

FRIGOGLASS S.A.I.C.

Annual Financial Report 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
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FRIGOGLASS S.A.I.C.
Commercial Refrigerators

Annual Financial Report for the period 1 January to 31 December 2019

It is confirmed that the present Annual Financial Report (**pages 3 – 159**) is prepared in accordance with article 4 of Law 3556/2007 and decision 8/754/14.04.2016 of the Board of Directors of the Hellenic Capital Market Commission, Law 4548/2018 and was approved by the Board of Directors of “FRIGOGLASS S.A.I.C.” on **18 March 2020**.

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

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

The Chairman of the Board of Directors

Haralambos David

The Managing Director

Nikolaos Mamoulis

The Group Chief Financial Officer

Charalampos Gkoritsas

The Head of Financial Controlling

Vasileios Stergiou

STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS

In accordance with article 4, par. 2 of Law 3556/2007, we confirm that to the best of our knowledge:

1. the Annual Financial Statements of the Company and the Group of FRIGOGLASS S.A.I.C. for the year **01.01.2019 - 31.12.2019**, which were compiled according to the standing accounting standards, describe in a truthful way the assets and the liabilities, the equity and the results of FRIGOGLASS S.A.I.C, as well as the subsidiary companies which are included in the consolidation as a whole.

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

Kifissia, March 18, 2020

The Chairman of the Board of Directors

Haralambos David

The Managing Director

Nikolaos Mamoulis

The Member of the Board of Directors

Loukas Komis

BOARD OF DIRECTORS REPORT

Concerning the Annual Financial Report for the period 1st January – 31st December 2019

Kifissia, 18 March 2020

Dear Shareholders,

According to Law 4548/2018, Law 3556/2007 and the implementing decisions of the Hellenic Capital Market Commission, we are submitting the present annual report of the Board of Directors referring to the consolidated and the parent company financial data of FRIGOGLASS S.A.I.C. for the fiscal year ended on 31 December 2019.

1) Introduction

Frigoglass (the “Group”) is a leading international producer of Ice-Cold Merchandisers (ICMs) globally and a leading supplier of high quality glass containers and complementary packaging products in West Africa. We are a strategic partner of the global beverage brands throughout the world, including Coca-Cola, Pepsi, AB InBev, Diageo and Heineken. Through our close collaboration with and proximity to our customers, we help them realize their strategic merchandizing plans, from conception and development of new, customized ICMs and glass packaging solutions, to a full portfolio of after-sales customer service for their cold-drink equipment.

In ICM Operations, we manufacture and sell ICMs and provide integrated after-sales customer service for our products and a range of cold-drink equipment through the unique and innovative platform “Frigoserve”. Our ICMs are strategic merchandizing tools for our customers, serving not only to chill their products, but also as a retail space that encourages immediate consumption of our customers’ products, enhance their brands, enabling increased market penetration and driving their profitability. Our five production facilities are strategically located in Romania, Russia, India, Indonesia and South Africa, serving different markets primarily based on their location, import restrictions and cost of transportation

In Glass Operations, we manufacture and sell glass bottles, glass containers, plastic crates and metal crowns. Our products include a broad range of glass bottles and other containers in a variety of shapes, sizes, colors and weights to offer solutions to a wide range of customers operating in the soft drinks, beer, food, spirits, cosmetics and pharmaceutical industries. We currently operate two glass plants, two plastic crates facilities for returnable glass bottles and one metal crowns plant.

Financial and Business Review

2.1) Financial Review for the year ended 31 December 2019

Group sales improved by 15.6% year-on-year to €482.3 million in 2019, driven by good growth momentum in the Commercial Refrigeration business in Europe and Asia, as well as increased glass containers demand and pricing in Glass.

Commercial Refrigeration sales increased by 16.8% to €368.4 million. Sales in Eastern Europe were strong, growing by 31.9% year-on-year, led by incremental cooler placements from key soft-drink customers and market share gains with breweries following the successful execution of our commercial strategy. Sales growth was also supported by increased demand for Frigoserve's broad service offering. Sales in Western Europe grew 11.0%, driven by increased demand in Germany, France and Spain. Sales in our Asia business increased by 27.7%, reflecting incremental demand from key soft-drink customers and breweries in India, as well as market share gains with breweries in Southeast Asia. In Africa and Middle East, sales declined by 15.1%, cycling strong orders in the prior year.

Glass business delivered a solid performance, with sales growing by 11.9% to €113.9 million, primarily reflecting solid demand for glass containers from key breweries and soft drink customers, pricing initiatives and a favorable currency translation effect. Metal crowns business also reported an improved performance, with sales increasing by a double-digit rate. This performance was partly offset by lower demand for plastic crates from a key brewery customer.

Cost of goods sold increased by 12.5% to €382.4 million in 2019, as a result of higher year-on-year sales. Cost of goods sold as a percentage of the group's sales improved to 79.3%, from 81.5% last year, mainly driven by the improved fixed cost absorption, input cost savings and the benefits from our continuing productivity improvement initiatives across the Commercial Refrigeration business.

Administrative expenses increased by 22.6% to €25.9 million, primarily impacted by higher employee payroll and related expenses and IT costs associated with the implementation of SAP platform. Administrative expenses as a percentage of sales increased to 5.4%, from 5.1% in 2018.

Selling, distribution and marketing expenses increased by 10.2% to €22.8 million, driven by higher warranty-related expenses following increased sales. As a percentage of sales, selling, distribution and marketing expenses improved to 4.7%, from 5.0% in 2018.

Research and development expenses increased by 4.7% to €3.8 million, reflecting higher year-on-year employee-related expenses and third-party fees. As a percentage of sales, research and development expenses improved to 0.8%, from 0.9% in 2018.

Other income decreased by 24.1% to €3.4 million in 2019, driven by lower year-on-year transportation profit in the Glass business in Nigeria.

Impairment charges of €1.1 million in 2019 relate to the performance of our business in Indonesia.

Finance cost was €17.8 million, compared to €21.2 million in 2018, supported by lower foreign exchange losses following Naira's appreciation on Euro-denominated receivables, more than offsetting the finance cost for lease liabilities due to the implementation of IFRS 16.

Restructuring costs relating to the discontinuation of the Greek-based plant reached €4.8 million in 2019.

Income tax expense was stable year-on-year at €13.9 million in 2019 as a deferred tax asset in Nigeria offset the increased corporate income tax following the higher pre-tax profits.

