| <b>(16)</b> Other reserves.....                             | 42           |
| <b>(17)</b> Financial expenses.....                         | 43           |
| <b>(18)</b> Income tax.....                                 | 44           |
| <b>(19)</b> Commitments.....                                | 46           |
| <b>(20)</b> Related party transactions.....                 | 46           |
| <b>(21)</b> Earnings per share.....                         | 47           |
| <b>(22)</b> Contingent liabilities.....                     | 48           |
| <b>(23)</b> Seasonality of operations.....                  | 49           |
| <b>(24)</b> Post balance sheet events.....                  | 49           |

|             |  |    |
|-------------|--|----|
| <b>(25)</b> | Average number of personnel.....                           | 49 |
| <b>(26)</b> | Other operating income & Other gains / <losses> - net..... | 50 |
| <b>(27)</b> | Reconciliation of EBITDA.....                              | 51 |
| <b>(28)</b> | Restructuring gains / <losses>.....                        | 52 |
| <b>(29)</b> | Discontinued operations.....                               | 53 |



|  | Note   | Consolidated       |                 | Parent Company     |                 |
|--|--------|--------------------|-----------------|--------------------|-----------------|
|  |        | Three months ended |                 | Three months ended |                 |
|  |        | 31.03.2019         | 31.03.2018      | 31.03.2019         | 31.03.2018      |
| <b>Continuing operations:</b>  |        |                    |                 |                    |                 |
| <b>Revenue from contracts with customers</b>   | 5 & 23 | <b>125.565</b>     | <b>105.664</b>  | <b>13.780</b>      | <b>12.073</b>   |
| Cost of goods sold   |        | (100.579)          | (86.607)        | (12.926)           | (11.320)        |
| <b>Gross profit</b>  |        | <b>24.986</b>      | <b>19.057</b>   | <b>854</b>         | <b>753</b>      |
| Administrative expenses  |        | (5.788)            | (5.514)         | (3.912)            | (4.054)         |
| Selling, distribution & marketing expenses   |        | (5.881)            | (5.083)         | (1.017)            | (1.141)         |
| Research & development expenses  |        | (879)              | (886)           | -                  | (662)           |
| Other operating income   | 26     | 619                | 653             | 2.684              | 4.473           |
| Other gains<losses> - net  | 26     | (65)               | 28              | 10.093             | 8               |
| <b>Operating Profit / &lt;Loss&gt;</b>   |        | <b>12.992</b>      | <b>8.255</b>    | <b>8.702</b>       | <b>(623)</b>    |
| Finance costs  | 17     | (6.738)            | (5.445)         | (426)              | (628)           |
| Finance income   | 17     | 870                | 512             | 1                  | -               |
| <b>Finance costs - net</b>   |        | <b>(5.868)</b>     | <b>(4.933)</b>  | <b>(425)</b>       | <b>(628)</b>    |
| <b>Profit / &lt;Loss&gt; before income tax &amp; restructuring costs</b>   |        | <b>7.124</b>       | <b>3.322</b>    | <b>8.277</b>       | <b>(1.251)</b>  |
| Restructuring gains/<losses>   | 28     | -                  | (275)           | -                  | -               |
| <b>Profit / &lt;Loss&gt; before income tax</b>   |        | <b>7.124</b>       | <b>3.047</b>    | <b>8.277</b>       | <b>(1.251)</b>  |
| Income tax expense   | 18     | (3.704)            | (3.708)         | (104)              | (144)           |
| <b>Profit / &lt;Loss&gt; after income tax expenses from continuing operations</b>                                      |        | <b>3.420</b>       | <b>(661)</b>    | <b>8.173</b>       | <b>(1.395)</b>  |
| <b>Discontinued operations:</b>  |        |                    |                 |                    |                 |
| Profit / <Loss> after income tax expenses from discontinued operations attributable to the shareholders of the company | 29     | -                  | (1.425)         | -                  | -               |
| <b>Profit / &lt;Loss&gt; for the period</b>  |        | <b>3.420</b>       | <b>(2.086)</b>  | <b>8.173</b>       | <b>(1.395)</b>  |
| <b>Attributable to:</b>  |        |                    |                 |                    |                 |
| Non-controlling interests  |        | 1.390              | 1.585           | -                  | -               |
| Shareholders   |        | 2.030              | (3.671)         | 8.173              | (1.395)         |
| Depreciation   |        | 5.895              | 4.874           | 537                | 884             |
| <b>EBITDA</b>  | 27     | <b>18.887</b>      | <b>13.129</b>   | <b>9.239</b>       | <b>261</b>      |
| <b>Amounts in €</b>  |        |                    |                 |                    |                 |
| <b>Basic Earnings / &lt;Loss&gt; per share, after taxes attributable to the shareholders</b>                           |        |                    |                 |                    |                 |
| - Continuing operations  | 21     | 0,0057             | (0,0063)        | 0,0230             | (0,0039)        |
| - Discontinued operations  | 21     | -                  | (0,0040)        | -                  | -               |
| <b>Total</b>   |        | <b>0,0057</b>      | <b>(0,0103)</b> | <b>0,0230</b>      | <b>(0,0039)</b> |
| <b>Diluted Earnings / &lt;Loss&gt; per share, after taxes attributable to the shareholders</b>                         |        |                    |                 |                    |                 |
| - Continuing operations  | 21     | 0,0057             | (0,0063)        | 0,0230             | (0,0039)        |
| - Discontinued operations  | 21     | -                  | (0,0040)        | -                  | -               |
| <b>Total</b>   |        | <b>0,0057</b>      | <b>(0,0103)</b> | <b>0,0230</b>      | <b>(0,0039)</b> |

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





## FRIGOGLASS S.A.I.C.

## Interim Condensed Statement of Financial Position

in € 000's



|  | Note | Consolidated    |                 | Parent Company |               |
|--|------|-----------------|-----------------|----------------|---------------|
|  |      | 31.03.2019      | 31.12.2018      | 31.03.2019     | 31.12.2018    |
| <b>Assets:</b>   |      |                 |                 |                |               |
| Property, plant & equipment                                | 6    | 120.058         | 121.235         | 3.766          | 3.908         |
| Right-of-use assets  | 3    | 6.334           | -               | 1.140          | -             |
| Intangible assets  | 7    | 11.262          | 11.133          | 2.060          | 7.369         |
| Investments in subsidiaries                                | 14   | -               | -               | 60.005         | 60.005        |
| Deferred tax assets  |      | 400             | 400             | -              | -             |
| Other long term assets                                     |      | 3.303           | 3.323           | 80             | 78            |
| <b>Total non current assets</b>                            |      | <b>141.357</b>  | <b>136.091</b>  | <b>67.051</b>  | <b>71.360</b> |
| Inventories  | 8    | 115.095         | 101.739         | 2.954          | 2.232         |
| Trade receivables  | 9    | 116.823         | 77.606          | 12.291         | 3.952         |
| Other receivables  | 10   | 31.915          | 27.441          | 948            | 1.005         |
| Current tax assets   |      | 2.520           | 4.163           | -              | -             |
| Intergroup receivables                                     | 20   | -               | -               | 11.588         | 13.087        |
| Cash & cash equivalents                                    | 11   | 38.720          | 49.057          | 1.940          | 2.352         |
| <b>Total current assets</b>                                |      | <b>305.073</b>  | <b>260.006</b>  | <b>29.721</b>  | <b>22.628</b> |
| <b>Total Assets</b>  |      | <b>446.430</b>  | <b>396.097</b>  | <b>96.772</b>  | <b>93.988</b> |
| <b>Liabilities:</b>  |      |                 |                 |                |               |
| Non current borrowings                                     | 13   | 236.654         | 227.998         | -              | -             |
| Lease Liabilities  |      | 4.777           | -               | 860            | -             |
| Deferred tax liabilities                                   |      | 16.480          | 16.698          | -              | -             |
| Retirement benefit obligations                             |      | 6.729           | 6.582           | 5.536          | 5.480         |
| Intergroup bond loans                                      | 13   | -               | -               | 29.887         | 26.480        |
| Provisions   |      | 3.898           | 3.468           | -              | -             |
| <b>Total non current liabilities</b>                       |      | <b>268.538</b>  | <b>254.746</b>  | <b>36.283</b>  | <b>31.960</b> |
| Trade payables   |      | 95.834          | 77.643          | 4.395          | 6.052         |
| Other payables   | 12   | 61.118          | 53.539          | 7.154          | 5.067         |
| Current tax liabilities                                    |      | 9.914           | 5.867           | -              | -             |
| Intergroup payables  | 20   | -               | -               | 17.926         | 28.355        |
| Current borrowings   | 13   | 46.256          | 47.261          | -              | -             |
| Lease Liabilities  |      | 1.593           | -               | 287            | -             |
| <b>Total current liabilities</b>                           |      | <b>214.715</b>  | <b>184.310</b>  | <b>29.762</b>  | <b>39.474</b> |
| <b>Total Liabilities</b>                                   |      | <b>483.253</b>  | <b>439.056</b>  | <b>66.045</b>  | <b>71.434</b> |
| <b>Equity:</b>   |      |                 |                 |                |               |
| 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   | (10.182)        | (11.948)        | 25.463         | 25.463        |
| Retained earnings  |      | (172.164)       | (174.194)       | (88.893)       | (97.066)      |
| <b>Equity attributable to equity holders of the parent</b> |      | <b>(88.189)</b> | <b>(91.985)</b> | <b>30.727</b>  | <b>22.554</b> |
| Non-controlling interests                                  |      | 51.366          | 49.026          | -              | -             |
| <b>Total Equity</b>  |      | <b>(36.823)</b> | <b>(42.959)</b> | <b>30.727</b>  | <b>22.554</b> |
| <b>Total Liabilities &amp; Equity</b>                      |      | <b>446.430</b>  | <b>396.097</b>  | <b>96.772</b>  | <b>93.988</b> |

