

Building the Future





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Who we are

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

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

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

In our Glass business, we are focused on the market of Africa, which is a prime region of investment for our customers. We aim to create value for our customers by building on our position as a leading supplier of glass containers and complementary packaging solutions in West Africa.



Letter from the Chairman and the CEO

We are pleased to report a good and consistent performance, representing a step towards our commitment for sustainable growth. In the first year post our capital restructuring completion, we have laid the foundation for **Building the Future** of our business that could never have been achieved without the persistent passion and strong engagement of our people around the world.

Market environment

After a long period of stagnation, the world economy is strengthening. While acknowledging that macroeconomic challenges persist, conditions in several of our addressable markets have improved, creating fertile ground for growth.

In the meantime, customers' demand follows the fast-changing consumer trends. Consumers, in developed markets, are moving to premium brands and healthier beverages, while those in emerging markets are also trading up. Our customers respond to this "drinking less but drinking better" trend, launching products targeting every consumer occasion. In this shifting landscape, Frigoglass is well positioned to capitalize on these trends and create

innovative, value-adding solutions to support its strategic beverage partners.

Performance

In 2018, Frigoglass delivered an improved financial performance, representing a step forward in its post recapitalization journey towards sustainable growth. In our Commercial Refrigeration business, we achieved sales growth of 7% on continued top-line momentum in Europe and Africa. This good performance was driven by the successful execution of our commercial strategy, which resulted in increased cooler placements from key customers.

Looking in more detail at the drivers of our performance, we have made progress across all our strategic priorities, which reflect our consistent view of our long-term direction: Customer Focus, Innovation Leader, Frigoserve, Quality First, Cost Leadership and Winning Organization.

Our ICM portfolio continued evolving and expanding to meet the changing needs of our customers. Our innovation and expansion included the Hybrid family, targeted for emerging markets, the Plus range that achieved market penetration in Russia and the Flex range that met immediate success in Europe and Africa. We also enhanced our market presence in India by launching "Norcool by Frigoglass", a complete line-up of coolers and freezers targeting the country's white goods market. Overall, we are pleased to have built an innovation pipeline that fuels growth.

We also expanded our Frigoserve business to new geographies. We inaugurated a new Service Operations center in Hungary to

enhance our footprint in Central Europe. More importantly, we stayed on track with our goals and achieved our target to provide our integrated services to more than 1.000.000 coolers.

Our Glass business saw a strong performance, led by demand for glass containers and a complementary plastic crates offering. In 2018, market demand across West Africa rebounded after the challenges of the two previous years. We also increased capital spending towards the maintenance of our glass furnace in Ughelli to improve efficiency.

In our Nigerian Glass operations, we continue to invest for future growth. In the last quarter of 2018, we announced a €25-30 million investment to expand our furnace capacity at the Beta Glass Guinea plant, located in Agbara, Ogun state. The investment includes the replacement of an end of its lifetime furnace with a new larger one, an additional production line, upgrades to existing production lines, as well as, new quality inspection equipment. The new furnace is expected to become fully operational in 2020. With this investment, we support the growth of our international and regional beverage customers, in the high growth West African region.

Another important development in 2018 was the completion of the Dubai-based glass business divestment. This was in line with our transformation strategy. This strategic move enables the company to focus on its commercial refrigeration business and the high growth Nigerian business operations.

Sustainability leadership

While we are pleased with our financial results and the execution of our strategic priorities, we are proud of our sustainability performance. During the year, we made further progress across all sustainability pillars: the share of our green coolers grew to 82% of our total sales volume; our direct operations reported improved energy efficiency and reduced environmental impact; our people worldwide were systematically educated by the recently launched "Frigoglass Academy" platform; finally, the local communities in the regions where we operate were supported with targeted programs that improve people's wellbeing and development. For the second year in a row, as evidence of our commitment to sustainability, we were awarded with the EcoVadis Gold distinction.

Business transformation

Our journey is focused on the strategic reengineering of our global business processes and their incorporation into the latest technology tools, based on the SAP platform. This represents a quantum leap towards our transformation and is in line with our objective to become even more efficient, agile and customer centric.

Furthermore, to emphasize our priority to staying ahead of market and customer needs, we brought Commercial, Manufacturing, Planning & Logistics and Quality functions under the common global lead of our ICM Division Director. This change allows for a more effective, flexible and customer-centric organization, and has already reaped rewards.

Building the Future together

On behalf of the Board and the Executive Committee, we would like to thank our shareholders for their patience and support. We would also like to extend our deepest appreciation to the Frigoglass community for their commitment and passion to advance your company forward. Finally, we would like to acknowledge the excellent relationships and trust that we have developed with our customers and suppliers globally.

Going forward we are optimistic for 2019 and about the company's future, encouraged by the positive trends seen so far in the current year. We have work to do, but we have identified clear opportunities towards sustainable growth and are addressing them through our focus, energy and determination.