Net income attributable to shareholders improved to €5.6 million, compared to a loss of €8.7 million in 2018, as a result of the factors identified above, as well as the loss from discontinued operations that impacted prior year.

Cash flows from operating activities in 2019 provided net cash of €45.1 million, an increase of 10.9% from 2018. This increase is primarily due to operating profitability improvement and tax benefits related to investments in Nigeria.

Net cash used in investing activities was €27.7 million in 2019, compared to €33.7 million in 2018. The decrease in 2019 reflects 2018 investments in Commercial Refrigeration related to metal cutting capacity increase and printing capabilities, as well as, purchases of equipment related to a furnace cold repair in Nigeria.

Net cash used in financing activities amounted to €12.9 million in 2019, compared to €12.0 million in 2018. This increase was primarily due to higher interest payments and lease liability payments reflecting the adoption of IFRS 16 as of January 1, 2019.

Net trade working capital as of 31 December 2019 (for details please refer to Alternative Performance Measures section in this report) reached €123.3 million, compared to €101.7 million as of 31 December 2018. This increase was mainly due to higher trade debtors following sales growth and seasonality.

Capital expenditures reached €30.5 million in 2019, of which €25.9 million related to the purchase of property, plant and equipment and €4.6 million related to the purchase of intangible assets, compared to €36.2 million in 2018, of which €31.6 million related to the purchase of property, plant and equipment and €4.6 million related to the purchase of intangible assets. The decrease in 2019 reflects higher amounts for investments in materials and equipment related to a furnace rebuild at the Guinea facility in 2018.

2.2) Business Outlook

Our performance in 2019 represents a significant milestone in our journey towards sustainable profitable growth. The strong focus on the execution of our strategic priorities resulted in another year with sales growth, EBITDA margin improvement and free cash flow generation.

Looking ahead, we expect our 2020 results to be challenged by the volatile market environment accentuated by the COVID-19. In the Commercial Refrigeration business, we will continue enhancing our customer base in key markets. Leveraging our recently established sales force, we are focusing on increasing our market penetration in new customers and channels through competitive coolers offering, as well as providing existing and new customers across Europe with innovative and energy-efficient solutions. In Glass, we anticipate the incremental glass containers capacity in 4Q20 to mostly offset the sales impact caused from the furnace downtime during its rebuild.

Continued cost reduction initiatives, targeting procurement related savings following the consolidation of key components with strategic suppliers, the continuous standardisation and simplification of our product portfolio, as well as productivity improvements, will support operating profit margins in 2020.

Although the first quarter is evolving in-line with our plans, we remain vigilant on the potential impact of the ongoing COVID-19 outbreak. The COVID-19 outbreak is complex and rapidly-evolving and therefore, we are not yet able to fully ascertain its potential impact on our results. The primary impact on our Commercial Refrigeration business might come from increased lead-time of imported raw materials from China and Italy, as well as increased transportation related costs. In Glass, this situation has affected traveling of skilled engineers to Nigeria to perform the upcoming furnace rebuild and shipments of related materials, causing delays in the planned shutdown. We are currently anticipating the furnace to be operational towards the end of the third quarter of 2020. This assessment is based on facts as we understand them today.

Finally, we currently expect 2020 capital expenditure at approximately €25 million, including the last phase of materials' purchases associated with the furnace rebuild and the ongoing implementation of SAP platform. We are prepared to adjust our capital spending in-line with market developments and the evolution of the COVID-19 outbreak, aiming together with other measures to limit the impact on our cash flow.

2.3) Parent Company Financial Data

The Parent Company's Net Sales decreased by €2,1 million and reached the amount of €40,0 million.

Gross Profit increased by €0,3 million and reached the amount of €3,4 million.

Net Profit reached the amount of €3,8 million.

The total Equity of the company reached the amount of € 26,6 million.

During 2019 the following three events occurred:

- The 1st Repetitive General Meeting of shareholders, as at 05.07.2019, decided the nominal decrease of the Company's share capital by the amount of €92,4 million to become €35,5 million, through decrease of the nominal value of the Company's 355,437,751 shares from €0.36 to € 0.10 each, according to article 31 of Law 4548/2018, for the purpose of forming a special reserve of equal amount for offsetting losses by deletion of losses from the Company's account "Retained earnings" and the amendment of article 3 of the Company's Articles of Association.
- A profit of € 10,1 million related to the disposal of the Intellectual Property for Product Development to Frigoglass Romania S.R.L (Note 7 & 20).
- 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, effected from the date of the announcement. The cost of the above initiative was € 4,5 million (Note 28)

3) References to specific Notes and other sections of this document

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

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

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

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

4. Corporate Governance Statement

This present statement has been prepared in accordance with Article 152 and 153 of Law 4548/2018, as in force (the “**Law**”) and contains all the information required by the respective Greek legislation.

4.1 Code of Corporate Governance

In the framework of its policy of adopting high corporate governance standards, FRIGOGLASS S.A.I.C. (hereinafter the “**Company**” or “**Frigoglass**”) has drafted and adopted its own code of corporate governance, by virtue of the Company’s Board of Directors’ (hereinafter the “**Board**”) resolution dated 10/12/2014, which, as amended, remains in force until today (hereinafter the “**Code**”). The Code was drafted in accordance with the provisions of laws 4548/2018, 3016/2002, 3873/2010, 4403/2016 and 4449/2017, in accordance with the resolution 5/204/14.11.2000 of the Hellenic Capital Market Commission (hereinafter the “**HCMC**”), as amended and in force, and in accordance with any other relevant resolution of the Board of Directors of the HCMC, as amended and in force.

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

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

The Code is publicly available on the Company’s website

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

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

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

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

A. Code of Business Conduct and Ethics

The purpose of applying the Code of Business Conduct and Ethics is, *inter alia*, to shape a framework for business operations consistent with the principles and rules of morality and

transparency, to ensure compliance with international commercial law and the law applicable in the states where the Company is active, to maintain high-level services and products, to improve the Company's profitability, to develop an environmentally friendly operating framework and to safeguard human rights through granting of equal rights and avoiding discriminatory treatment of all parties associated with the Company.

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

B. The Supplier Code

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

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

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

The Company and Frigoglass Group of companies in general attach considerable importance to the systems of internal audit and risk management.