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    |
| <b>Balance at 01.01.2018</b>                                       | <b>127.958</b> | <b>(33.801)</b> | <b>(12.232)</b> | <b>(165.073)</b>  | <b>(83.148)</b> | <b>40.883</b>               | <b>(42.265)</b> |
| Profit / <Loss> for the period                                     | -              | -               | -               | (3.671)           | (3.671)         | 1.585                       | (2.086)         |
| Other Comprehensive income / <expenses> net of tax                 | -              | -               | (1.869)         | -                 | (1.869)         | (1.059)                     | (2.928)         |
| <b>Total comprehensive income / &lt;expenses&gt;, net of taxes</b> | <b>-</b>       | <b>-</b>        | <b>(1.869)</b>  | <b>(3.671)</b>    | <b>(5.540)</b>  | <b>526</b>                  | <b>(5.014)</b>  |
| <b>Total Transactions with owners in their capacity as owners</b>  | <b>-</b>       | <b>-</b>        | <b>-</b>        | <b>-</b>          | <b>-</b>        | <b>-</b>                    | <b>-</b>        |
| <b>Balance at 31.03.2018</b>                                       | <b>127.958</b> | <b>(33.801)</b> | <b>(14.101)</b> | <b>(168.744)</b>  | <b>(88.688)</b> | <b>41.409</b>               | <b>(47.279)</b> |
| <b>Balance at 01.04.2018</b>                                       | <b>127.958</b> | <b>(33.801)</b> | <b>(14.101)</b> | <b>(168.744)</b>  | <b>(88.688)</b> | <b>41.409</b>               | <b>(47.279)</b> |
| Profit / <Loss> for the period                                     | -              | -               | -               | (5.037)           | (5.037)         | 5.059                       | 22              |
| Other Comprehensive income / <expense>                             | -              | -               | 2.153           | (413)             | 1.740           | 3.006                       | 4.746           |
| <b>Total comprehensive income / &lt;expense&gt;, net of taxes</b>  | <b>-</b>       | <b>-</b>        | <b>2.153</b>    | <b>(5.450)</b>    | <b>(3.297)</b>  | <b>8.065</b>                | <b>4.768</b>    |
| Dividends to non controlling interest                              | -              | -               | -               | -                 | -               | (448)                       | (448)           |
| <b>Total Transactions with owners in their capacity as owners</b>  | <b>-</b>       | <b>-</b>        | <b>-</b>        | <b>-</b>          | <b>-</b>        | <b>(448)</b>                | <b>(448)</b>    |
| <b>Balance at 31.12.2018</b>                                       | <b>127.958</b> | <b>(33.801)</b> | <b>(11.948)</b> | <b>(174.194)</b>  | <b>(91.985)</b> | <b>49.026</b>               | <b>(42.959)</b> |
| <b>Balance at 01.01.2019</b>                                       | <b>127.958</b> | <b>(33.801)</b> | <b>(11.948)</b> | <b>(174.194)</b>  | <b>(91.985)</b> | <b>49.026</b>               | <b>(42.959)</b> |
| Profit / <Loss> for the period                                     | -              | -               | -               | 2.030             | 2.030           | 1.390                       | 3.420           |
| Other Comprehensive income / <expenses> after tax                  | -              | -               | 1.766           | -                 | 1.766           | 950                         | 2.716           |
| <b>Total comprehensive income / &lt;expenses&gt;, net of taxes</b> | <b>-</b>       | <b>-</b>        | <b>1.766</b>    | <b>2.030</b>      | <b>3.796</b>    | <b>2.340</b>                | <b>6.136</b>    |
| <b>Total Transactions with owners in their capacity as owners</b>  | <b>-</b>       | <b>-</b>        | <b>-</b>        | <b>-</b>          | <b>-</b>        | <b>-</b>                    | <b>-</b>        |
| <b>Balance at 31.03.2019</b>                                       | <b>127.958</b> | <b>(33.801)</b> | <b>(10.182)</b> | <b>(172.164)</b>  | <b>(88.189)</b> | <b>51.366</b>               | <b>(36.823)</b> |

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

FRIGOGLASS S.A.I.C.

Interim Condensed Statement of Changes in Equity

in € 000's



|   | Parent Company |                 |                |                   | Total Equity   |
|---|----------------|-----------------|----------------|-------------------|----------------|
|   | Share Capital  | Share premium   | Other reserves | Retained earnings |                |
| <b>Balance at 01.01.2018</b>                                      | <b>127.958</b> | <b>(33.801)</b> | <b>25.463</b>  | <b>(95.382)</b>   | <b>24.238</b>  |
| Profit / <Loss> for the period                                    | -              | -               | -              | (1.395)           | (1.395)        |
| Other comprehensive income / <expenses>                           | -              | -               | -              | -                 | -              |
| <b>Total comprehensive income / &lt;expenses&gt; net of taxes</b> | <b>-</b>       | <b>-</b>        | <b>-</b>       | <b>(1.395)</b>    | <b>(1.395)</b> |
| <b>Total Transactions with owners in their capacity as owners</b> | <b>-</b>       | <b>-</b>        | <b>-</b>       | <b>-</b>          | <b>-</b>       |
| <b>Balance at 31.03.2018</b>                                      | <b>127.958</b> | <b>(33.801)</b> | <b>25.463</b>  | <b>(96.777)</b>   | <b>22.843</b>  |
| <b>Balance at 01.04.2018</b>                                      | <b>127.958</b> | <b>(33.801)</b> | <b>25.463</b>  | <b>(96.777)</b>   | <b>22.843</b>  |
| Profit / <Loss> for the period                                    | -              | -               | -              | 124               | 124            |
| Other Comprehensive income / <expense>                            | -              | -               | -              | (413)             | (413)          |
| <b>Total comprehensive income / &lt;expense&gt;, net of taxes</b> | <b>-</b>       | <b>-</b>        | <b>-</b>       | <b>(289)</b>      | <b>(289)</b>   |
| <b>Total Transactions with owners in their capacity as owners</b> | <b>-</b>       | <b>-</b>        | <b>-</b>       | <b>-</b>          | <b>-</b>       |
| <b>Balance at 31.12.2018</b>                                      | <b>127.958</b> | <b>(33.801)</b> | <b>25.463</b>  | <b>(97.066)</b>   | <b>22.554</b>  |
| <b>Balance at 01.01.2019</b>                                      | <b>127.958</b> | <b>(33.801)</b> | <b>25.463</b>  | <b>(97.066)</b>   | <b>22.554</b>  |
| Profit / <Loss> for the period                                    | -              | -               | -              | 8.173             | 8.173          |
| Other comprehensive income / <expenses>                           | -              | -               | -              | -                 | -              |
| <b>Total comprehensive income / &lt;expenses&gt; net of taxes</b> | <b>-</b>       | <b>-</b>        | <b>-</b>       | <b>8.173</b>      | <b>8.173</b>   |
| <b>Total Transactions with owners in their capacity as owners</b> | <b>-</b>       | <b>-</b>        | <b>-</b>       | <b>-</b>          | <b>-</b>       |
| <b>Balance at 31.03.2019</b>                                      | <b>127.958</b> | <b>(33.801)</b> | <b>25.463</b>  | <b>(88.893)</b>   | <b>30.727</b>  |

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



|   | Note | Consolidated    |                | Parent Company |                |
|---|------|-----------------|----------------|----------------|----------------|
|   |      | Period ended    |                | Period ended   |                |
|   |      | 31.03.2019      | 31.03.2018     | 31.03.2019     | 31.03.2018     |
| <b>Profit / &lt;Loss&gt; for the period</b>                                   |      | <b>3.420</b>    | <b>(2.086)</b> | <b>8.173</b>   | <b>(1.395)</b> |
| <b>Adjustments for:</b>   |      |                 |                |                |                |
| Income tax expense  | 18   | 3.704           | 3.708          | 104            | 144            |
| Depreciation  |      | 5.895           | 4.876          | 537            | 884            |
| Provisions  |      | 198             | 568            | 48             | 126            |
| Finance costs, net  | 17   | 5.868           | 5.176          | 425            | 628            |
| Loss/<Profit> from disposal of property, plant & equipment                    | 26   | 3               | (28)           | (10.093)       | -              |
| <b>Changes in working capital:</b>  |      |                 |                |                |                |
| Decrease / (increase) of inventories  |      | (12.045)        | (3.013)        | (651)          | (668)          |
| Decrease / (increase) of trade receivables                                    |      | (38.232)        | (14.512)       | (8.320)        | (3.390)        |
| Decrease / (increase) of intergroup receivables                               | 20   | -               | -              | 1.498          | (1.979)        |
| Decrease / (increase) of other receivables                                    |      | (4.058)         | (1.156)        | (133)          | 922            |
| Decrease / (increase) of other long term receivables                          |      | 20              | 31             | 6              | 30             |
| (Decrease) / increase of trade payables                                       |      | 17.511          | 4.594          | (1.657)        | 99             |
| (Decrease) / increase of intergroup payables                                  | 20   | -               | -              | 4.937          | 3.749          |
| (Decrease) / increase of other liabilities                                    |      | 7.761           | 3.217          | 2.086          | 1.999          |
| <b>Less:</b>  |      |                 |                |                |                |
| Income taxes paid   |      | (468)           | (1.042)        | -              | -              |
| <b>(a) Cash flows from / (used in) operating activities</b>                   |      | <b>(10.423)</b> | <b>333</b>     | <b>(3.040)</b> | <b>1.149</b>   |
| <b>Cash flows from investing activities</b>                                   |      |                 |                |                |                |
| Purchase of property, plant and equipment                                     | 6    | (1.519)         | (3.288)        | (12)           | (11)           |
| Purchase of intangible assets   | 7    | (1.220)         | (528)          | (215)          | (329)          |
| Proceeds from disposal of property, plant & equipment                         |      | -               | 49             | -              | -              |
| Proceeds from disposal of subsidiary  |      | 795             | -              | -              | -              |
| <b>(b) Net cash flows (used in) / from investing activities</b>               |      | <b>(1.944)</b>  | <b>(3.767)</b> | <b>(227)</b>   | <b>(340)</b>   |
| <b>Net cash generated from operating and investing activities (a) + (b)</b>   |      | <b>(12.367)</b> | <b>(3.434)</b> | <b>(3.267)</b> | <b>809</b>     |
| <b>Cash flows from financing activities</b>                                   |      |                 |                |                |                |
| Proceeds from borrowings  |      | 16.031          | 25.150         | -              | -              |
| <Repayments> of borrowings  |      | (8.458)         | (17.076)       | -              | -              |
| Proceeds from intergroup loans  |      | -               | -              | 3.000          | 5.000          |
| <Repayments> of intergroup loans  |      | -               | -              | -              | (5.100)        |
| Interest paid   |      | (5.698)         | (2.231)        | -              | (1)            |
| Payment of Lease Liabilities  |      | (390)           | -              | (145)          | -              |
| <b>(c) Net cash flows from / (used in) financing activities</b>               |      | <b>1.485</b>    | <b>5.843</b>   | <b>2.855</b>   | <b>(101)</b>   |
| <b>Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)</b> |      | <b>(10.882)</b> | <b>2.409</b>   | <b>(412)</b>   | <b>708</b>     |
| Cash & cash equivalents at the beginning of the period                        |      |                 |                |                |                |
| - Continuing operations   |      | 49.057          | 53.130         | -              | -              |
| Cash & cash equivalents at the beginning of the period                        |      |                 |                |                |                |
| - Discontinued operations   |      | -               | 415            | -              | -              |
| <b>Cash and cash equivalents at the beginning of the period</b>               |      | <b>49.057</b>   | <b>53.545</b>  | <b>2.352</b>   | <b>998</b>     |
| Effects of changes in exchange rate   |      | 545             | (869)          | -              | -              |
| Cash and cash equivalents from discontinued operations                        |      | -               | (1.167)        | -              | -              |
| <b>Cash and cash equivalents at the end of the period</b>                     | 11   | <b>38.720</b>   | <b>53.918</b>  | <b>1.940</b>   | <b>1.706</b>   |