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

Nikos Mamoulis
Chief Executive Officer



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



Nikos Mamoulis
Chief Executive Officer

2018 financial highlights

Sales (€m)

417.3

2017: 386.0

Comparable EBITDA (€m)¹

56.4

2017: 49.61

Comparable EBITDA Margin (€m)¹

13.5

2017: 12.9¹

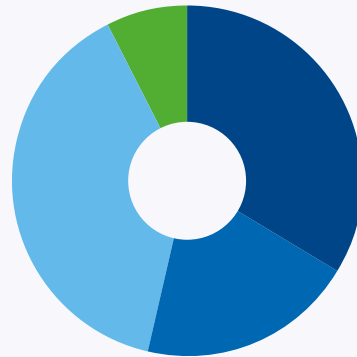
Net Profit (€m)²

-7.4

2017: 27.6

Consolidated sales breakdown

By geography



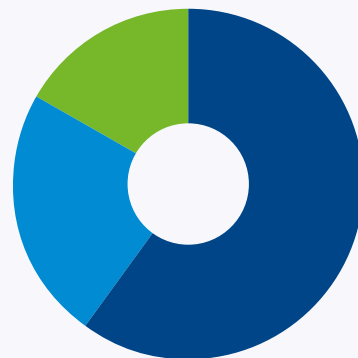
Eastern Europe
€142.0m (34%)

Western Europe
€83.7m (20%)

Africa/Middle East
€163.4m (39%)

Asia
€28.2m (7%)

By customer group



Coca-Cola
€249.1m (60%)

Breweries
€96.0m (23%)

All others
€72.9m (17%)

¹ 2017 Comparable EBITDA and Comparable EBITDA margin exclude one-off gains
² 2017 Net Profit includes €38.2m capital restructuring related gains



Where we operate



Cool Operations Europe

Production plants and sales offices

- Greece
- Russia
- Romania

Sales Offices

- Germany
- Norway
- Poland

Cool Operations Asia & Africa

Production plants and sales offices

- India
- Indonesia
- South Africa

Sales Offices

- Kenya
- Nigeria

Glass Operations

Production plant and sales office

- Nigeria

Strategic priorities



Our strategic priorities - Customer Focus, Innovation Leader, Frigoserve, Quality First, Cost Leadership and Winning Organization - address the long-term strategic direction and sustainable value creation of the Group. During the year, we made substantial progress across all our priorities, implementing strategic investments and initiatives to unlock Frigoglass potential to capture future growth.

Customer Focus

Cool business

In Frigoglass, the customer is at the center of everything we do. This derives from our redefined ICM Commercial Vision, which is guiding our transformation to a result focused, customer-centric, cross-functional team.

We continued working closely with our customers to gain insights into their commercial refrigeration needs, which allow us to cater for them with a differentiated, high quality offering that perfectly matches their route to market and in-store execution strategies.

Our strong customer focus resulted in growing our revenues for a second consecutive year. We continued successfully supporting our customers in tapping beverage market trends through our innovative Ice-Cold Merchandisers (ICM) and our high quality customer service.

The strong execution of our ICM commercial strategy resulted in increased customer satisfaction and sustained growth momentum across Europe and Africa.

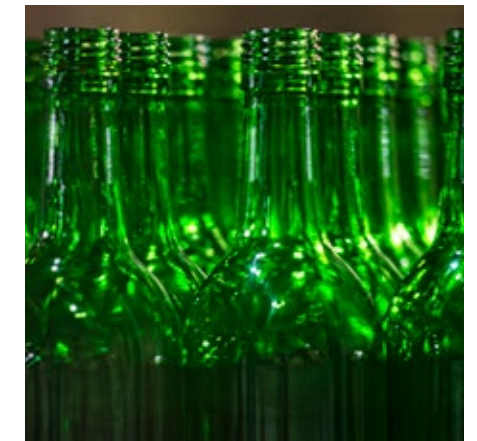
Glass business

2018 was a strong year for Glass business as market demand across West Africa rebounded after the challenges of the two previous years. Despite what was overall a muted year for manufacturers in Nigeria we grew our volume. We also carried out the full Cold Repair of our flint glass furnace in Ughelli (35 days glass to glass) which increased capacity post-repair by 25-30 tons per day.

In the Beer segment, one of our key customers inaugurated a new brewery in Ogun state, which drove growth in the segment throughout the year. The Food segment continued to increase, albeit from a small base, whilst international players' penetration of the Nigerian market with locally produced international Spirits brands continued apace. We were able to manage both inbound and outbound supplies through the port of Apapa in spite of the severe congestion and impact on truck and container availability to increase our glass container exports that enjoyed double-digit growth.

Our Plastic Crates division kept pace with demand from new customers to deliver a very solid performance, whilst our Metal Crowns plant was impacted by lower demand from the Soft Drinks segment.

At the end of the year, we secured our future growth with the announcement that we will invest €25-30 million to expand our furnace at our Agbara glass container plant over the period of 2018-2020, which will increase the plant's capacity by 35,000 tons per year.



Innovation Leader

Hybrid cooler range

Our groundbreaking innovation, the Hybrid cooler, first launched two years ago, was further expanded creating excitement to our customers in the emerging markets. Several regions of Africa continue to suffer from unstable power supply and often electricity outages. Frigoglass, committed to offer innovative, bespoke solutions and successfully developed the Hybrid cooler range, which is designed to mitigate the impact of electricity outages in the continent.

With the use of eutectic technology, it maintains low temperatures for more than 16 hours in hot ambient conditions without requiring electrical power source. During power-off hours, the cooler remains fully illuminated with LED lighting that not only boosts impulse beverage sales, but most importantly, improves the quality of life as very often it is the unique source of lighting and socialization for the local community.

In 2018, upon wide market acceptance of the Hybrid concept, Frigoglass expanded the Hybrid line of models to serve more placement needs. The significant increase of annual sales clearly indicated the success of the Hybrid models performance and the trend towards green cooling solutions that depend less on electricity.

Market penetration & diversification

In 2018 the newly developed **Plus** range in Russia continued showing growth momentum by doubling its sales compared to the previous year, delivering quality coolers at competitive pricing and helping our customers to reach their market penetration targets. Plus coolers stand out for their optimized capacity compared to their footprint and the maximized product display area that meets customers' requirements in the region.