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

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

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

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

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

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

The above systems and procedures include:

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

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

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

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

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

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

- (a) any matter laid before it by the Board or by those entitled, under the provisions of the Law and the Company’s Articles of Association, to convene a General Meeting;
- (b) amendments of the Articles of Association. Such amendments are those relating to increases or reductions of share capital, the winding up of the Company, a change to its nationality or extension of its term, the merger with another company, its division (demerger), conversion or revival;
- (c) the election of the members of the Board except in the case of Article 6 (5) of the Articles of Association and the statutory auditors and the determination of remuneration of the members of the Board, which, without prejudice to the remuneration provided for in the Company’s policy, may include their participation in the distribution of net income.
- (d) approval or amendment of the annual financial statements, as drawn up by the Board, and distribution of the Company’s net profits;
- (e) approval, under special voting carried out by roll-call, of the administration of the Board of Directors and the discharge of the statutory auditors from any liability after the approval of the annual financial statements and after hearing the report on the operations of the Board of Directors and the general status of corporate affairs and the Company itself. The Board of Directors and its employees are entitled to participate in the above voting, but only with shares owned by them.;
- (f) hearing of the statutory auditors, regarding the audit they have carried out on the Company’s books and accounts;
- (g) issuance of a bond convertible into shares or a bond entitling the holder to a share in the Company’s profits;
- (h) appointment of liquidators, in the event of the Company’s dissolution;
- (i) taking legal action against members of the Board or the auditors, for infringement of their duties under the Law or the Company’s Articles of Association.

- (j) the approval of the remuneration policy and the remuneration report of articles 110 and 112 of Law 4548/2018 respectively.

B. Shareholders' rights and exercise methods

Every shareholder is entitled to attend the General Meeting - whether in person or by proxy - provided that he owns at least one share. Minors, persons under judicial supervision and legal entities must be represented by their legal representatives. The documents of representation may be formal provided they are dated and have been signed by the issuing party. The appointment, revocation or replacement of the representative or representative may also be notified by email within the time limit set by the Law.

Only those that appear as shareholders in the files of the Company's securities depository body, namely in the Dematerialised Security System (DSS) operated by the company "Hellenic Exchanges S.A" under its capacity as central securities depository, have the right to attend the General Meeting. The certification regarding the shareholding capacity may be provided by any legal means and in any case based on information received by the Company from the central securities depository, provided that it provides registry services or through participating and registered intermediaries in the central securities depository or in any other case. Persons having the shareholder capacity at the beginning of the fifth (5th) day preceding the General Assembly (record date) are entitled to participate in the General Meeting (including the iterative meeting). The aforementioned record date is also applicable in any iterative meeting, provided that such iterative meeting does not take place in a date which is longer than thirty (30) days from the record date. On the opposite or if for such iterative meeting a new invitation is published, persons having the shareholder capacity at the beginning of the third (3rd) day preceding the iterative meeting are entitled to participate in the General Meeting

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

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

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

A. Composition of the Board of Directors

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

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

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

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

Details on the Diversity Policy, in the composition of the Company's administrative, management and supervisory bodies, are contained in the paragraphs for the Non-Financial Performance Review - Sustainability of the Board of Director's Report.

The table below lists the members of the Board, the dates of commencement and termination of office for each member, as well as the frequency of attendance of each member in the meetings held in 2019.

Title	Name	Executive/ Non-Executive	Independence	Office Commencement	Office Termination	Board Member Attendance in 2019
Chairman	Haralambos (Harry) G. David	Non-executive		14/12/2017	14/12/2020	8/8
Vice Chairman	George G. Leventis	Non-executive		14/12/2017	14/12/2020	8/8
Chief Executive Officer	Nikolaos Mamoulis	Executive		14/12/2017	14/12/2020	8/8
Member	Loukas Komis	Non-executive		14/12/2017	14/12/2020	8/8
Member	Evangelos Kaloussis	Non-executive	Independent	14/12/2017	14/12/2020	8/8
Member	Ioannis Costopoulos	Non-executive	Independent	14/12/2017	14/12/2020	8/8

Member	Jeremy Jensen	Non-executive	Independent	14/12/2017	14/12/2020	8/8
Member	Stephen Graham Bentley	Non-executive	Independent	14/12/2017	14/12/2020	8/8
Member	Iordanis Aivazis	Non-executive	Independent	14/12/2017	14/12/2020	8/8

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 or other benefits, in accordance with the specific provisions of the Articles of Association, the law and Company's remuneration policy.

The remuneration of the members of the Board is presented in the annual remuneration report.

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

- 1) The Chairman of the Board is responsible, *inter alia*:
 - for the management of the Board, setting the items for discussion, taking into account the affairs of the Company and the items proposed by the other members, thus ensuring its efficient operation;
 - for the prompt provision of accurate and clear information to the Board, in collaboration with the Chief Executive Officer (CEO) and the Corporate Secretary;
 - for ensuring effective communication between the Board and the shareholders, forwarding the views of important investors to the Board and ensuring that such views are properly understood by the Board.
 - for the rational management and time allocation available to the Board for resolution of complex issues.
 - in association with the Chief Executive Officer (CEO) and the Corporate Secretary, for ensuring timely briefing and induction of new members in respect of their competences and management issues, through a special induction programme for new Board members.
 - for encouraging and ensuring the active participation of the other members of the Board.

- 2) The Chief Executive Officer (CEO) is responsible, *inter alia*:
 - for operating the day-to-day business of the Company, within the limits of his competences as laid down by the Board assisted by members of the Company's senior management
 - for deciding and approving any changes to the Company's organizational chart
 - for the management and day-to-day cooperation with the senior administration of the Company;

- 3) The Corporate Secretary is responsible, *inter alia*:
- for ensuring the participation of newly appointed members in the induction and training procedures that have been adopted For overall supervision of the Company's compliance with any statutory and regulatory requirements
 - for overall supervision of the Company's compliance with any statutory and regulatory requirements;
 - for overseeing the convention and holding of Annual General Meeting, according to the Company's Articles of Association.