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 Interim Condensed Financial Statements**

### **Note 1 - General Information**

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

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

The Company is incorporated and based in Kifissia, Attica.

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

The address of its registered office is:

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

The company’s web page is: [www.frigoglass.com](http://www.frigoglass.com)

The interim condensed financial statements have been approved by the Board of Directors of the Company on **12<sup>th</sup> June 2019**.

## **Note 2 – Basis of Preparation**

This Interim Condensed Financial Information for the period **01.01.2019 to 31.03.2019** has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and specifically in terms of IAS 34, ‘Interim financial reporting’.

The Interim Condensed Financial Information should be read in conjunction with the annual financial statements for the year ended **31 December 2018** that are available on the company’s web page [www.frigoglass.com](http://www.frigoglass.com).

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.

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.

The Group reported Profit after income tax expenses of **€3,4m**, compared to <Loss> of **€0,7m** for the previous period, from continuing operations.

The total consolidated current liabilities of the group amounted to **€214,7m** and the total consolidated current assets amounted to **€305,1m**.

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 of the Company has undertaken specific actions to achieve the above, including (a) cost reduction through the simplification of the product portfolio; (b) reduction of inventory levels; (c) Lean manufacturing alongside improvements in product quality; and (d) creating value from recent strategic investments.

On April 2018, the Company reached an agreement to sell the entire share capital of its glass container subsidiary Frigoglass Jebel Ali FZE.

In December 2018, the Company completed the divestment of Frigoglass Jebel Ali FZE. This divestment was 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 Annual Financial Report for the prior year, particularly if such risks were to materialize in combination.

Taking into consideration the above, the Directors of the Company 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.



### **Note 3 – Principal accounting policies**

The accounting policies adopted in preparing this Interim Condensed Financial Information are consistent with those described in the Company and Group annual financial statements for the year ended **31 December 2018**.

With the exception of the new standard, IFRS 16 for Leases, there have been no changes in the accounting policies that were used for the preparation of the annual financial statements prepared by the Company and the Group for the year ended **31 December 2018**.

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 these Interim Condensed Financial Information 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.

#### **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 **01.01.2019**.

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.

#### **Standards and Interpretations effective for the current financial year**

##### **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 applies IFRS 16 from its mandatory adoption date of 1 January 2019. The Group applies 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 applies the practical expedients for short-

term leases and low value leases. It also applies the transition expedient and exclude leases for which the lease term ends within 2019.

Right-of-use assets are 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 above mentioned implementation tasks the Group recognized lease liabilities € 6,7 million as at 1 January 2019.

#### **IFRS 9 (Amendments) "Prepayment Features with Negative Compensation"**

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

#### **IAS 28 (Amendments) "Long term interests in associates and joint ventures"**

The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9.

#### **IFRIC 23 "Uncertainty over income tax treatments"**

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"**

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

#### **Annual Improvements to IFRS (2015 – 2017 Cycle)**

The amendments set out below include changes to four IFRSs.

##### 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.

## **Standards and Interpretations effective for subsequent periods**

### **IFRS 17 “Insurance contracts” (effective for annual periods beginning on or after 1 January 2021)**

IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

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

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

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

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS. The amendments have not yet been endorsed by the EU.

#### **Note 4 - Critical accounting estimates and judgements**

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

##### **4.1. Critical accounting estimates and assumptions**

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

###### **4.1.1. Income Taxes**

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

###### **4.1.2. Estimated impairment of goodwill**

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

###### **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. The Company has an investment in Frigoinvest Holdings B.V. ( Note 14 ), 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**.

#### **4.1.6. Staff retirement benefit obligations**

The present value of the retirement benefit obligations depends 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.

#### **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.

#### **4.3. Financial risk management**

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements they should be read in conjunction with the group's annual financial statements as at **31 December 2018**. There have been no changes in the risk management department or in any risk management policies since the year end of the previous year.

**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:

|  |                                  | Continuing operations:           |                     |                |                                  |                     |                |
|--|----------------------------------|----------------------------------|---------------------|----------------|----------------------------------|---------------------|----------------|
| a) Analysis per business segment<br>i) Statement of Profit & Loss                          | Three months ended<br>31.03.2018 | Three months ended<br>31.03.2019 |                     |                | Three months ended<br>31.03.2018 |                     |                |
|  | Discontinued Glass<br>Operations | ICM<br>Operations                | Glass<br>Operations | Total          | ICM<br>Operations                | Glass<br>Operations | Total          |
| <b>Revenue from contracts with customers</b>   |                                  |                                  |                     |                |                                  |                     |                |
| At a point in time   | 5.419                            | 84.560                           | 28.561              | <b>113.121</b> | 70.182                           | 24.522              | <b>94.704</b>  |
| Over time  | -                                | 12.444                           | -                   | <b>12.444</b>  | 10.960                           | -                   | <b>10.960</b>  |
| <b>Total Revenue from contracts with customers</b>   | <b>5.419</b>                     | <b>97.004</b>                    | <b>28.561</b>       | <b>125.565</b> | <b>81.142</b>                    | <b>24.522</b>       | <b>105.664</b> |
| Operating Profit / <Loss>  | (1.182)                          | 7.712                            | 5.280               | <b>12.992</b>  | 3.797                            | 4.458               | <b>8.255</b>   |
| Finance costs - net  | (243)                            | (6.434)                          | 566                 | <b>(5.868)</b> | (6.431)                          | 1.498               | <b>(4.933)</b> |
| Profit / <Loss> before income tax & restructuring costs                                    | (1.425)                          | 1.278                            | 5.846               | <b>7.124</b>   | (2.634)                          | 5.956               | <b>3.322</b>   |
| Restructuring gains/<losses>   | -                                | -                                | -                   | -              | (275)                            | -                   | <b>(275)</b>   |
| Profit / <Loss> before income tax  | (1.425)                          | 1.278                            | 5.846               | <b>7.124</b>   | (2.909)                          | 5.956               | <b>3.047</b>   |
| Income tax expense   | -                                | (1.805)                          | (1.899)             | <b>(3.704)</b> | (1.483)                          | (2.225)             | <b>(3.708)</b> |
| Profit / <Loss> after income tax expenses from continuing operations                       | (1.425)                          | (527)                            | 3.947               | <b>3.420</b>   | (4.392)                          | 3.731               | <b>(661)</b>   |
| Profit / <Loss> attributable to the shareholders of the company from continuing operations | (1.425)                          | (181)                            | 2.211               | <b>2.030</b>   | (4.272)                          | 2.026               | <b>(2.246)</b> |
| Depreciation   | 2                                | 3.856                            | 2.039               | <b>5.895</b>   | 3.256                            | 1.618               | <b>4.874</b>   |
| EBITDA   | (1.180)                          | 11.568                           | 7.319               | <b>18.887</b>  | 7.053                            | 6.076               | <b>13.129</b>  |

There are no sales between the two segments.

|   |  | Y-o-Y %                  |                     |              |
|---|--|--------------------------|---------------------|--------------|
|   |  | 31.03.2019 vs 31.03.2018 |                     |              |
|   |  | ICM<br>Operations        | Glass<br>Operations | Total        |
| Total Revenue from contracts with customers |  | 19,5%                    | 16,5%               | <b>18,8%</b> |
| Operating Profit / <Loss>                   |  | 103,1%                   | 18,4%               | <b>57,4%</b> |
| EBITDA                                      |  | 64,0%                    | 20,5%               | <b>43,9%</b> |

## Note 5 - Segment Information (continued)

## ii) Statement of Financial Position

|                     | Three months ended<br>31.03.2019 |                     |                | Year ended<br>31.12.2018 |                     |                |
|---------------------|----------------------------------|---------------------|----------------|--------------------------|---------------------|----------------|
|                     | ICM<br>Operations                | Glass<br>Operations | Total          | ICM<br>Operations        | Glass<br>Operations | Total          |
| Total assets        | 297.112                          | 149.318             | <b>446.430</b> | 247.816                  | 148.281             | <b>396.097</b> |
| Total liabilities   | 478.476                          | 4.777               | <b>483.253</b> | 427.778                  | 11.278              | <b>439.056</b> |
| Capital expenditure | 1.535                            | 1.204               | <b>2.739</b>   | 11.402                   | 24.464              | <b>35.866</b>  |