The **Flex** cooler range, first launched in 2017, continued its successful market penetration increasing its sales in both Europe and Africa. In 2018, the Flex family was enhanced with more models to cover further needs, always offering great flexibility in promotion and placement at the point of sale. Flex immediate success has placed it among the core ranges of Frigoglass ICM portfolio.

During the year, we also completed the development of **iSlim**, an ice-cold merchandiser of especially slim design, which is easy to place and, when commercialized, is expected to dominate the HoReCa channel.

Finally in Asia, and more specifically in India, Frigoglass achieved market diversification by launching "**Norcool** by Frigoglass" which targets the country's white market. Norcool is a complete line-up of coolers and freezers, ranging from curved glass-top to hard-top design, which are ideal for tropical climate, use natural refrigerants and operate with high energy efficiency. The new range is expected to penetrate new market segments and gain market share in the region.



NORCOOL

BY FRIGOGLOSS®

Global experience with local expertise

Greener products

Late in the year, we developed **EasyReach Express 2.0**, an open-front cooler characterized by modern, sophisticated looks, which has achieved a 35% reduction of energy consumption compared to its predecessor. The specific product offering uses environmentally-friendly HC refrigerant and not only complies with the upcoming energy regulations but also enables our customers meet their ambitious sustainability goals.

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



Research & Development

In addition to the labs of India and Greece, in 2018 also the labs in Romania got accreditation according to ISO17025 standard and were recognized by The Coca-Cola Company, PepsiCo and Heineken for certification tests. This significant development makes most of our labs equivalent to internationally recognized independent labs and allows us to test new configurations locally, avoiding transportation of new model samples to external labs, thus reducing outbound freight. In addition, it leads to important time and cost savings in the commercialization process.

Connectivity expansion

Our connectivity solutions have become integral part of our product offering. We provide connectivity capabilities and digital services, while enhancing technical excellence. To this aim, we have introduced four main pillars that form as the foundation of our connectivity solutions - Asset Control, Sales Performance, Technical Diagnostics and Consumer Engagement - which add value for our customers.

More than 100,000 IoT-enabled coolers were placed in the market, clearly indicating the increasing market trend towards digitalization.



Frigoserve



In 2018, we made progress towards our vision of providing customers with excellence in our operations and best-in-class services through a unique, innovative, integrated customer service program. We extended our services offering in existing geographies and expanded our business to new regions and market segments, maintaining a strong focus on cost efficiencies.

The ambitious goal set the year before was met and surpassed, as we succeeded to provide our integrated services to more than 1.000.000 assets. Our business grew in Europe and Africa with Coca-Cola bottlers. More specifically, in Poland we added new services to our offering, in Russia we expanded to new geographies and in Nigeria we introduced refurbishment in our integrated service program.

Early in the year, we launched a new Service Operations center in Hungary, aiming to further enhance our Services footprint and partnerships with more clients across Central Europe. At the same time, we initiated discussions for potential expansions to new geographies in West Europe.

In addition, we achieved further progress with leading drinks customers and breweries in the European and African continents. In specific, we initiated a technical services program in UK, we continued providing services for draught beer machines in Greece and Bulgaria, and we capitalized our existing infrastructure in Kenya, providing the full scope of our services to a premium drinks customer.

We continued our cost leadership journey, reviewing the cost structure of our operations and putting our refurbishment business under the microscope. We utilized SixSigma methodology in our European operations and implemented a streamline of our Frigoserve organizational structure to improve efficiencies. We are pleased to report that our annual service survey conducted for our European customers, at the end of the year, revealed improved customer satisfaction and increased commitment from our customer base.

During the year, we launched a business transformation journey, focusing on the strategic reengineering of all our global business processes and their incorporation into the latest technology tools, based on ERP platform. Frigoglass e-Service will be integrated in the ERP system and will be further upgraded and enhanced by updates to our software for Spare Parts management.

Going forward, we aim to further expand our Frigoserve footprint to more geographies and broaden our customer base, strengthening our commercial capabilities. Top priorities for the year to come will be our business efficiency, the development of Spare Parts operations, as well as the continuous improvement of our structure, processes and systems.





Quality First

Quality remains an undisputed attribute of our products and services. In 2018, we went one step further, ensuring top quality across the entire organization.

Improved quality metrics

Keeping the customer at the center, in 2018 we ramped-up production while enhancing quality of our products. We executed several initiatives and team projects to ensure that our quality performance metrics will continue improving towards an efficient and robust Quality function. In all our operations, the First-Time Pass Index (FTPI) remained stable, but still at exceptional levels, despite the increased output. Also, the Product-Release Index (PRI) improved, translating to even less defective products in the market. As a result, in 2018 the number of customer complaints impressively reduced by 45% compared to 2017.

The successful launch of the Hermes Project Pilot in 2017, aimed to consider all products life cycle concerns from the very early stages of the development process, led to the establishment of new standards in several new projects during 2018. Striving for continuous improvement of our processes and procedures, we have undertaken the full redesign of our FPAP (First Part Approval Process), ensuring a full integrated interface management in between our designers, procurement team and suppliers. This will gradually drive improved lead-time and even higher product quality for our customers.

Certified quality systems

In 2018, we continued our investment in quality systems. All plants which were already certified with ISO9001 and ISO14001 - ISO's top quality management systems standards - upgraded their certifications according to the 2015 standards. In specific, ISO9001:2015 is the latest and most advanced version of the standard, which sets an international benchmark for quality management systems.