B. Board Members' CVs

Haralambos (Harry) G. David

Chairman (non-executive member)

Mr. David was elected Chairman of the Board of Directors in November 2006. He has been a member of the Board of Directors since 2000. He began his career as a certified investment advisor with Credit Suisse in New York. He later held several executive positions within Leventis Group companies. He is a member of the Board of Directors of A.G Leventis (Nigeria) plc, the Nigerian Bottling Company plc, Beta Glass (Nigeria) plc, Ideal Group, Pikwik (Nigeria) Ltd. (which is a newly formed joint venture with Pick n Pay, South Africa), Elvida Foods S.A. Torval Investment Corp., Nephele Navigation Inc. 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, Hellenic Public Power Corporation and Emporiki Bank (Credit Agricole). He holds a business degree from Providence College.

George- Pavlos Leventis

Vice Chairman (non-executive member)

Mr. Leventis was appointed to the Board of Directors of Frigoglass as a non-executive member in April 2014 and currently holds the position of the Vice Chairman. 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 is also a member of the Board of Directors for HD Insurance Ltd. and Aristeus Financial Services

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 25 years of experience in senior financial positions within different business sectors. Before joining

Frigoglass, Mr. Mamoulis was with CCH for 12 years with his last position being that of Group Financial controller. Previous to that he also held the CFO position in Lafarge Heracles Group and the Boutaris Group. Mr. Mamoulis is a graduate of the Athens University of Economics and Business.

Loukas D. Komis

Member (non-executive)

Mr. Komis was appointed to the Board of Directors in July 1996. Currently, he also holds positions as Chairman of the Board of Directors of Ideal S.A. and of Recovery & Recycling S.A. and Vice-Chairman of the Federation of Hellenic Food Industries. In his long career in the appliance manufacturing sector, he has held senior management positions with Izola S.A. and CCH, where he also served as an executive Board member and has been an advisor to the Chairman since 2001. He holds a bachelor's degree in physics from Athens University, a master's degree in electrical engineering from the University of Ottawa and a master's degree in Business Administration from McMaster University, Ontario.

Evangelos Kaloussis

Member (independent non-executive)

Mr. Kaloussis was appointed to the Board of Directors in June 2006. He is Chairman of the Board of Directors 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 and vice president of the Foundation for Economic & Industrial Research (IOBE), while he is a member of the Board of Directors of Alpha Bank. During his professional career, he has held top management positions at 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 and in business administration from the University of Lausanne as well as a graduate degree from IMD.

Ioannis Costopoulos

Member (independent non-executive)

Mr. Costopoulos was appointed to the Board of Directors in March 2015.

Mr. Costopoulos is currently working for the company Société d'Etudes Techniques et Economiques S.A. (SETE S.A.) in London. He is a member of the Board of Directors of Furlis Holdings S.A. and Austriacard A.G. 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 Directors of Hellenic Petroleum Group with responsibility for the areas of international business activities and strategic development. From 2007 to 2015, he served as Chief Executive Officer of the Hellenic Petroleum Group and president of several of their 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 member of the Board of Directors of the Hellenic Federation of

Enterprises (SEV) and the Foundation for Economic & Industrial Research (IOBE) in Athens. He holds a bachelor's degree in economics from the University of Southampton, U.K. and a master's degree in Business Administration from the University of Chicago.

Jeremy Jensen

Member (independent non-executive)

Mr. Jensen was appointed to the Board of Directors in November 2017. Mr. Jensen is a financial and managerial consultant. He has comprehensive experience in both managerial and financial roles as a nonexecutive 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 Hospital Top Co (Holding Company of BMI Healthcare Group) and vice Chairman of the Chelsea and Westminster Hospital. Mr. Jensen is a qualified chartered accountant in the United Kingdom and holds a degree in Economics (Bsc) from the London School of Economics.

Iordanis Aivazis

Member (independent non-executive)

Mr. Aivazis was appointed to the Board of Directors in November 2017. He was born on 24th February 1950 in Cairo. He is a graduate from the University of Athens with a degree in Economics (Political and Economics Science Department). He completed his postgraduate studies at the University of Lancaster (Postgraduate Diploma in Economics) and holds a master of arts (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 Organization 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 Chairman of the Board of Directors of HCL, a subsidiary of Davidson & Kempner and Bain Capital Credit, being at the same time a special adviser of Bain for investment in Greece, as well as a non-executive Director of ELLAKTOR S.A. and an independent non-executive Director of Hellenic Petroleum S.A. He is also chair of the special liquidations committee of the Bank of Greece.

Stephen Graham Bentley

Member (independent non-executive)

Mr. Bentley was appointed to the Board of Directors in November 2017. Mr. Bentley is a Chartered Accountant (with bachelor's degree (Hons) in Accountancy) who has over thirty years' experience as Chief Financial officer of publicly quoted and private equity backed businesses in the United Kingdom. Mr. Bentley was previously group finance executive of Tricentrol PLC, which was a British 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 United Kingdom and in the United States; TDG PLC, a leading logistics

company in the United Kingdom with operations in continental Europe; and Brunner Mond PLC, a medium sized chemical manufacturer with production in the United Kingdom, 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 London Stock Exchange. 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 member of the Association of Corporate Treasurers.

C. *Operation of the Board of Directors*

The Board shall meet at the registered offices of the Company or alternatively abroad and specifically at a place where the Company operates through a subsidiary, whenever so required by the law or the needs of the Company. The Board held eight (8) meetings in 2019.

The items on the agenda of the Board meetings are notified to its members beforehand, enabling the members who are unable to attend to comment on the items to be discussed. The Board of Directors may join the meeting by teleconference with respect to some or all of its members, in accordance with paragraph 4 of article 90 of Law 4548/2018. In this case, the invitation to the members of the Board of Directors shall contain the information and technical instructions necessary for their attendance at the meeting.