Reference Note 6 &amp; 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<br>Operations |              |
|---------------------------|--------------------|----------------|----------------------------------|--------------|
|                           | Three months ended |                | Three months ended               |              |
|                           | 31.03.2019         | 31.03.2018     | 31.03.2019                       | 31.03.2018   |
| <b>ICM Operations :</b>   |                    |                |                                  |              |
| East Europe               | 44.893             | 39.152         |                                  |              |
| West Europe               | 28.895             | 23.219         |                                  |              |
| Africa / Middle East      | 16.670             | 12.750         |                                  |              |
| Asia                      | 6.546              | 6.021          |                                  |              |
| <b>Total</b>              | <b>97.004</b>      | <b>81.142</b>  |                                  |              |
| <b>Glass Operations :</b> |                    |                |                                  |              |
| Africa                    | 28.561             | 24.522         |                                  |              |
| <b>Total</b>              | <b>28.561</b>      | <b>24.522</b>  |                                  |              |
| <b>Total Sales :</b>      |                    |                |                                  |              |
| East Europe               | 44.893             | 39.152         | -                                | -            |
| West Europe               | 28.895             | 23.219         | -                                | -            |
| Africa / Middle East      | 45.231             | 37.272         | -                                | 1.954        |
| Asia                      | 6.546              | 6.021          | -                                | 3.465        |
| <b>Consolidated</b>       | <b>125.565</b>     | <b>105.664</b> | <b>-</b>                         | <b>5.419</b> |

## Note 5 - Segment information (continued)

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

|                               | Parent Company     |               |
|-------------------------------|--------------------|---------------|
|                               | Three months ended |               |
|                               | 31.03.2019         | 31.03.2018    |
| <b>ICM Operations :</b>       |                    |               |
| East Europe                   | 331                | 241           |
| West Europe                   | 6.803              | 8.411         |
| Africa / Middle East          | 4.647              | 1.626         |
| Asia                          | -                  | -             |
| <b>Sales to third parties</b> | <b>11.781</b>      | <b>10.278</b> |
| Intercompany sales (Note 20)  | 1.999              | 1.795         |
| <b>Total Sales</b>            | <b>13.780</b>      | <b>12.073</b> |

## c) Capital expenditure per geographical area

|                                | Consolidated<br>Period ended |               |              |
|--------------------------------|------------------------------|---------------|--------------|
|                                | 31.03.2019                   | 31.12.2018    | 31.03.2018   |
|                                | <b>ICM Operations :</b>      |               |              |
| East Europe                    | 505                          | 6.464         | 1.499        |
| West Europe                    | 855                          | 4.226         | 339          |
| Africa / Middle East           | 146                          | 304           | 71           |
| Asia                           | 29                           | 408           | 56           |
| <b>Total</b>                   | <b>1.535</b>                 | <b>11.402</b> | <b>1.965</b> |
| <b>Glass Operations:</b>       |                              |               |              |
| Africa / Middle East           | 1.204                        | 24.464        | 1.770        |
| <b>Total</b>                   | <b>1.204</b>                 | <b>24.464</b> | <b>1.770</b> |
| <b>Consolidated</b>            | <b>2.739</b>                 | <b>35.866</b> | <b>3.735</b> |
| <b>Discontinued operations</b> | <b>-</b>                     | <b>359</b>    | <b>82</b>    |



## Note 6 - Property, plant &amp; equipment

|                                     | Consolidated |                            |                                  |                |                      | Total          |
|-------------------------------------|--------------|----------------------------|----------------------------------|----------------|----------------------|----------------|
|                                     | Land         | Building & technical works | Machinery technical installation | Motor vehicles | Furniture & fixtures |                |
| <b>Cost</b>                         |              |                            |                                  |                |                      |                |
| <b>Balance at 01.01.2019</b>        | <b>4.856</b> | <b>58.870</b>              | <b>231.445</b>                   | <b>6.177</b>   | <b>11.714</b>        | <b>313.062</b> |
| Additions                           | -            | 81                         | 1.344                            | 15             | 79                   | 1.519          |
| Exchange differences                | 90           | 440                        | 2.340                            | 29             | 26                   | 2.925          |
| <b>Balance at 31.03.2019</b>        | <b>4.946</b> | <b>59.391</b>              | <b>235.129</b>                   | <b>6.221</b>   | <b>11.819</b>        | <b>317.506</b> |
| <b>Accumulated Depreciation</b>     |              |                            |                                  |                |                      |                |
| <b>Balance at 01.01.2019</b>        | <b>-</b>     | <b>27.769</b>              | <b>150.485</b>                   | <b>4.122</b>   | <b>9.451</b>         | <b>191.827</b> |
| Additions                           | -            | 407                        | 3.282                            | 180            | 196                  | 4.065          |
| Exchange differences                | -            | 82                         | 1.411                            | 53             | 10                   | 1.556          |
| <b>Balance at 31.03.2019</b>        | <b>-</b>     | <b>28.258</b>              | <b>155.178</b>                   | <b>4.355</b>   | <b>9.657</b>         | <b>197.448</b> |
| <b>Net book value at 31.03.2019</b> | <b>4.946</b> | <b>31.133</b>              | <b>79.951</b>                    | <b>1.866</b>   | <b>2.162</b>         | <b>120.058</b> |
| <b>Net book value at 31.12.2018</b> | <b>4.856</b> | <b>31.101</b>              | <b>80.960</b>                    | <b>2.055</b>   | <b>2.263</b>         | <b>121.235</b> |
|                                     |              |                            |                                  |                |                      |                |
|                                     | Consolidated |                            |                                  |                |                      | Total          |
|                                     | Land         | Building & technical works | Machinery technical installation | Motor vehicles | Furniture & fixtures |                |
| <b>Cost</b>                         |              |                            |                                  |                |                      |                |
| <b>Balance at 01.01.2018</b>        | <b>5.097</b> | <b>60.013</b>              | <b>202.320</b>                   | <b>5.751</b>   | <b>11.445</b>        | <b>284.626</b> |
| Additions                           | -            | 26                         | 49                               | 99             | 216                  | 390            |
| Construction in progress & advances | -            | -                          | 2.817                            | -              | -                    | 2.817          |
| Disposals                           | -            | -                          | (387)                            | -              | -                    | (387)          |
| Exchange differences                | (146)        | (436)                      | (3.276)                          | (93)           | (113)                | (4.064)        |
| <b>Balance at 31.03.2018</b>        | <b>4.951</b> | <b>59.603</b>              | <b>201.523</b>                   | <b>5.757</b>   | <b>11.548</b>        | <b>283.382</b> |
| <b>Accumulated Depreciation</b>     |              |                            |                                  |                |                      |                |
| <b>Balance at 01.01.2018</b>        | <b>-</b>     | <b>27.585</b>              | <b>136.469</b>                   | <b>4.275</b>   | <b>9.542</b>         | <b>177.871</b> |
| Additions                           | -            | 603                        | 2.955                            | 154            | 182                  | 3.894          |
| Disposals                           | -            | -                          | (366)                            | -              | -                    | (366)          |
| Exchange differences                | -            | (151)                      | (2.154)                          | (66)           | (96)                 | (2.467)        |
| <b>Balance at 31.03.2018</b>        | <b>-</b>     | <b>28.037</b>              | <b>136.904</b>                   | <b>4.363</b>   | <b>9.628</b>         | <b>178.932</b> |
| <b>Net book value at 31.03.2018</b> | <b>4.951</b> | <b>31.566</b>              | <b>64.619</b>                    | <b>1.394</b>   | <b>1.920</b>         | <b>104.450</b> |

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

**FRIGOGLASS S.A.I.C.**  
**Notes to the Interim Condensed Financial Statements**  
in € 000's

**Note 6 - Property, plant & equipment (continued)**

|                                     | Parent Company |                            |                                  |                |                      | Total  |
|-------------------------------------|----------------|----------------------------|----------------------------------|----------------|----------------------|--------|
|                                     | Land           | Building & technical works | Machinery technical installation | Motor vehicles | Furniture & fixtures |        |
| <b>Cost</b>                         |                |                            |                                  |                |                      |        |
| <b>Balance at 01.01.2019</b>        | 303            | 9.046                      | 13.928                           | 362            | 2.561                | 26.200 |
| Additions                           | -              | -                          | 6                                | -              | 6                    | 12     |
| <b>Balance at 31.03.2019</b>        | 303            | 9.046                      | 13.934                           | 362            | 2.567                | 26.212 |
| <b>Accumulated Depreciation</b>     |                |                            |                                  |                |                      |        |
| <b>Balance at 01.01.2019</b>        | -              | 6.633                      | 13.145                           | 260            | 2.254                | 22.292 |
| Additions                           | -              | 58                         | 62                               | 2              | 32                   | 154    |
| <b>Balance at 31.03.2019</b>        | -              | 6.691                      | 13.207                           | 262            | 2.286                | 22.446 |
| <b>Net book value at 31.03.2019</b> | 303            | 2.355                      | 727                              | 100            | 281                  | 3.766  |
| <b>Net book value at 31.12.2018</b> | 303            | 2.413                      | 783                              | 102            | 307                  | 3.908  |

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

|                                     | Parent Company |                            |                                  |                |                      | Total  |
|-------------------------------------|----------------|----------------------------|----------------------------------|----------------|----------------------|--------|
|                                     | Land           | Building & technical works | Machinery technical installation | Motor vehicles | Furniture & fixtures |        |
| <b>Cost</b>                         |                |                            |                                  |                |                      |        |
| <b>Balance at 01.01.2018</b>        | 303            | 9.014                      | 14.292                           | 267            | 2.906                | 26.782 |
| Additions                           | -              | 2                          | 4                                | -              | 5                    | 11     |
| <b>Balance at 31.03.2018</b>        | 303            | 9.016                      | 14.296                           | 267            | 2.911                | 26.793 |
| <b>Accumulated Depreciation</b>     |                |                            |                                  |                |                      |        |
| <b>Balance at 01.01.2018</b>        | -              | 6.333                      | 13.308                           | 255            | 2.471                | 22.367 |
| Additions                           | -              | 94                         | 73                               | 1              | 28                   | 196    |
| <b>Balance at 31.03.2018</b>        | -              | 6.427                      | 13.381                           | 256            | 2.499                | 22.563 |
| <b>Net book value at 31.03.2018</b> | 303            | 2.589                      | 915                              | 11             | 412                  | 4.230  |