Additionally, Head Office and India plant were certified according to SA8000 for social accountability, reaching a very high score. Following this, we initiated a social responsibility program in our plants of Romania and Russia, with the target to obtain the audited certification for the two plants by 2020.

Finally, during the year, Head Office was certified according to ISO27001:2013 for Information Security in Project Management, which aims to integrate information security within different project management processes and procedures.

For 2019, we plan to certify India plant for ISO45001 (Occupation Health & Safety) for the first time, as well as Indonesia for ISO14001 and ISO45001.

Q4P¹

In 2018, we launched "Q4P", a Total Quality Transformation Program with the aim of ensuring the best-in-class standards across the entire organization, including both operations and functions, and enhancing our competitiveness going forward. The program included four pillars - People, Processes, Performance and Partners - and involved a number of initiatives and activities aimed to embed a Quality culture in every aspect of our organization.

"Quality Days" was one major initiative of the pillar People that aimed to promote Quality. The objective was to define what Quality means for each of us and how we can build detection methods to ensure we do not compromise on Quality.

The pillars Processes and Performance involved important actions with impact on Group Quality both upstream and downstream the organization.

¹ Q4P: Quality Four Pillars

Cost Leadership

2018 was another year of delivering cost efficiency across our operations, successfully executing our cost leadership agenda - starting from the conceptual design stage and reaching up to the last finishing touch of our commercial refrigeration products. Our continuous focus on product offering rationalization and design simplification was complemented by strongly linked with manufacturing efficiencies, always seeking and capitalizing on sourcing opportunities, while delivering increasing volumes.

Product standardization & simplification

Following previous year's progress, we continued our product range rationalization initiative by reviewing all levels of our product offering development, starting from ranges' specifications to individual option combinations.

In Europe, we worked closely with our big customers on configuring a solid plan towards the optimization of product and options portfolio, which could also ensure a greener future. This allowed for the use of common raw materials and components among different ranges, further optimization of the electrical design, less spare parts and waste, and improved cost efficiency. It also resulted in better working capital for our customers and improved response time to their market needs.

For the market of Africa, we focused on expanding Hydrocarbon refrigerant to the complete Super range of coolers, including the Subzero models for beer related product placements, which resulted in an optimized range, capable to serve local demand.

Apart from product range rationalisation, we introduced Design for Manufacture and Assembly (DFMA™) methodology, a key initiative focusing on product simplification through software-aided lean design, developed in the USA and successfully applied in many leading industries worldwide. During the year, our designers were trained on reducing functional parts count for existing and future designs, leading to material and manufacturing savings while increasing the quality and reliability of our commercial refrigeration products.

Manufacturing efficiency

Manufacturing efficiency projects were implemented in all our ICM operations and led to significant savings. In India, following our last years investments on the expansion and modernization of our manufacturing plant marked by the addition of an automated assembly line, operational efficiencies were realized by increasing production throughput in conjunction with optimized re-balancing of resources utilization across our available line assortment.

In Russia and Romania, we invested in automated sheet metal processing machinery, thereby minimizing fabrication lead times and driving significant material cost efficiencies. Furthermore, we introduced new digital printing technology capabilities, allowing fast, agile, high-quality and cost-effective branding of our products in line with our customer requirements.

Our continuous improvement journey remained unabated with several Lean initiatives running in all our ICM plants to ensure we achieve our bottom line targets.

Having reaped most of the low-hanging opportunities in previous years, our forward-looking approach was also to invest in further improving our toolkit and elevating our capabilities; Lean Six Sigma trainings at entry Green-Belt level were completed in our European operations and the first improvement projects were successfully launched.

Procurement cost control

In 2018, our Procurement department focused on a series of strategic and tactical cost leadership initiatives that resulted in the reduction of material cost.

We ensured the continuity of supply of high quality products and services from strategic key suppliers. We secured long-term contracts with key strategic suppliers, which were based on a win-win mentality and provided benefits to both parties. Also, leveraging on the increasing competition among suppliers which led to favorable prices, we achieved a reduction of net prices in several categories of raw materials.

In an effort to ensure procurement cost control, we managed price trends of steel, one of the key cost components of our commercial merchandisers. Early booking of the required quantities of steel, allowed us to avoid cost increases despite the increasing trend of steel prices in the global market. Finally, during the year, we also implemented a number of cost reduction initiatives directly related with the management of demand and optimization of specifications of raw materials.



Winning Organization

People are our most valuable asset. Building a Winning Organization has long been one of our undisputable priorities.

During the past years, there have been several changes in the leadership team, which have resulted in a strong group of leaders across the Group. The successful execution of our strategic priorities resulted in an organizational structure that enables leadership, teamwork and ownership.

In this context, we further streamlined our organizational structure. We decisively incorporated the Commercial, Manufacturing, Planning & Logistics and Quality functions under the leadership of an ICM Division Director. This new structure allowed for a more effective, flexible and customer centric organization. In all these areas, we further professionalized and standardized our way of working, ensuring high responsiveness to the market needs and changes.

Furthermore, in order to secure the successful design and implementation of processes and systems, we introduced a Business Processes and Technology arm and welcomed the role of Group Digital Transformation Director to the Executive Committee. The new role aims to lead the strategic design, re-engineering and blueprint of all business processes, as well as, the implementation and continuous improvement of the technological infrastructure and systems, which will be accelerated with the establishment of a business transformation team.

We also proceeded to further changes in the Commercial and Frigoserve structures to achieve better alignment with our objectives. Overall, our winning culture has become much deeper embedded across the Group, and our people are characterized by passion and commitment.