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

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

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

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

A. Audit Committee

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

- the update of the Board regarding the outcome of the mandatory audit and the contribution of the latter in the integrity of the financial information, and for the role of the Audit Committee during the process;
- monitoring the process for provision of financial information and the submission of proposals or recommendations in order to ensure the integrity of the process;
- monitoring the effective operation of the internal audit, quality insurance 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 statutory audit of the annual and consolidated financial statements and, in particular, their performance, taking into account the findings of the competent authorities and being informed by management and the statutory auditor during the preparation and audit of the financial statements;
- Discuss with statutory auditors (prior to commencement of audit) the nature, scope and planning of the audit and make recommendations as appropriate;
- Discuss issues and reservations arising from interim and final audits and any issues that the statutory auditor may intend to discuss;
- 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;
- ensure the proper functioning of the Internal Audit Department;
- reviewing and monitoring of matters relating to the existence and safeguarding of the impartiality and independence of the legal statutory auditor or audit firm, particularly in relation to the provision to the Company of other services by the statutory auditors or audit firms;
- examines the quarterly reports of the Internal Audit Department;
- 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 statutory auditors or the audit firm concerning threats to its independence and applicable safeguards, if the total fees received from the Company, for each of the three consecutive financial years, represent more than fifteen percent (15%) of the total audit firm’s fees;

- Monitor compliance with the requirements for the suspension period prior to hiring previous auditors within the management or management bodies of the Company;
- the selection process of statutory auditors or audit firms;
- discusses with the statutory auditor the significant audit differences that have arisen during the audit and the weaknesses of the internal control system, in particular those relating to financial reporting procedures;
- recommends to the Board of Directors the person to be appointed Head of the Internal Audit Department;
- submits proposals to the Board of Directors regarding its recommendation to the General Meeting of shareholders regarding the appointment, reappointment and dismissal of the statutory auditor and audit firm, as well as the approval of the remuneration and the terms of their recruitment;
- Have frequent meetings with the Head of Internal Audit Department and discuss any challenges identified during internal audits;
- assesses 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 and the Ordinary General Meeting of the Company that took place on 24.6.2019, as per the provisions of Law 4449/2017 and are the following:

Chairman: Kyriakos Riris – independent non-member of the Board of Directors
 Member: Loukas Komis – non-executive Board member
 Member: Stephen Bentley¹ – independent, non-executive Board member

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

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

¹ Mr. Stephen Bentley was elected as member of the Audit Committee by virtue of the resolution of the Board of Directors dated 22.3.2019 and the resolution of the Annual General Meeting dated 24.6.2019 replacing the resigned Member of the Audit Committee, Mr. Ioannis Costopoulos.

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

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

The Audit Committee meets validly when at least two of its members are present, of whom one must be its Chairman. The Audit Committee held a total of four (4) meetings in 2019. 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 2018 annual financial statements and the 2019 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 2018 and their review of the 2019 half year Board of Directors report that forms part of the statutory reporting obligations of the Company.

Moreover, in 2019, 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 2018) on the Company's systems of internal control and reported to the Board on the results of its review.

B. Internal Audit Department

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

- monitoring the accurate implementation of and compliance with the Company's Articles of Association, Internal Regulation of Operation, directives, and local legislation;
- reporting cases of conflict of interests between members of the Board or managers and the interests of the Company;

- submitting written reports to the Board of Directors at least once each quarter on any important findings of the internal audits it has conducted;
- attending the General Meetings;
- cooperating with state supervisory authorities and facilitating them in their work.

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

C. Human Resources and Remuneration Committee

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

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

- Provide its assent for the recruitment or the replacement of the members of the Senior Management of the Company, which assist the Chief Executive Officer of the Company
- Submit proposals to the Board of Directors regarding any business policy in relation to remuneration
- Submit proposals to the Board of Directors regarding any business policy in relation to remuneration.
- Submit proposals to the Board of Directors regarding the remuneration package (salary and benefits) of the Chief Executive Officer of the Company
- Review and submit proposals to the Board of Directors regarding the total amount of the annual remuneration and benefits of the Senior Management of the Company on an annual basis
- Review and submit proposals to the Board of Directors (and through the Board of Directors to the General Meeting of Shareholders, where applicable), regarding the granting of stock option programs
- review of salaries annual report.

The Human Resources and Remuneration Committee, which is appointed by the Board, is comprised of not less than three (3) members and in particular its members as of the day of this statements are the following:

Chairman: George- Pavlos Leventis² - Non-executive member (Chairman since 12/11/2019)

Member: Iordanis Aivazis – Independent/ Non-executive member (Chairman of the Committee till 12/11/2019)

² Mr. George –Pavlos Leventis was elected a member of the Human Resources and Remuneration Committee pursuant to the decision of the Board of Directors dated 22.3.2019. The same decision of the Board of Directors of the Company (22.3.2019) approved the resignation of Mr. Charalambos David as a member of the Human Resources and Remuneration Committee

Member: Jeremy Jensen³ – Independent/Non-executive member
Member: Evaggelos Kaloussis - Independent/Non-executive member

The Chief Executive Officer, if invited and the HR Director, shall normally attend the 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 three (3) meetings in 2019.

D. 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 five members, three of which are non-executive, and is formed as follows:

Chairman: Haralambos (Harry) G. David - Non-executive member
Member: Nikolaos Mamoulis - Executive member
Member: Loucas Komis - Non-executive member
Member: Iordanis Aivazis⁴ – Independent/ Non-executive member
Member: Charalampos Gkoritsas - Chief Financial Officer

The Investment Committee held three (3) meetings in 2019.

4.7. Communication with Shareholders

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

³ Mr. Jeremy Jensen was elected a member of the Human Resources and Remuneration Committee pursuant to the decision of the Board of Directors dated 30.5.2019

⁴ Mr. Iordanis Aivazis was elected a member of the Investment Committee pursuant to the decision of the Board of Directors dated 30.5.2019

5) Risks and Uncertainties

For the year ended 31 December 2019, the Group reported a net profit of €5.6 million, compared to a net loss of €8.7 million in the year ended December 2018. The consolidated current liabilities of the Group reached €214.7 million, whereas its current assets amounted to €291.6 million.

The 1st Repetitive General Meeting of Frigoglass S.A.I.C. shareholders approved on July 5, 2019 the share capital reduction of €92.4 million through the reduction of the nominal value of each common registered share from €0.36 to €0.10 aiming at the formation of a special reserve of equal amount to offset accumulated losses. The offsetting of losses were implemented through the write-off of accumulated losses from the Company's account "Retained earnings". On October 9, 2019, the Ministry of Development and Investments (General Secretariat of Commerce and Consumer Protection) announced that the minutes of the aforementioned General Meeting were registered with the General Electronic Commercial Registry (G.E.MI.). Following the share capital reduction, the Company complied with the requirements of article 119 of the Companies Act 4548/2018. As of December 31, 2019, the Company's equity position was €26.6 million, accounting for more than half (1/2) of its share capital.