**FRIGOGLASS S.A.I.C.**  
**Notes to the Interim Condensed Financial Statements**  
in € 000's

**Note 7 - Intangible assets**

|  | Consolidated      |                      |                                    |               |
|--|-------------------|----------------------|------------------------------------|---------------|
|  | Development costs | Patents & trademarks | Software & other intangible assets | Total         |
| <b>Cost</b>                            |                   |                      |                                    |               |
| <b>Balance 01.01.2019</b>              | <b>29.866</b>     | <b>37</b>            | <b>25.817</b>                      | <b>55.720</b> |
| Additions                              | 1                 | -                    | 47                                 | 48            |
| Construction in progress & advances    | 995               | -                    | 177                                | 1.172         |
| Transfer to /from and reclassification | 1.805             | -                    | (1.805)                            | -             |
| Write off of Intangible Assets         | (14.039)          | (35)                 | (3.254)                            | (17.328)      |
| Exchange differences                   | 46                | -                    | 30                                 | 76            |
| <b>Balance at 31.03.2019</b>           | <b>18.674</b>     | <b>2</b>             | <b>21.012</b>                      | <b>39.688</b> |
| <b>Accumulated Depreciation</b>        |                   |                      |                                    |               |
| <b>Balance at 01.01.2019</b>           | <b>23.034</b>     | <b>37</b>            | <b>21.516</b>                      | <b>44.587</b> |
| Additions                              | 678               | -                    | 421                                | 1.099         |
| Transfer to /from and reclassification | 907               | -                    | (907)                              | -             |
| Write off of Intangible Assets         | (14.039)          | (35)                 | (3.254)                            | (17.328)      |
| Exchange differences                   | 38                | -                    | 30                                 | 68            |
| <b>Balance at 31.03.2019</b>           | <b>10.618</b>     | <b>2</b>             | <b>17.806</b>                      | <b>28.426</b> |
| <b>Net book value at 31.03.2019</b>    | <b>8.056</b>      | <b>-</b>             | <b>3.206</b>                       | <b>11.262</b> |
| <b>Net book value at 31.12.2018</b>    | <b>6.832</b>      | <b>-</b>             | <b>4.301</b>                       | <b>11.133</b> |

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

**FRIGOGLASS S.A.I.C.**  
**Notes to the Interim Condensed Financial Statements**  
**in € 000's**

**Note 7 - Intangible assets (continued)**

|                                     | Consolidated      |                      |                                    |               |
|-------------------------------------|-------------------|----------------------|------------------------------------|---------------|
|                                     | Development costs | Patents & trademarks | Software & other intangible assets | Total         |
| <b>Cost</b>                         |                   |                      |                                    |               |
| <b>Balance at 01.01.2018</b>        | <b>28.833</b>     | <b>212</b>           | <b>24.088</b>                      | <b>53.133</b> |
| Additions                           | 23                | -                    | 129                                | 152           |
| Construction in progress & advances | 285               | -                    | 91                                 | 376           |
| Exchange differences                | 20                | 3                    | (31)                               | (8)           |
| <b>Balance at 31.03.2018</b>        | <b>29.161</b>     | <b>215</b>           | <b>24.277</b>                      | <b>53.653</b> |
| <b>Accumulated Depreciation</b>     |                   |                      |                                    |               |
| <b>Balance at 01.01.2018</b>        | <b>22.250</b>     | <b>212</b>           | <b>19.895</b>                      | <b>42.357</b> |
| Additions                           | 519               | -                    | 514                                | 1.033         |
| Exchange differences                | 21                | 3                    | (25)                               | (1)           |
| <b>Balance at 31.03.2018</b>        | <b>22.790</b>     | <b>215</b>           | <b>20.384</b>                      | <b>43.389</b> |
| <b>Net book value at 31.03.2018</b> | <b>6.371</b>      | <b>-</b>             | <b>3.893</b>                       | <b>10.264</b> |

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

**FRIGOGLASS S.A.I.C.**  
**Notes to the Interim Condensed Financial Statements**  
**in € 000's**

**Note 7 - Intangible assets (continued)**

|  | Parent Company    |                      |                                    |               |
|--|-------------------|----------------------|------------------------------------|---------------|
|  | Development costs | Patents & trademarks | Software & other intangible assets | Total         |
| <b>Cost</b>                            |                   |                      |                                    |               |
| <b>Balance at 01.01.2019</b>           | <b>22.567</b>     | <b>35</b>            | <b>18.758</b>                      | <b>41.360</b> |
| Additions                              | -                 | -                    | 215                                | 215           |
| Disposals to subsidiaries of the group | (8.528)           | -                    | (1.805)                            | (10.333)      |
| Write off of Intangible Assets         | (14.039)          | (35)                 | (3.254)                            | (17.328)      |
| <b>Balance at 31.03.2019</b>           | <b>-</b>          | <b>-</b>             | <b>13.914</b>                      | <b>13.914</b> |
| <b>Accumulated Depreciation</b>        |                   |                      |                                    |               |
| <b>Balance at 01.01.2019</b>           | <b>18.198</b>     | <b>35</b>            | <b>15.758</b>                      | <b>33.991</b> |
| Additions                              | -                 | -                    | 251                                | 251           |
| Disposals to subsidiaries of the group | (4.159)           | -                    | (901)                              | (5.060)       |
| Write off of Intangible Assets         | (14.039)          | (35)                 | (3.254)                            | (17.328)      |
| <b>Balance at 31.03.2019</b>           | <b>-</b>          | <b>-</b>             | <b>11.854</b>                      | <b>11.854</b> |
| <b>Net book value at 31.03.2019</b>    | <b>-</b>          | <b>-</b>             | <b>2.060</b>                       | <b>2.060</b>  |
| <b>Net book value at 31.12.2018</b>    | <b>4.369</b>      | <b>-</b>             | <b>3.000</b>                       | <b>7.369</b>  |

The disposal relates to the disposal of the Intellectual Property for Product Development to Frigoglass Romania S.R.L

|                                     | Parent Company    |                      |                                    |               |
|-------------------------------------|-------------------|----------------------|------------------------------------|---------------|
|                                     | Development costs | Patents & trademarks | Software & other intangible assets | Total         |
| <b>Cost</b>                         |                   |                      |                                    |               |
| <b>Balance at 01.01.2018</b>        | <b>21.429</b>     | <b>35</b>            | <b>16.959</b>                      | <b>38.423</b> |
| Additions                           | 10                | -                    | 40                                 | 50            |
| Construction in progress & advances | 279               | -                    | -                                  | 279           |
| <b>Balance at 31.03.2018</b>        | <b>21.718</b>     | <b>35</b>            | <b>16.999</b>                      | <b>38.752</b> |
| <b>Accumulated Depreciation</b>     |                   |                      |                                    |               |
| <b>Balance at 01.01.2018</b>        | <b>16.617</b>     | <b>35</b>            | <b>14.482</b>                      | <b>31.134</b> |
| Additions                           | 351               | -                    | 339                                | 690           |
| <b>Balance at 31.03.2018</b>        | <b>16.968</b>     | <b>35</b>            | <b>14.821</b>                      | <b>31.824</b> |
| <b>Net book value at 31.03.2018</b> | <b>4.750</b>      | <b>-</b>             | <b>2.178</b>                       | <b>6.928</b>  |

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

## Note 8 - Inventories

|                  | Consolidated   |                | Parent Company |              |
|------------------|----------------|----------------|----------------|--------------|
|                  | 31.03.2019     | 31.12.2018     | 31.03.2019     | 31.12.2018   |
| Raw materials    | 70.066         | 66.597         | 3.163          | 3.046        |
| Work in progress | 3.398          | 2.533          | 24             | 28           |
| Finished goods   | 50.704         | 42.023         | 1.594          | 1.056        |
| Less: Provision  | (9.073)        | (9.414)        | (1.827)        | (1.898)      |
| <b>Total</b>     | <b>115.095</b> | <b>101.739</b> | <b>2.954</b>   | <b>2.232</b> |

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

**FRIGOGLASS S.A.I.C.****Notes to the Interim Condensed Financial Statements**

in € 000's

**Note 9 - Trade receivables**

|                   | Consolidated   |               | Parent Company |              |
|-------------------|----------------|---------------|----------------|--------------|
|                   | 31.03.2019     | 31.12.2018    | 31.03.2019     | 31.12.2018   |
| Trade receivables | 117.812        | 78.611        | 12.890         | 4.570        |
| Less: Provisions  | (989)          | (1.005)       | (599)          | (618)        |
| <b>Total</b>      | <b>116.823</b> | <b>77.606</b> | <b>12.291</b>  | <b>3.952</b> |

The increase 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 **31.03.2019**.

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

**FRIGOGLASS S.A.I.C.****Notes to the Interim Condensed Financial Statements**

in € 000's

**Note 10 - Other receivables**

|  | Consolidated  |               | Parent Company |              |
|--|---------------|---------------|----------------|--------------|
|  | 31.03.2019    | 31.12.2018    | 31.03.2019     | 31.12.2018   |
| V.A.T receivable                           | 13.671        | 9.846         | 29             | 329          |
| Grants for exports receivable              | 8.880         | 8.714         | -              | -            |
| Insurance prepayments                      | 1.584         | 1.228         | 246            | 160          |
| Prepaid expenses                           | 1.502         | 1.287         | 222            | 57           |
| Receivable from the disposal of subsidiary | 1.491         | 2.286         | -              | -            |
| Other taxes receivable                     | 1.899         | 1.425         | -              | -            |
| Advances to employees                      | 695           | 550           | 84             | 23           |
| Other receivables                          | 2.193         | 2.105         | 367            | 436          |
| <b>Total</b>                               | <b>31.915</b> | <b>27.441</b> | <b>948</b>     | <b>1.005</b> |

The amount of Grants for exports receivable of **€ 8.9m (2018 € 8.7m)** 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 2019 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.