In 2018, our Head Office and Frigoglass India were certified with the SA8000 Social Responsibility Standard. Following this, we initiated a social responsibility program in our plants of Romania and Russia, which encourages operations to develop, maintain, and apply socially acceptable practices in the workplace. Our target is to comply with the social responsibility requirements set by the standard SA8000 and obtain the audited certification for the two plants by 2020.

Late in the year, we launched Q4P, a Total Quality Transformation Program with the aim of ensuring the best-in-class standards across the entire organization, including both operations and functions, and enhancing our competitiveness going forward. The program that was successfully implemented in four locations (Head Office, Romania, Russia and India) included "Quality Days" and other targeted activities aimed to embed a Quality culture in every aspect of our organization.

We are always looking for ways to attract and retain talent, to respect their aspirations and remain committed to their continued professional growth. Our focus areas include maintaining employee satisfaction by creating an inclusive, diverse and safe working environment, promoting their training and development, and encouraging proactiveness in the workplace. We strive to provide an engaging and motivating environment that empowers our people to give their best and develop their full potential.

To this aim, we launched and rolled out Frigoglass Academy, an online Learning Management System (LMS) destined to meet the training and development needs of our people. Training was delivered in all our operations via customized e-learning, exploiting the advantages of standardization, remote accessibility, knowledge management, self-pace and cost-efficiency. Indicatively, some of the courses that were provided through the newly developed and learning-rich environment, related to Frigoglass Policies, the Code of Business Conduct & Ethics, as well as, the full scope of Project Management. Going forward, the program will be enriched by more courses covering corporate training needs.

Sustainability

Sustainability is embedded in our culture and incorporated in our business activities. In 2018, we made further progress in all our sustainability pillars and against our ambitious sustainability commitments. We remain dedicated to working closely with our people, customers and partners, and keep innovating in ways that serve our business and secure a sustainable future.



Sustainability Strategy

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

Marketplace

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

Environment

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

Workplace

Our people are our greatest asset. Engaging and developing our people for the long term is our firm objective. We are

therefore strongly committed to attracting, developing and retaining the best people to successfully support our business strategy, whilst providing them a safe and inclusive working environment.

Community

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

Ten material issues

In 2018, we monitored our performance according to the latest version of the sustainability guidelines produced by the Global Reporting Initiative (GRI Standards) in combination with UN Sustainable Development Goals (SDGs), ensuring that we stay up to date with global developments on sustainability reporting.

During the year, we revisited and reevaluated the issues that are material for our organization and stakeholders. Material issues reflect the wider context of our economic, environmental and social impacts and influence our stakeholders, their decisions and assessment on us. The materiality analysis provides strategic direction and focus on our sustainability strategy, which highlights business imperatives, monitors results and drives progress.

Our resulting top ten material issues for 2018 were:

- Product quality and responsibility
- Product environmental stewardship
- Customer satisfaction
- Regulatory compliance
- Economic performance and impact
- Ethics
- Workplace health and safety
- Diversity and equal opportunities
- Energy efficiency of operations
- Responsible procurement

During the year, we improved our performance across all sustainability pillars: the share of our green coolers grew to 82% of our total sales volume; our direct operations reported improved energy efficiency and reduced environmental

impact; our people worldwide were systematically educated by the recently launched "Frigoglass Academy" platform; finally, the local communities in the regions where we operate were supported with targeted programs that improve people's wellbeing and development.

These are only a few examples of our progress. Frigoglass approach, policies and targets, as well as Key Performance Indicators (KPI) associated with each of the above focus areas are presented in detail in the upcoming 2018 Sustainability Report.

Awards & recognitions

Our efforts were highly recognized and valued when we were awarded, for the second year in a row, a Gold Recognition Level by EcoVadis - a leading CSR rating agency. The award represents the recognition of our responsible business practices in relation to Environment, Labor, Fair Business Practices and Sustainable Procurement, and places us in the top 1% of all suppliers assessed by their global platform.



Besides EcoVadis, our sustainability progress is validated annually by several independent global organizations and programs, such as CDP, which provide reliable and objective assessment.

In Greece, Frigoglass was awarded the Bravo Sustainability Award 2018, in the category Society, for the innovative Hybrid cooler range. This is a family of products developed for regions with limited power supply and electrical grid coverage, such as Africa and Southeast Asia. Hybrid, which operates with very limited power supply and often becomes the unique light source for local communities, was recognized for its contribution to improving the quality of life in developing countries.

Going forward, we commit to continue focusing on strategic projects of global impact and delivering on our sustainability goals.

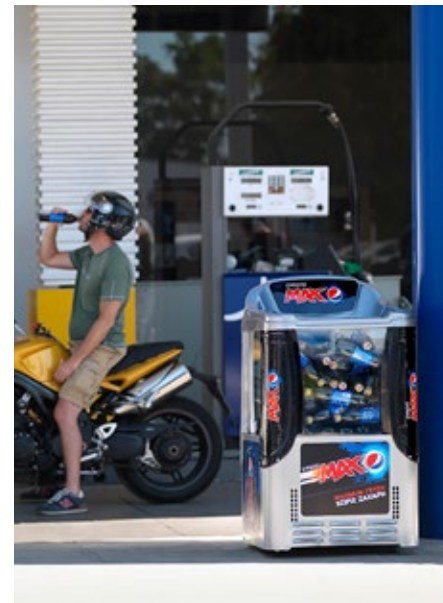
Business Review

Europe

Our customer-centric approach remained at the core of our business in 2018. Our updated commercial strategy, focusing on growing our market share and, at the same time, expanding our customer base contributed to sustained growth momentum across Europe. Sales in the European commercial refrigeration business grew 1.0% in the year, driven by increased cooler placements from key customers. The immediate success of Flex range and the expansion of Plus range helped us further penetrate Europe.