On February 12, 2020, Frigoglass S.A.I.C. through its subsidiary Frigoglass Finance B.V. (the "Issuer") issued €260.0 million in aggregate principal amount of 6.875% senior secured notes due 2025 (the "Notes"). The Notes were issued pursuant to an indenture dated February 12, 2020 (the "Indenture"). The Notes are guaranteed on a senior secured basis by Frigoglass S.A.I.C. and certain of our subsidiaries (the "Guarantors") and secured by certain assets of the Issuer and the Guarantors. The Notes mature on February 12, 2025. The Notes pay interest semi-annually on February 1 and August 1 of each year, commencing on August 1, 2020. The Notes have been admitted to trading on the Euro MTF Market of the Official List of Luxemburg Stock Exchange.

The proceeds of the Notes were used to repay amounts outstanding under certain of the group's credit facilities and to redeem the entire outstanding amount of the Second Priority Secured Notes due 2022 and the entire outstanding amount of its Senior Secured Guaranteed Notes due 2021.

The Indenture limits, among other things, our ability to incur additional indebtedness, pay dividends on, redeem or repurchase our capital stock, make certain restricted payments and investments, create or permit to exist certain liens, transfer or sell assets, merge or consolidate with other entities and enters into transactions with affiliates. Each of the covenants is subject to a number of important exceptions and qualifications.

The Group is exposed to a number of risks relating to its business. The principal risks and uncertainties outlined below are the ones the Company has identified on the date the 2019 Financial Statements were published, and could threaten its business model and future performance.

Principal Risks

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

Changes in general economic conditions directly affect consumer confidence and spending, as well as the general business environment and levels of business investment, all of which may directly affect our customers and, consequently, their demand for our products. In addition, consumer demand may be impacted by potential changes in consumer lifestyle, nutritional preferences and health-related concerns. Concerns over volatility of commodity prices, energy costs, geopolitical issues, and the availability and cost of financing might contribute to increased volatility and diminished expectations for the economy and global markets going forward. These factors, combined with declining global business, consumer confidence, and rising unemployment, might precipitate an economic slowdown. Continued weakness in consumer confidence and declining income and asset values in many areas, as well as other adverse factors related to the current weak global economic conditions have resulted in previous years, and may continue to result, in reduced spending on our customers' products and, thereby, reduced or postponed demand from customers for our products. Despite the role that our ICMs have in generating sales growth for customers, they constitute capital expenditure, and in periods of economic slowdown, our customers may reduce their investments, including ICM purchases, in efforts to preserve cash. Adverse economic conditions may cause our customers to forego or postpone new purchases in favor of repairing existing equipment. Any of the factors above could lead to reduced demand for our ICM products, or reductions in the prices of our products, or both, which would have a negative effect on the business, financial condition, results of operations and cash flows.

The Group depends on a small number of significant customers that have substantial leverage over suppliers and exert pressure on prices.

The Group derives a significant amount of its revenues from a small number of large multinational customers. For the year ended December 31, 2019, our five largest customers accounted for 71% and 80% of our net sales revenue in ICM and Glass Operations, respectively. The loss of any large customer, a decline in the volume of sales to these customers or the deterioration of their financial condition could adversely affect our business, results of operations, financial condition and cash flows.

CCH, our largest customer, accounted for 36% of the net sales revenue in our ICM Operations and approximately 28% of the net sales revenue of our Glass Operations for the year ended December 31, 2019. Our relationship with CCH is governed by the terms of a five-year supply agreement under which CCH purchases ICM units and relevant spare parts from us at prices and quantities negotiated annually. The contract does not include an exclusive supplier clause. With respect to our other ICM customers, sales agreements are typically negotiated on an annual basis and do not include an exclusive supplier for ICM and spare parts. In our Glass Operations, glass sales are primarily based on short-term fixed price contractual arrangements with various bottlers, which are negotiated annually. We cannot assure that we will successfully be able to renew our agreements with customers on a timely basis, or on terms reasonably acceptable to us or at all. Failure to renew or extend our sales agreements with customers, for any reason, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The Group is exposed to risks related to conducting operations in multiple countries, including political, economic, legal, regulatory and other risks and uncertainties which may adversely affect our business and results of operations.

The Group has a strong international presence, selling to more than 100 countries through our subsidiaries. Our operating results depend on the prevailing economic conditions in the markets we operate, such as the level of GDP growth, unemployment rates, interest rates, inflation, tax rates as well as other conditions which specifically affect our ICM and Glass Operations. We are also affected by the various political, legal, regulatory and other risks and uncertainties associated with conducting business in multiple countries.

A substantial portion of our international operations are in emerging markets, such as Nigeria and Russia, which experience their own unique risks and from time to time experience major changes in their policies and regulations.

The governments of Nigeria and Russia, as well as those of other emerging markets, exert significant influence over the economy, amending their policies and regulations and leading to measures including interest rate hikes, application of exchange controls, changes in taxation policies, imposition of price controls, currency devaluation, capital controls and restrictions on imports. Those changes may have a negative impact on our operations since they affect various factors such as interest rates, monetary policies, foreign exchange controls and limitations on remittances abroad, fluctuations in exchange rates, inflation and deflation, social instability, price fluctuations, crimes and non-enforcement of the law, political instability, and volatility in domestic economic and capital markets.

On June 20, 2016, a new flexible exchange rate regime was introduced in Nigeria, resulting in an immediate devaluation of approximately 42% to the previously fixed official rate. The impact of the sharp devaluation of the naira resulted in a significant decrease in our net equity and had a material adverse effect on our sales and operating profitability for the year ended December 31, 2016.

The financial risks of operating in emerging and developing markets also include, but are not limited to, the risk of liquidity, inflation, devaluation, price volatility, currency convertibility and transferability, the risk of the country breaching its obligations, and the risk of austerity measures imposed as a result of major deficits. Those factors have and will continue to affect our results, potentially resulting in our operations being suspended, our operating costs rising in those countries or our ability to repatriate profits from those markets being restricted.

The Group is exposed to foreign exchange rates and the impact of foreign exchange controls, which may adversely affect its profitability or ability to repatriate profits.