**FRIGOGLASS S.A.I.C.**

**Notes to the Interim Condensed Financial Statements**

in € 000's

**Note 11 - Cash & cash equivalents**

|                          | Consolidated  |               | Parent Company |              |
|--------------------------|---------------|---------------|----------------|--------------|
|                          | 31.03.2019    | 31.12.2018    | 31.03.2019     | 31.12.2018   |
| Cash on hand             | 12            | 7             | 2              | 1            |
| Short term bank deposits | 38.708        | 49.050        | 1.938          | 2.351        |
| <b>Total</b>             | <b>38.720</b> | <b>49.057</b> | <b>1.940</b>   | <b>2.352</b> |

The tight liquidity in **2018 and 2019** 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. (2018: € 22m). 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 for **2019** was **1,71% ( 2018: 0,05% )**.

**Note 12 - Other payables**

|   | Consolidated  |               | Parent Company |              |
|---|---------------|---------------|----------------|--------------|
|   | 31.03.2019    | 31.12.2018    | 31.03.2019     | 31.12.2018   |
| Taxes and duties payable                      | 1.901         | 3.807         | 353            | 530          |
| VAT payable                                   | 236           | 1.371         | -              | -            |
| Social security insurance                     | 1.651         | 1.506         | 247            | 473          |
| Customers' advances                           | 2.225         | 1.886         | 57             | 87           |
| Other taxes payable                           | 2.143         | 2.067         | -              | -            |
| Accrued discounts on sales                    | 16.484        | 13.957        | 1.213          | 374          |
| Accrued fees & costs payable to third parties | 6.197         | 5.494         | 1.144          | 555          |
| Accrued payroll expenses                      | 10.924        | 8.214         | 3.536          | 2.425        |
| Other accrued expenses                        | 3.461         | 2.697         | 35             | 64           |
| Accrued interest for bank loans               | 2.991         | 5.096         | -              | -            |
| Accrual for warranty expenses                 | 3.394         | 3.332         | 219            | 297          |
| Other payables                                | 9.511         | 4.112         | 350            | 262          |
| <b>Total</b>                                  | <b>61.118</b> | <b>53.539</b> | <b>7.154</b>   | <b>5.067</b> |

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 decrease in the balance is mainly attributable to different payment patterns.

**Note 13 - Non current & current borrowings**

|                                     | Consolidated   |                | Parent Company |               |
|-------------------------------------|----------------|----------------|----------------|---------------|
|                                     | 31.03.2019     | 31.12.2018     | 31.03.2019     | 31.12.2018    |
| Bank loans                          | 62.989         | 53.014         | -              | -             |
| Intergroup bond loans               | -              | -              | 29.887         | 26.480        |
| Bond loans                          | 173.665        | 174.984        | -              | -             |
| <b>Total Non current borrowings</b> | <b>236.654</b> | <b>227.998</b> | <b>29.887</b>  | <b>26.480</b> |
|                                     |                |                |                |               |
|                                     | Consolidated   |                | Parent Company |               |
|                                     | 31.03.2019     | 31.12.2018     | 31.03.2019     | 31.12.2018    |
| Bank overdrafts                     | 3.944          | 1.259          | -              | -             |
| Bank loans                          | 42.312         | 46.002         | -              | -             |
| <b>Total current borrowings</b>     | <b>46.256</b>  | <b>47.261</b>  | <b>-</b>       | <b>-</b>      |
|                                     |                |                |                |               |
| <b>Total borrowings</b>             | <b>282.910</b> | <b>275.259</b> | <b>29.887</b>  | <b>26.480</b> |

**Maturity of non current borrowings**

|                     | Consolidated   |                | Parent Company |               |
|---------------------|----------------|----------------|----------------|---------------|
|                     | 31.03.2019     | 31.12.2018     | 31.03.2019     | 31.12.2018    |
| Between 1 & 2 years | -              | -              | -              | -             |
| Between 2 & 5 years | 236.654        | 227.998        | 29.887         | 26.480        |
| Over 5 years        | -              | -              | -              | -             |
| <b>Total</b>        | <b>236.654</b> | <b>227.998</b> | <b>29.887</b>  | <b>26.480</b> |

**Effective interest rates**

|                        | Consolidated |            | Parent Company |            |
|------------------------|--------------|------------|----------------|------------|
|                        | 31.03.2019   | 31.12.2018 | 31.03.2019     | 31.12.2018 |
| Bond loans             | 5,81%        | 5,80%      | 5,90%          | 5,90%      |
| Non current borrowings | 4,09%        | 4,28%      | -              | -          |
| Bank overdrafts        | 9,40%        | 9,40%      | -              | -          |
| Current borrowings     | 3,44%        | 3,35%      | -              | -          |

**Net debt / Total capital**

|   | Consolidated   |                | Parent Company |               |
|---|----------------|----------------|----------------|---------------|
|   | 31.03.2019     | 31.12.2018     | 31.03.2019     | 31.12.2018    |
| Total borrowings                          | 282.910        | 275.259        | 29.887         | 26.480        |
| Cash & cash equivalents                   | (38.720)       | (49.057)       | (1.940)        | (2.352)       |
| <b>Net debt (A)</b>                       | <b>244.190</b> | <b>226.202</b> | <b>27.947</b>  | <b>24.128</b> |
| Total equity (B)                          | (36.823)       | (42.959)       | 30.727         | 22.554        |
| Total capital (C) = (A) + (B)             | 207.367        | 183.243        | 58.674         | 46.682        |
| <b>Net debt / Total capital (A) / (C)</b> | <b>117,76%</b> | <b>123,44%</b> | <b>47,63%</b>  | <b>51,69%</b> |

**Note 13 - Non current & current borrowings (continued)**

The foreign currency exposure of borrowings is as follows:

|              | Consolidated       |                        |                |                    |                        |                |
|--------------|--------------------|------------------------|----------------|--------------------|------------------------|----------------|
|              | 31.03.2019         |                        |                | 31.12.2018         |                        |                |
|              | Current borrowings | Non current borrowings | Total          | Current borrowings | Non current borrowings | Total          |
| - EURO       | 40.693             | 224.262                | <b>264.955</b> | 40.751             | 215.697                | <b>256.448</b> |
| - USD        | 1.531              | 12.392                 | <b>13.923</b>  | 3.410              | 12.301                 | <b>15.711</b>  |
| - INR        | 3.944              | -                      | <b>3.944</b>   | 3.100              | -                      | <b>3.100</b>   |
| - GBP        | 88                 | -                      | <b>88</b>      | -                  | -                      | -              |
| <b>Total</b> | <b>46.256</b>      | <b>236.654</b>         | <b>282.910</b> | <b>47.261</b>      | <b>227.998</b>         | <b>275.259</b> |

|              | Parent Company     |                        |               |                    |                        |               |
|--------------|--------------------|------------------------|---------------|--------------------|------------------------|---------------|
|              | 31.03.2019         |                        |               | 31.12.2018         |                        |               |
|              | Current borrowings | Non current borrowings | Total         | Current borrowings | Non current borrowings | Total         |
| - EURO       | -                  | 29.887                 | <b>29.887</b> | -                  | 26.480                 | <b>26.480</b> |
| <b>Total</b> | <b>-</b>           | <b>29.887</b>          | <b>29.887</b> | <b>-</b>           | <b>26.480</b>          | <b>26.480</b> |

**FRIGOGLASS S.A.I.C.**

**Notes to the Interim Condensed Financial Statements**

**in € 000's**

---

**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 Facilities and Notes.

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:

| <b>Asset</b>                | <b>in € 000's<br/>as at 31.03.2019</b> |
|-----------------------------|--|
| Tangible assets             | 36.716                                 |
| Other long term assets      | 42                                     |
| Inventories                 | 44.364                                 |
| Trade debtors               | 47.830                                 |
| Intergroup receivables      | 40.499                                 |
| Intergroup loan receivables | 277.304                                |
| Other debtors               | 5.147                                  |
| Cash & cash equivalents     | 7.414                                  |
| <b>Total</b>                | <b>459.316</b>                         |

**Note 14 - Investments in subsidiaries**

|  | Parent Company        |                       |
|--|-----------------------|-----------------------|
|  | 31.03.2019            | 31.12.2018            |
| <b>Investment in Frigoinvest Holdings B.V. ( The Netherlands )</b> | <b>Net book value</b> | <b>Net book value</b> |
| Open Balance   | 60.005                | 60.005                |
| Additions  | -                     | -                     |
| <b>Closing Balance</b>   | <b>60.005</b>         | <b>60.005</b>         |

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

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 |
|---|--------------------------|----------------------|----------------|
| <b>ICM Operations</b>                               |                          |                      |                |
| 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%        |
| <b>Glass Operations</b>                             |                          |                      |                |
| 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.



## Note 15 - Share capital

**A) Share capital:****2019**

The share capital of the Group as at **31.03.2019** comprised of **355.437.751** fully paid up ordinary shares with an nominal value of € 0,36 each.

**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<br>-000' Euro- | Share premium<br>-000' Euro- |
|------------------------------|--------------------|------------------------------|------------------------------|
| <b>Balance at 01.01.2018</b> | <b>355.437.751</b> | <b>127.958</b>               | <b>(33.801)</b>              |
| <b>Balance at 31.12.2018</b> | <b>355.437.751</b> | <b>127.958</b>               | <b>(33.801)</b>              |
| <b>Balance at 31.03.2019</b> | <b>355.437.751</b> | <b>127.958</b>               | <b>(33.801)</b>              |