In **Eastern Europe**, sales grew by 19% compared to the previous year, driven by increased orders from a key soft drinks customer. Sales in Hungary increased in the year, also assisted by the inauguration of Services Operation in the country. In Russia, sales were marginally below last year's level due to decreased cooler investments by some key breweries.

In **Western Europe**, sales were down by double digit, reflecting strong comparatives following the extraordinarily increased orders by a key soft drinks customer in the prior year period. Sales in Italy and Greece were higher year-on-year following increased demand by key customers, more than offset by lower sales in France and Germany.



Outlook

In 2019, we anticipate commercial refrigeration sales momentum to continue following increased customer cooler investments and market share gains. We remain focused on providing solutions for every occasion across our customer base in Europe to drive top-line growth.

Going forward, growth in Europe will be also assisted by Frigoglass's roll-out to new markets, aiming to further enhance our Services footprint and partnerships with more clients across Central Europe.

Sales (€m) Eastern Europe

142.0

2017: 119.2

Sales (€m) Western Europe

83.7

2017: 104.4



Business Review

Africa and Middle East

Our business in Africa and Middle East showed continued growth momentum during 2018 with sales increasing by 64%, compared to the prior year. This performance reflects our strong commercial focus in the region that resulted in incremental demand from key customers in Nigeria, South and North Africa.

In Nigeria, strong growth was aided by increased orders by a key soft-drinks customer. In South Africa, sales were also up year-on-year, driven by higher customer cooler investments. Morocco also saw significantly higher sales year-on-year, following market share gains.

During the year, our readiness to support customers with environmentally-friendly HFC-free coolers, led us to expand the Hydrocarbons (HC) to the complete Super range of coolers, including the Subzero models for beer related product placements. We also expanded the Hybrid range, which was positively received by

our customers in the emerging markets, to serve more placement needs in Africa. With Super and Hybrid, Frigoglass completed its line-up for the continent, offering cooling and aesthetical options to serve any local demand.

Outlook

For 2019, we are optimistic about the prospects of the environmentally-friendly Super range, which will gradually replace all existing non HFC-free coolers, as well as, the breakthrough Hybrid family of products, which provides ample growth opportunities in Africa.

Moreover, we expect growth in our Commercial Refrigeration business to be supported by Frigoserve, through its expansion to more customers in Nigeria, where we recently introduced refurbishment activity in our integrated service program, as well as, its penetration to other countries of the African continent.

Sales (€m)

61.5

2017: 37.6



Business Review

Asia

Asia remained one of our most challenging regions in 2018. Our sales mainly impacted by lower demand by key customers in India and intense competition in Southeast Asia.

During 2018, we also launched Super Hydrocarbon (HC) coolers in the India plant in order to gradually amplify HFC-free refrigerants in the African and Asian markets. Currently, all Frigoglass plants produce commercial coolers with HFC-free refrigerants.

We also enhanced our market presence in India by launching "Norcool by Frigoglass", a complete line-up of coolers and freezers targeting for the first time the country's white goods market, a large and high-growth market segment in the country.

Outlook

In 2019, we focus on broadening our customer base in Asia, offering our value adding, environmentally friendly solutions.

We anticipate the launch of new products "Norcool by Frigoglass" to be well accepted by the Indian market and create a new revenue stream, enhancing our presence in the region.

Sales (€m)

28.2

2017: 34.3



Business Review

Glass

Sales in our Glass operations increased by 12% year-on-year, driven by increased volume and pricing. Customer demand was strong throughout the year despite Nigeria's lukewarm macro environment. The Brewers accounted for a significant part of the growth, fueled by the new state of the art Sagamu brewery, located close to our Agbara plant and the launch of two new international brands in Nigeria.

Glass packaging for the Soft Drinks segment retained market share, whilst the blossoming Spirits segment continued to grow. International brands boosted this growth through local sourcing and production. Furthermore, exports to neighboring countries were muted due to significant operational logistics challenges caused by port congestion at Apapa port in Lagos.

During June and July, we successfully carried out a cold repair of our Delta furnace, which was delivered ahead of schedule, allowing us to increase our daily production capacity by around 30TPD with the addition of electrical boosting to better serve the evolving demand patterns of our growing customer base.

We also re-introduced the Frigoglass Technical Trainee Program to our glass plants to build future talent capability and developed our growth strategy for West Africa. This strategy was supported by participation in relevant exhibitions and fairs across the region, culminating in approval of a significant capital investment in our Agbara plant, which will see our production capacity increase by a further 100TPD in 2020. The Agbara investment will pioneer NNPB technology for the first

time in West Africa, enabling lightweight glass container production to support our customer's growing needs for packaging suited for modern trade.

Sales in our Metal Crowns business struggled throughout the year with increased product complexity through the addition of numerous new SKUs across a range of beverage customers. Plastic Crates sales grew exponentially thanks to new glass float injections for the newly opened Sagamu plant.

The sale of our Dubai operations was completed in the fourth quarter of 2018 enabling us to focus on the high growth West African market.

Outlook

In 2019, we will continue to execute our Agbara furnace capacity expansion project. This investment will enhance both glass container capacity and capability in West Africa and taps into the growing global awareness of the environmental hazards of plastic packaging.

Frigoglass is focused on further broadening the customer base of its Glass business across Africa, providing its customers with high-quality, innovative and value-adding solutions.