The Group operates internationally and generates a significant percentage of its revenue in currencies other than the euro, its reporting currency. As a result, our financial position and results of operations are subject to currency translation risks. We also face transactional currency exchange rate risks if sales generated in one foreign currency are accompanied by costs in another currency. Net currency exposure from sales denominated in non-euro currencies arises to the extent that we do not incur corresponding expenses in the same foreign currencies. In 2019, more than 50% of our net sales revenue was denominated in currencies other than the euro, mainly the Nigerian naira, the U.S. dollar, the Indian rupee, the South African rand, the Russian ruble and the Romanian leu. We are therefore subject to foreign currency exchange rate risk on cash flows related to sales, expenses, financing and investing transactions conducted in currencies other than the euro. Our subsidiaries with functional currencies other than the euro use natural hedging to limit their exposure to foreign currency risk.

In countries where the local currency is, or may become, convertible and/or monies can become transferable only within prescribed limits or for specified purposes, it may be necessary for us to comply with exchange control requirements and to ensure that all relevant permits are obtained before profits from our subsidiaries in these countries can be repatriated. We may be required to repatriate monies at exchange rates that differ from market terms and/or rates used for currency translation for our financial statements. Foreign exchange controls may result in major negative impacts on our business operations, financial and operating results, due to restrictions on the ability to repatriate profits and on the free flow of monies between our subsidiaries and other restrictions on export and import activities.

The Group faces intense competition in many of the markets in which it operates.

Our ICM Operations are subject to intense competition from regional competitors in specific markets. We generally compete based on price, design, the quality of service, product features, maintenance costs and warranties. In Europe, we believe that our main competitors in the ICM market are Metalfrio Solutions, UBC Group and Ugur, which are local manufacturers, most of which have low-cost manufacturing capabilities and compete with us on price. Although our customers that operate in Europe are price sensitive, they also take into account other factors such as the product's lifetime, energy consumption, serviceability and aesthetics. In Asia and Africa, our primary competitors are Sanden Intercool, Western Refrigeration, Haier and Metalfrio Solutions and customers are also price sensitive. Western Refrigeration is the key competitor in the Indian market. In the Middle East the main competitors are Everest Industrial, Sanden Intercool, Western Refrigeration, Ugur and Metalfrio Solutions.

In Glass Operations, our main competitor in terms of glass container manufacturers in West Africa is Glass Force and Sun Glass. We also compete with manufacturers of other forms of rigid packaging, principally plastic containers (PET) and aluminum cans, on the basis of quality, price, service and consumer preference. We also compete against manufacturers of non-rigid packaging alternatives. We believe that the use of glass bottles for alcoholic and non-alcoholic beverages in emerging markets is primarily subject to cost considerations.

Our Glass Operations are subject to limited competition due to our long history of operating in Nigeria. Furthermore, our Glass Operations in Nigeria and our ICM Operations in Russia and India benefit from significant barriers to entering or importing into those markets as a result of import duties and protective tariffs.

Any rise in competitive trends which result in pricing pressure and any inability on our part to respond, could negatively affect our profit margin and, consequently, our financial results and cash flows in future periods.

The Group is subject to risks associated with developing new products and technologies in its ICM Operations, which could lead to delays in new product launches and involve substantial costs.

Frigoglass aims to improve the performance, usefulness, design and other physical attributes of its existing products, as well as to develop new products to meet customers' needs. To remain competitive, we must develop new and innovative products on an on-going basis. We invest significantly in the research and development of new products, including environmentally friendly and energy-efficient ICM platforms. These expenditures may not result in commercially viable products that will be accepted by the market at the time of their completion or at all. As a result, our business is exposed to risks associated with developing new products and technologies such as (a) achieving energy consumption levels that match customer expectations, (b) cost optimization, (c) developing new refrigeration

technologies before the competition does and (d) developing innovative ICMs whose performance and unexpected technical problems can be monitored online. We cannot guarantee that we will be able to implement new technologies, or that we will be able to launch new products successfully. Our failure to develop successful new products may impact relationships with customers and cause existing as well as potential customers to choose to purchase used equipment or competitors' products, rather than invest in new products manufactured by us, which could have a material adverse effect on our business, financial condition and results of operations.

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

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

The primary raw materials relevant to our ICM Operations are steel, copper, plastics and aluminum. These raw materials are commodities, many of which are sold at prices linked to the U.S. Dollar. Occasionally, the purchase prices of some of these key raw materials increase significantly, also increasing our expenses. Our Glass Operations also require significant quantities of raw materials, especially soda ash (natural or synthetic), cullet (recycled glass), limestone and glass-sand. Increases in the price of raw materials can also be caused by suppliers' concentration that could intensify in the future and develop for the raw materials that we use. Any significant increase in the price of raw materials in the Glass Operations could negatively impact our operations, financial condition and results of operations.

We may not be able to pass on all or part of raw material price increases to our customers now or in the future. In addition, we may not be able to hedge successfully against raw material price increases. Furthermore, while in the past sufficient quantities of steel, copper and aluminum have been generally available for purchase, these quantities may not be available in the future and, even if available, they may not be at current prices. Further increases in the cost of these raw materials could adversely affect our operating margins and cash flows. If in the future we are not able to reduce product costs in other areas or pass raw material price increases on to customers, our margins could be adversely affected.

Increased or unexpected product liability claims, product warranty claims and claims from “epidemic” cases could adversely affect the Group.

The sale of our products involves a risk of product liability claims against us by our customers and third parties. While our quality management system provides for, among other things, in process control systems, we cannot exclude the possibility that some of our products or product batches will not meet all agreed specifications or quality requirements. A successful product liability claim or series of claims against us in excess of our product liability insurance, or outside the scope of coverage of our product liability insurance, or payments for which we are not indemnified or have not otherwise made provisions could have a material adverse effect on our business, financial condition and results of operations. From time to time, we may also experience voluntary or court-ordered product recalls. We expend considerable resources in connection with product recalls, which typically include the cost of replacing parts and the labor required to remove and replace any defective part.

Although we maintain warranty and epidemic reserves in an amount based primarily on the number of units shipped and on historical and anticipated warranty claims and epidemics, there can be no assurance that future warranty claims or epidemics will follow historical patterns or that we can accurately anticipate the level of future warranty claims or epidemic failure costs. An increase in the rate of warranty claims and epidemics or the occurrence of unexpected warranty claims and epidemics could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The Group is subject to extensive applicable governmental regulations, including environmental and licensing regulation, and to increasing pressure to adhere to internationally recognized standards of social and environmental responsibility, such as on climate change, which are likely to result in an increase in our costs and liabilities.