## Note 16 - Other reserves

|   | Consolidated       |                      |                        |                   |                              | Total           |
|---|--------------------|----------------------|------------------------|-------------------|------------------------------|-----------------|
|   | Statutory reserves | Share option reserve | Extraordinary reserves | Tax free reserves | Currency translation reserve |                 |
| <b>Balance at 01.01.2018</b>                                      | <b>4.177</b>       | <b>670</b>           | <b>14.638</b>          | <b>8.760</b>      | <b>(40.477)</b>              | <b>(12.232)</b> |
| Exchange differences  | -                  | -                    | (53)                   | -                 | (1.816)                      | (1.869)         |
| <b>Balance at 31.03.2018</b>                                      | <b>4.177</b>       | <b>670</b>           | <b>14.585</b>          | <b>8.760</b>      | <b>(42.293)</b>              | <b>(14.101)</b> |
| <b>Balance at 01.04.2018</b>                                      | <b>4.177</b>       | <b>670</b>           | <b>14.585</b>          | <b>8.760</b>      | <b>(42.293)</b>              | <b>(14.101)</b> |
| Exchange differences from discontinued operations recycled to P&L | -                  | -                    | -                      | -                 | (3.684)                      | (3.684)         |
| Exchange differences from continuing operations                   | -                  | -                    | 144                    | -                 | 5.693                        | 5.837           |
| <b>Balance at 31.12.2018</b>                                      | <b>4.177</b>       | <b>670</b>           | <b>14.729</b>          | <b>8.760</b>      | <b>(40.284)</b>              | <b>(11.948)</b> |
| <b>Balance at 01.01.2019</b>                                      | <b>4.177</b>       | <b>670</b>           | <b>14.729</b>          | <b>8.760</b>      | <b>(40.284)</b>              | <b>(11.948)</b> |
| Exchange differences from continuing operations                   | -                  | -                    | 40                     | -                 | 1.726                        | 1.766           |
| <b>Balance at 31.03.2019</b>                                      | <b>4.177</b>       | <b>670</b>           | <b>14.769</b>          | <b>8.760</b>      | <b>(38.558)</b>              | <b>(10.182)</b> |
|   | Parent Company     |                      |                        |                   |                              | Total           |
|   | Statutory reserves | Share option reserve | Extraordinary reserves | Tax free reserves |                              |                 |
| <b>Balance at 01.01.2018</b>                                      | <b>4.020</b>       | <b>670</b>           | <b>12.013</b>          | <b>8.760</b>      |                              | <b>25.463</b>   |
| <b>Balance at 31.03.2018</b>                                      | <b>4.020</b>       | <b>670</b>           | <b>12.013</b>          | <b>8.760</b>      |                              | <b>25.463</b>   |
| <b>Balance at 01.04.2018</b>                                      | <b>4.020</b>       | <b>670</b>           | <b>12.013</b>          | <b>8.760</b>      |                              | <b>25.463</b>   |
| <b>Balance at 31.12.2018</b>                                      | <b>4.020</b>       | <b>670</b>           | <b>12.013</b>          | <b>8.760</b>      |                              | <b>25.463</b>   |
| <b>Balance at 01.01.2019</b>                                      | <b>4.020</b>       | <b>670</b>           | <b>12.013</b>          | <b>8.760</b>      |                              | <b>25.463</b>   |
| <b>Balance at 31.03.2019</b>                                      | <b>4.020</b>       | <b>670</b>           | <b>12.013</b>          | <b>8.760</b>      |                              | <b>25.463</b>   |

A statutory reserve is created under the provisions of Hellenic law (Law 4548/2018) 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.

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 |            |
|---|--------------|--------------|----------------|------------|
|   | 31.03.2019   | 31.03.2018   | 31.03.2019     | 31.03.2018 |
| <b>Finance income</b>   |              |              |                |            |
| Interest income   | (870)        | (512)        | (1)            | -          |
| <b>Finance cost</b>   |              |              |                |            |
| Interest Expense  | 4.279        | 3.807        | 409            | 506        |
| Exchange loss / (gain) &<br>Other Financial costs                       | 2.367        | 1.638        | 1              | 122        |
| Finance cost for lease liabilities                                      | 92           | -            | 16             | -          |
| <b>Finance cost</b>   | <b>6.738</b> | <b>5.445</b> | <b>426</b>     | <b>628</b> |
| <b>Finance costs - net</b>  | <b>5.868</b> | <b>4.933</b> | <b>425</b>     | <b>628</b> |
| <b>Total finance cost / &lt;income&gt; from discontinued operations</b> | <b>-</b>     | <b>243</b>   |                |            |

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 **31.03.2019** amounts to **65% / 35%**.

**Note 18 - Income tax**

For 2019 in Greece tax rate is 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 **12,5% 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 **31.03.2019** we have not been officially served with any audit mandate by the competent Greek tax authorities for the year **2010**.

Consequently, the State is not anymore entitled, due to the lapse of the statute of limitation, to issue assessment sheets and assessment acts for taxes, duties, contributions and surcharges for the years up to and including 2010, pursuant to the following provisions:

- (a) para. 1 art. 84 of Law 2238/1994 (unaudited cases of Income taxation),
- (b) para. 1 art. 57 of Law 2859/2000 (unaudited cases of Value Added Tax), and,
- (c) para. 5 art. 9 of Law 2523/1997 (imposition of penalties for income tax cases).

For the Parent Company, the "Tax Compliance Report" for the financial years **2011-2017** 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.

**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 Spzoo                                    | 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 **31.03.2019** for the Group amounted to **€ 208 thousands (31.12.2018: € 597 thousands)** and relate mainly to purchases of machinery. There are no capital commitments for the Parent Company for the years ended **31.12.2018** and **31.03.2019**.

**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.

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 |            |
|---------------------------------|--------------|------------|----------------|------------|
|                                 | 31.03.2019   | 31.03.2018 | 31.03.2019     | 31.03.2018 |
| Sales of goods and services     | 50.555       | 52.900     | 5.644          | 7.773      |
| Purchases of goods and services | 400          | 68         | 21             | 17         |
| Receivables / <Payables>        | 46.750       | 50.423     | 4.819          | 4.289      |

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

|  |        |        |
|--|--------|--------|
| Sales of goods   | 1.999  | 1.795  |
| Disposal of the Intellectual Property<br>for Product Development to Frigoglass Romania S.R.L | 15.366 | -      |
| Other services   | 198    | 213    |
| Income from subsidiaries: Services fees and royalties on sales                               | 2.662  | 4.361  |
| Income from subsidiaries: commissions on sales   | 19     | 112    |
| Purchases of goods / Expenses from subsidiaries  | 10.143 | 8.465  |
| Interest expense   | 409    | 506    |
| Receivables  | 11.588 | 16.291 |
| Payables   | 17.926 | 27.646 |
| Loans payables (Note 13)   | 29.887 | 34.106 |

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 |            |
|-----------------------------|--------------|------------|----------------|------------|
|                             | 31.03.2019   | 31.03.2018 | 31.03.2019     | 31.03.2018 |
| Fees for Board of Directors | 96           | 84         | 96             | 84         |
| Management compensation     | 696          | 516        | 409            | 429        |

**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 €<br>(apart from earning per share and number of shares)  | Consolidated       |                 | Parent Company     |                 |
|--|--------------------|-----------------|--------------------|-----------------|
|  | Three months ended |                 | Three months ended |                 |
|  | 31.03.2019         | 31.03.2018      | 31.03.2019         | 31.03.2018      |
| Profit / <Loss> after income tax <b>from Continuing operations</b> attributable to the shareholders of the company   | 2.030              | (2.246)         | 8.173              | (1.395)         |
| Profit / <Loss> after income tax <b>from Discontinued operations</b> attributable to the shareholders of the company | -                  | (1.425)         | -                  | -               |
| Profit / <Loss> after income tax for attributable to the shareholders of the company                                 | 2.030              | (3.671)         | 8.173              | (1.395)         |
| Weighted average number of ordinary shares for the purposes of basic earnings per share                              | 355.437.751        | 355.437.751     | 355.437.751        | 355.437.751     |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share                             | 355.437.751        | 355.437.751     | 355.437.751        | 355.437.751     |
| <b>a) Basic:</b>   |                    |                 |                    |                 |
| Profit / <Loss> per share after taxes from Continuing operations attributable to the shareholders of the company     | 0,0057             | (0,0063)        | 0,0230             | (0,0039)        |
| Profit / <Loss> per share after taxes from Discontinued operations attributable to shareholders of the company       | -                  | (0,0040)        | -                  | -               |
| <b>Basic earnings / &lt;losses&gt; per share</b>   | <b>0,0057</b>      | <b>(0,0103)</b> | <b>0,0230</b>      | <b>(0,0039)</b> |
| <b>b) Diluted:</b>   |                    |                 |                    |                 |
| Profit / <Loss> per share after taxes from Continuing operations attributable to the shareholders of the company     | 0,0057             | (0,0063)        | 0,0230             | (0,0039)        |
| Profit / <Loss> per share after taxes from Discontinued operations attributable to the shareholders of the company   | -                  | (0,0040)        | -                  | -               |
| <b>Diluted earnings / &lt;losses&gt; per share</b>   | <b>0,0057</b>      | <b>(0,0103)</b> | <b>0,0230</b>      | <b>(0,0039)</b> |

**FRIGOGLASS S.A.I.C.**  
**Notes to the Interim Condensed Financial Statements**  
in € 000's

**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 |                |
|-------------------|----------------|----------------|----------------|----------------|
|                   | 31.03.2019     | 31.12.2018     | 31.03.2019     | 31.12.2018     |
| <b>Guarantees</b> | <b>254.705</b> | <b>256.596</b> | <b>254.705</b> | <b>256.549</b> |

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**

## Revenue from contracts with customers

| Quarter           | Consolidated   |                |             |
|-------------------|----------------|----------------|-------------|
|                   | 2019           | 2018           |             |
| Q1                | 125.565        | 105.664        | 25%         |
| Q2                | -              | 142.449        | 34%         |
| Q3                | -              | 80.299         | 19%         |
| Q4                | -              | 88.885         | 21%         |
| <b>Total Year</b> | <b>125.565</b> | <b>417.297</b> | <b>100%</b> |

As shown above the Group's operations exhibit seasonality.

**Note 24 - Post balance sheet events**

Frigoglass S.A.I.C announced on June 7, 2019 that following its ongoing manufacturing footprint restructuring related initiatives, aiming to improve its cost structure and enhance its long-term competitiveness for the entire Group, discontinues production in Kato Achaia plant in Greece.