Sales (€m)

101.8

2017: 90.6



Corporate Governance

Governance framework

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

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

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

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

of the strategies and policies decided by the Board.

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

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

Audit Committee

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

- the update of the Board regarding the outcome of the mandatory audit and the contribution of the latter in the integrity of the financial information, and for the role of the Audit Committee during the process;
- monitoring the process for provision of financial information and the submission of proposals or recommendations in order to ensure the integrity of the process;
- monitoring the effective operation of the internal audit and risk management systems, and in some cases the department of internal audit of the Company regarding the financial information, without, however, violating the independence of the Company;
- monitoring the course of the mandatory audit of individual and consolidated financial statements, and especially the performance of the audit;

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

Department and, if necessary, provide recommendations to the Board;

- reviewing the annual internal audit plan, receiving summaries of internal audit reports and management's response;
- reviewing the effectiveness of the Company's corporate governance and internal control systems;
- reviewing the Company's Internal Regulation of Operation.

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

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

Chairman

Kyriakos Riris
Independent member

Members

Loucas Komis
Non-executive Board member

Ioannis Costopoulos
Independent, non-executive Board member¹

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

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

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

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

The Audit Committee meets validly when at least two of its members are present, of whom one must be its Chairman. The Audit Committee held a total of six (6) meetings in 2018. The said meetings were scheduled in such a way so as to coincide with the publication of the Company's financial information.

The Audit Committee considered a wide range of financial reporting and related matters in respect of the 2017 annual financial statements and the 2018 half-year financial information.

In this respect the Audit Committee reviewed any significant areas of judgment that materially impacted reported results, key points of disclosure and presentation to ensure the adequacy, clarity and completeness of the financial statements and the financial information, and the content of results announcements prior to their submission to the Board. The Audit Committee also considered reports from PwC on their annual audit of 2017 and their review of the 2018 half year Board of Directors report that forms part of the statutory reporting obligations of the Company.

Moreover, in 2018, the Audit Committee has

- reviewed the results of the audits undertaken by Internal Audit and considered the adequacy of management's response to the matters raised, including the implementation of any recommendations made;
- reviewed the effectiveness of Internal Audit, taking into account the views of the Board and senior management on matters such as independence, proficiency, resourcing, and audit strategy, planning and methodology;
- reviewed regular reports on control issues of major level significance, as well as details of any remedial action being taken. It considered reports from Internal Audit and PwC (for 2017) on the Company's systems of internal control and reported to the Board on the results of its review.

Internal Audit Department

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

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

Corporate Governance

- cooperating with state supervisory authorities and facilitating them in their work.

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

Human Resources and Remuneration Committee

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

More specifically, its duties are - inter alia - to:

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

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

Chairman

Iordanis Aivazis
Independent/ Non-executive member

Members

Haralambos (Harry) G. David
Non-executive member

Evaggelos Kaloussis
Independent/Non-executive member

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

The Human Resources and Remuneration Committee held four (4) meetings in 2018.

Investment Committee

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

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

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

Chairman

Haralambos (Harry) G. David
Non-executive member

Members

Nikos Mamoulis
Executive member

Loucas Komis
Non-executive member

Haralambos Gkoritsas
Chief Financial Officer¹

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

Communication with Shareholders

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

Board of Directors

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

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

George-Pavlos Leventis
Vice Chairman (non-executive member)

Mr. Leventis joined the Board of Frigoglass as a non-executive member in April 2014. Mr. Leventis is a member of the executive committee of a family office with the responsibility of overseeing investments in real estate. He has previously worked in the fund management business as an equities analyst. He graduated with a degree in Modern History from Oxford University and holds a postgraduate Law degree from City University. He is an Investment Management Certificate holder. He also sits on the board of HD Insurance Ltd.

Nikos Mamoulis
Chief Executive Officer (executive member)

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

Board of Directors

Loukas D. Komis

Member (non-executive)

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

Evangelos Kaloussis

Member (independent non-executive)

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

Ioannis Costopoulos

Member (independent non-executive)

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

Jeremy Jensen

Member (independent non-executive)

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

Iordanis Aivazis

Member (independent non-executive)

Mr. Aivazis was appointed to the Board in November 2017. He was born on 24th February 1950 in Cairo. He is a graduate from the University of Athens with a degree in Economics (Political and Economics Science Department). He completed his postgraduate studies at the University of Lancaster (Postgraduate Diploma in Economics) and M.A. in Marketing and Finance. He worked at senior positions with national and foreign banks in Greece and he was Chief Financial Officer and Chief Operating Officer of OTE S.A. (Hellenic Telecommunications Organisation S.A). After the Deutsche Telekom's (DT) acquisition of OTE he was a member of OTE's board of directors and DT's European Management Board. Moreover, he has served on the board of directors of several Greek publicly quoted companies. Currently, he is chair of the Board of Directors of HCL, a subsidiary of Davidson & Kempner and Bain Capital Credit, being at the same time a Special Adviser of Bain for investment in Greece, as well as a NED of ELLAKTOR S.A. He is also chair of the Special Liquidations Committee of the Bank of Greece. He is an English and French speaker.

Stephen Bentley

Member (independent non-executive)

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

Board of Directors

Board of Directors

(three-year term ending in 2020)

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

George - Pavlos Leventis
Vice Chairman, non-executive member

Nikos Mamoulis
Chief Executive Officer, executive member

Loukas D. Komis
non-executive member

Evangelos Kaloussis
non-executive member / independent

Ioannis Costopoulos
non-executive member / independent

Jeremy Jensen
non-executive member / independent

Iordanis Aivazis
non-executive member / independent

Stephen Graham Bentley
non-executive member / independent

Management Committee

Nikos Mamoulis
Chief Executive Officer

Nick Evangelou
ICM Division Director

Darren Bennett-Voci
Glass Division Director

Costas Dintsios
Frigoserve Director

Haralambos Gkoritsas
Chief Financial Officer

Manolis Souliotis
Group Human Resources Director

Vassilis Soulis
Group Digital Transformation Director

Certified auditors

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

Legal advisors

Theodore Rakintzis
Kyriakides-Georgopoulos, Law Firm

Remuneration

Salary

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

Management Incentive Plan (short-term incentive)

The management incentive plan is assumed as a variable compensation element for the managerial positions with differentiating percentages according to grade and is evaluated and compensated versus personal objectives, competencies as well as the company's annual performance. The management incentive plan link individual performance with company's results, aiming to increase employee commitment. Targets are set to reflect the company's annual strategy and the plan's breakdown varies according to the individual's position within the company.

Long-Term Incentive Plan

The long-term incentive plan is introduced as a variable compensation element for the top management positions with critical contribution towards long term group targets, aiming to boost motivation, drive performance and retain key employees in the post restructuring phase.

Stock options

Members of the Executive Committee and senior management are eligible to participate in Frigoglass' stock option plan. Options are viewed as part of the total remuneration package. Options are granted at a pre-determined exercise price, vested in one-third increments each year and can be exercised for up to ten years from the date they are granted. The terms of each plan are subject to approval at the Annual General Meeting.

Pension scheme

Employees participate in the Company's pension scheme in countries where it is applicable.

Other benefits

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

Financial Risk

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The objective of our risk management program is to curtail potential adverse impacts on the Company's financial performance. The Group's overall risk management programme focuses on the volatility of financial markets and targets to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by Group Treasury, according to the policies approved by the Board of Directors. Group Treasury identifies, evaluates, monitors and hedges financial risks alongside the Group's operating units. The Board provides principles for overall risk management, as well as, policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of financial instruments and investment of excess liquidity. The Group Treasury refrains from speculative transactions or transactions that are not related to the Group's operations.

The Group's overall risk management program focuses on the natural hedging of monetary items in order to minimize the volatility of financial markets. The Group's financial instruments consist mainly of bank deposits, trade receivables and payables, bank overdrafts, revolving credit facilities, long term bank loans, corporate bond and loans to/from subsidiaries. The Company may use derivative financial instruments in order to hedge certain risks.

On October 23, 2017, the Group successfully completed its capital restructuring. For a description of the capital restructuring, please refer to the 2018 financial statements.

Market risk

a. Foreign exchange risk

The Group is exposed to foreign exchange risks. Fluctuations in exchange rates, particularly in the US Dollar, Nigerian Naira, South African Rand, Indian Rupee, Norwegian Krone and Russian Ruble against the Euro may have an adverse impact on our financial performance. The Group is exposed to the effect of foreign currency risk on future transactions, recognized monetary assets and liabilities that are denominated in currencies other than the local entity's functional currency.

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

The Group has investments in subsidiaries, which operate in various countries. Their net financial positions are exposed to foreign translation exchange risk during the consolidation to the Group's financial statements. The Company is

not substantially exposed to this type of risk since most of its subsidiaries use the Euro as their functional currency, with the exception of operations in Nigeria, India, Indonesia, Kenya and South Africa.

The Group Treasury department may use forward contracts in a variety of currencies that mature within one year after the balance sheet date to mitigate foreign exchange risk.

b. Price risk

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

c. Interest rate risk

The Group's income and operating cash flows are not dependent on interest rate fluctuations since we do not hold any interest-bearing assets other than short-term time deposits. Exposure to interest rate risk on liabilities is limited to cash flow risk from changes in floating rates.

The Group continuously reviews interest rate trends and financing needs. Consequently, all bank borrowings are entered into floating rates. Our 2nd Lien Notes have a fixed interest rate.

Credit risk

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

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

Liquidity risk

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

For the Company to efficiently manage its liquidity risk, first of all, Frigoglass monitors expected cash flows on a short-term basis, which provides sufficient visibility for the company to timely plan and adjust its cash flows. Any potential cash shortfalls are funded by the use of the committed credit facilities which the Company secured through its recent capital restructuring.

Capital risk management

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

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

Shareholder Information

Frigoglass recognizes the importance of the effective and timely communication with shareholders and the wider investment community. The Company maintains an active website www.frigoglass.com which is open to the investment community and to its shareholders.

The Treasury and Investor Relations department communicates with the investment community through its participation in a number of conferences and ad hoc meetings held in Greece and abroad and the schedule of conference calls. We engage with key financial audiences, including institutional investors, sell-side analysts and financial journalists, as well as, our Company's shareholders.

Listing

Athens Exchange

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

2018 Share price performance

(€ per share)

Athens Exchange: FRIGO	2018
Close	0.10
High	0.27
Low	0.10
Market Capitalisation (€ million)	37.3

Share Capital

On 31 December 2018, the share capital of the Group amounted to €128.0 million and comprised 355,437,751 fully paid up ordinary shares with a nominal value of € 0.36 each.

Major shareholders

On 31 December 2018, the following shareholders possessed more than 5% of the share capital of the Company:

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

¹ Mr. Marc Lasry is the ultimate managing member of Avenue Europe International Management GenPar, LLC and Avenue Capital Management II GenPar, LLC which in turn indirectly control in total voting rights corresponding to 11.68% shares in the Company.



Contact Information

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Important note regarding forward-looking statements

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





www.frigoglass.com