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

**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   |              |
|--------------------------------|----------------|--------------|
|                                | 31.03.2019     | 31.03.2018   |
| ICM Operations                 | 4.059          | 3.987        |
| Glass Operations               | 1.411          | 1.412        |
| <b>Total</b>                   | <b>5.470</b>   | <b>5.399</b> |
| <b>Discontinued operations</b> | <b>-</b>       | <b>324</b>   |
|                                |                |              |
|                                | Parent Company |              |
|                                | 31.03.2019     | 31.03.2018   |
| Average number of personnel    | 211            | 206          |

## Note 26 - Other operating income &amp; Other gains/&lt;losses&gt; - net

|   | Consolidated |            | Parent Company |              |
|---|--------------|------------|----------------|--------------|
|   | 31.03.2019   | 31.03.2018 | 31.03.2019     | 31.03.2018   |
| <b>Other operating income</b>                                     |              |            |                |              |
| Income from subsidiaries:   |              |            |                |              |
| Services fees & royalties on sales                                | -            | -          | 2.662          | 4.361        |
| Income from subsidiaries:   |              |            |                |              |
| Commission on sales   | -            | -          | 19             | 112          |
| Revenues from scraps sales  | 203          | 204        | -              | -            |
| Other charges to customers  | 287          | -          | -              | -            |
| Other   | 129          | 449        | 3              | -            |
| <b>Total: Other operating income</b>                              | <b>619</b>   | <b>653</b> | <b>2.684</b>   | <b>4.473</b> |
| <b>Other gains&lt;losses&gt; - net</b>                            |              |            |                |              |
| Profit/<Loss> from disposal of property, plant & equipment and IP | (3)          | 28         | 10.093         | -            |
| Other   | (62)         | -          | -              | 8            |
| <b>Total: Other gains/&lt;losses&gt; - net</b>                    | <b>(65)</b>  | <b>28</b>  | <b>10.093</b>  | <b>8</b>     |

The profit of € 10 million for the Parent company relates to the Disposal of the Intellectual Property for Product Development to Frigoglass Romania S.R.L ( Note 7 & 20 ).

**FRIGOGLASS S.A.I.C.**

**Notes to the Interim Condensed Financial Statements**

in € 000's

**Note 27 -Reconciliation of EBITDA**

| Continuing operations                          | Consolidated       |               | Parent Company     |                |
|--|--------------------|---------------|--------------------|----------------|
|  | Three months ended |               | Three months ended |                |
|  | 31.03.2019         | 31.03.2018    | 31.03.2019         | 31.03.2018     |
| <b>Profit / &lt;Loss&gt; before income tax</b> | <b>7.124</b>       | <b>3.047</b>  | <b>8.277</b>       | <b>(1.251)</b> |
| plus: Depreciation                             | 5.895              | 4.874         | 537                | 884            |
| plus: Impairment of tangible assets            | -                  | -             | -                  | -              |
| plus: Restructuring costs                      | -                  | 275           | -                  | -              |
| plus: Finance costs *                          | 5.868              | 4.933         | 425                | 628            |
| <b>EBITDA</b>                                  | <b>18.887</b>      | <b>13.129</b> | <b>9.239</b>       | <b>261</b>     |

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

**FRIGOGLASS S.A.I.C.****Notes to the Interim Condensed Financial Statements  
in € 000's****Note 28 - Restructuring gains/<losses>**

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

|  | <b>Consolidated</b> | <b>Parent Company</b> |
|--|---------------------|-----------------------|
| <b>Capital restructuring expenses:</b>                   |                     |                       |
|  | <b>31.03.2018</b>   |                       |
| <Losses> from restructuring activities of ICM Operations | (275)               | -                     |
| <b>Restructuring gains/&lt;losses&gt;</b>                | <b>(275)</b>        | <b>-</b>              |

**FRIGOGLASS S.A.I.C.****Notes to the Interim Condensed Financial Statements**

in € 000's

**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) Statement of Profit & Loss**

|   | Three months ended |                |
|---|--------------------|----------------|
|   | 31.03.2019         | 31.03.2018     |
| <b>Revenue from contracts with customers</b>  | -                  | 5.419          |
| Cost of goods sold  | -                  | (6.385)        |
| <b>Gross profit/&lt;loss&gt;</b>  | -                  | <b>(966)</b>   |
| Administrative expenses   | -                  | (45)           |
| Selling, distribution & marketing expenses  | -                  | (220)          |
| Other operating income  | -                  | 49             |
| <b>Operating Profit / &lt;Loss&gt;</b>  | -                  | <b>(1.182)</b> |
| Finance <costs>/income  | -                  | (243)          |
| <b>Profit / &lt;Loss&gt; before income tax &amp; restructuring costs</b>            | -                  | <b>(1.425)</b> |
| <b>Profit / &lt;Loss&gt; before income tax</b>                                      | -                  | <b>(1.425)</b> |
| <b>Profit / &lt;Loss&gt; after income tax expenses from discontinued operations</b> | -                  | <b>(1.425)</b> |
| <b>Attributable to:</b>   |                    |                |
| Non-controlling interests   | -                  | -              |
| Shareholders  | -                  | (1.425)        |
| Depreciation  | -                  | 2              |
| <b>EBITDA</b>   | -                  | <b>(1.180)</b> |

## Note 29 Discontinued operations (continued)

|   | Three months ended |            |
|---|--------------------|------------|
|   | 31.03.2019         | 31.03.2018 |
| <b>C) Statement of comprehensive income</b>                               |                    |            |
| <b>Profit / &lt;Loss&gt; after income tax expenses (income statement)</b> | -                  | (1.425)    |
| <b>Other Comprehensive Income:</b>  |                    |            |
| <b>Items that will be reclassified to Profit &amp; Loss :</b>             |                    |            |
| Currency translation differences  | -                  | 290        |
| <b>Other comprehensive income / &lt;expenses&gt; net of tax</b>           | -                  | 290        |
| <b>Total comprehensive income / &lt;expenses&gt; net of tax</b>           | -                  | (1.135)    |
| <b>Attributable to:</b>   |                    |            |
| - Non-controlling interests   | -                  | -          |
| - Shareholders  | -                  | (1.135)    |

## D) Cash Flows Statement

|   | Three months ended |            |
|---|--------------------|------------|
|   | 31.03.2019         | 31.03.2018 |
| <b>Profit / &lt;Loss&gt; after income tax</b>                                 | -                  | (1.425)    |
| <b>(a) Cash flows from / (used in) operating activities</b>                   | -                  | (1.140)    |
| <b>(b) Net cash generated from investing activities</b>                       | -                  | (82)       |
| <b>(c) Net cash flows from / (used in ) financing activities</b>              | -                  | 1.989      |
| <b>Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)</b> | -                  | 767        |
| <b>Cash and cash equivalents at the beginning of the year</b>                 | -                  | 415        |
| Effects of changes in exchange rate   | -                  | (15)       |
| <b>Cash and cash equivalents at the end of the period</b>                     | -                  | 1.167      |

## 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.

| <i>(in € 000's)</i>                      | <b>1Q19</b>   | <b>1Q18</b>   |
|--|---------------|---------------|
| <b>Profit / (Loss) before income tax</b> | <b>7,124</b>  | <b>3,047</b>  |
| Depreciation                             | 5,895         | 4,874         |
| Restructuring costs                      |               | 275           |
| Finance costs                            | 5,868         | 4,933         |
| <b>EBITDA</b>                            | <b>18,887</b> | <b>13,129</b> |
| Sales                                    | 125,565       | 105,664       |
| <b>EBITDA margin, %</b>                  | <b>15.0%</b>  | <b>12.4%</b>  |

### 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.

| <i>(in € 000's)</i>              | 31 March<br>2019 | 31 December<br>2018 | 31 March<br>2018 |
|----------------------------------|------------------|---------------------|------------------|
| Trade debtors                    | 116,823          | 77,606              | 97,686           |
| Inventories                      | 115,095          | 101,739             | 92,309           |
| Trade creditors                  | 95,834           | 77,643              | 65,050           |
| <b>Net Trade Working Capital</b> | <b>136,084</b>   | <b>101,702</b>      | <b>124,945</b>   |

### 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.

| <i>(in € 000's)</i>                | 1Q19            | 1Q18                     |                            |                |
|------------------------------------|-----------------|--------------------------|----------------------------|----------------|
|                                    |                 | Continuing<br>operations | Discontinued<br>operations | Reported       |
| Net cash from operating activities | (10,423)        | 1,473                    | (1,140)                    | 333            |
| Net cash from investing activities | (1,944)         | (3,685)                  | (82)                       | (3,767)        |
| <b>Free Cash Flow</b>              | <b>(12,367)</b> | <b>(2,212)</b>           | <b>(1,222)</b>             | <b>(3,434)</b> |

### 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) and subsidiaries.

| <i>(in € 000's)</i>                  | 1Q19            | 1Q18                     |                            |                |
|--------------------------------------|-----------------|--------------------------|----------------------------|----------------|
|                                      |                 | Continuing<br>operations | Discontinued<br>operations | Reported       |
| <b>Free Cash Flow</b>                | <b>(12,367)</b> | <b>(2,212)</b>           | <b>(1,222)</b>             | <b>(3,434)</b> |
| Restructuring Costs                  |                 | 435                      |                            | 435            |
| Proceeds from disposal of subsidiary | (795)           |                          |                            |                |
| Proceeds from disposal of PPE        |                 | (49)                     |                            | (49)           |
| <b>Adjusted Free Cash Flow</b>       | <b>(13,162)</b> | <b>(1,826)</b>           | <b>(1,222)</b>             | <b>(3,048)</b> |



## 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.

| <i>(in € 000's)</i>       | <b>31 March<br/>2019</b> | <b>31 December<br/>2018</b> |
|---------------------------|--------------------------|-----------------------------|
| Long-term borrowings      | 236,654                  | 227,998                     |
| Short-term borrowings     | 46,256                   | 47,261                      |
| Cash and cash equivalents | 38,720                   | 49,057                      |
| <b>Net Debt</b>           | <b>244,190</b>           | <b>226,202</b>              |

## 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.

| <i>(in € 000's)</i>           | <b>1Q19</b>    | <b>1Q18</b>                      |                                    |                 |
|-------------------------------|----------------|----------------------------------|------------------------------------|-----------------|
|                               |                | <b>Continuing<br/>operations</b> | <b>Discontinued<br/>operations</b> | <b>Reported</b> |
| Purchase of PPE               | (1,519)        | (3,206)                          | (82)                               | (3,288)         |
| Purchase of intangible assets | (1,220)        | (528)                            |                                    | (528)           |
| <b>Capital expenditure</b>    | <b>(2,739)</b> | <b>(3,735)</b>                   | <b>(82)</b>                        | <b>(3,816)</b>  |