Our operations and properties, as well as our products, are subject to extensive international, EU, national, provincial and local laws, regulations and standards relating to environmental, health and safety protection. These laws, regulations and standards govern, among other things: emissions of air pollutants and greenhouse gases; water supply and use; water discharges; waste management and disposal; noise pollution; natural resources; product safety; workplace health and safety; the generation, storage, handling, treatment and disposal of regulated materials; asbestos management; climate change; and the remediation of contaminated land, water and buildings. The scope of these laws, regulations and standards varies across the different countries in which we operate. We require numerous environmental, health and safety permits issued by regulators to conduct our operations, including air permits, water and trade effluent discharge permits, water abstraction permits and waste authorizations. Failure to comply with these permits, laws and regulations, or to obtain and maintain the required permits, could subject us to criminal, civil and administrative sanctions and liabilities, including fines and

penalties, as well as operational constraints or shutdowns. Moreover, our business operations are energy intensive, which results in the air emission of nitrogen oxides, sulfur dioxide and combustion products such as greenhouse gases. Significant capital investment may be necessary at some sites to comply with future air emission restrictions.

In addition, public expectations for reduction in greenhouse gas emissions could result in increased energy, transportation and raw material costs and may require that we make additional investments in facilities and equipment. As a result, the effect of climate change could have a long-term adverse impact on our business and results of operations.

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

Furthermore, we may be required by relevant governmental authorities to maintain certain licenses or permits in the jurisdictions in which we operate. These licenses and permits are generally subject to a variety of conditions that are stipulated either within the licenses and permits themselves, or under the particular legislation or regulations governing the issuing authorities. The continuation of these licenses and permits may be subject to annual examinations or random inspections by the relevant authorities to ensure that the premises comply with all relevant regulations of the issuing authority. Any breach or material noncompliance with the regulations of the issuing authorities could harm our operating results, financial condition and reputation.

The Group may be subject to litigation, regulatory investigations and other proceedings that could have an adverse effect.

We are currently involved in certain litigation proceedings, and we anticipate that we will be involved in litigation matters from time to time in the future. The risks inherent in our business expose us to litigation, including personal injury, environmental litigation, litigation with contractual counterparties, intellectual property litigation, tax litigation and product liability lawsuits. We cannot predict with certainty the outcome or effect of any claim, regulatory investigation or other litigation matter, or a combination of these.

The emerging COVID-19 outbreak may have a negative impact on worldwide economic activity and the Group's business.

The rapid spread of COVID-19 outbreak on a global scale has resulted in increased travel restrictions and disruption and shutdown of businesses. The Group may experience impact from quarantines, market downturns and changes in customer behavior related to pandemic fears and impact on the Group's workforce if the virus becomes widespread in any of the Group's markets. In addition, the Group's customers, distribution partners, service providers or suppliers may experience

financial distress, file for bankruptcy protection, go out of business, or suffer disruptions in their business due to the coronavirus outbreak. At this point, the extent of the impact on the Group's results due to the coronavirus outbreak is uncertain.

The outbreak of COVID-19 is likely to have a further negative impact in 2020 on the global economy and, in the future, might impact the Group's operations or reduce demand for its products, any of which could have a significant negative impact on the Group's financial results in 2020 and beyond. Given the dynamic nature of this outbreak, however, the extent to which COVID-19 impact the Group's results will depend on future developments, which remain highly uncertain and cannot be predicted at this time. It is possible that the continued spread of COVID-19 could cause an economic slowdown or recession which could adversely affect the demand for the Group's products, or cause other unpredictable events, each of which could adversely affect the Group's business, results of operations or financial condition.

6) Events after Balance Sheet Date and Other Information

On February 12, 2020, Frigoglass S.A.I.C. through its subsidiary Frigoglass Finance B.V. (the "Issuer") issued €260.0 million in aggregate principal amount of 6.875% senior secured notes due 2025 (the "Notes"). The Notes were issued pursuant to an indenture dated February 12, 2020 (the "Indenture"). The Notes are guaranteed on a senior secured basis by Frigoglass S.A.I.C. and certain of our subsidiaries (the "Guarantors") and secured by certain assets of the Issuer and the Guarantors. The Notes mature on February 12, 2025. The Notes pay interest semi-annually on February 1 and August 1 of each year, commencing on August 1, 2020. The Notes have been admitted to trading on the Euro MTF Market of the Official List of Luxemburg Stock Exchange.

The proceeds of the Notes were used to repay amounts outstanding under certain of the group's credit facilities and to redeem the entire outstanding amount of the Second Priority Secured Notes due 2022 and the entire outstanding amount of its Senior Secured Guaranteed Notes due 2021.

The Indenture limits, among other things, our ability to incur additional indebtedness, pay dividends on, redeem or repurchase our capital stock, make certain restricted payments and investments, create or permit to exist certain liens, transfer or sell assets, merge or consolidate with other entities and enters into transactions with affiliates. Each of the covenants is subject to a number of important exceptions and qualifications.

The emerging COVID-19 outbreak may have a negative impact on worldwide economic activity and the Group's business.

The rapid spread of COVID-19 outbreak on a global scale has resulted in increased travel restrictions and disruption and shutdown of businesses.

The Group may experience impact from quarantines, market downturns and changes in customer behavior related to pandemic fears and impact on the Group's workforce if the virus becomes widespread in any of the Group's markets.

In addition, the Group's customers, distribution partners, service providers or suppliers may experience financial distress, file for bankruptcy protection, go out of business, or suffer disruptions in their business due to the coronavirus outbreak.

At this point, the extent of the impact on the Group's results due to the coronavirus outbreak is uncertain. The impact of this outbreak is a non-adjusting post balance sheet event as of 31 December 2019.

The outbreak of COVID-19 is likely to have a further negative impact in 2020 on the global economy and, in the future, might impact the Group's operations or reduce demand for its products, any of which could have a significant negative impact on the Group's financial results in 2020 and beyond. Given the dynamic nature of this outbreak, however, the extent to which COVID-19 impact the Group's results will depend on future developments, which remain highly uncertain and cannot be

predicted at this time. It is possible that the continued spread of COVID-19 could cause an economic slowdown or recession which could adversely affect the demand for the Group's products, or cause other unpredictable events, each of which could adversely affect the Group's business, results of operations or financial condition.

As regards the operations of the Company and its subsidiaries, management is monitoring the developments from the outbreak closely, and the Group follows guidance from the Greek and other relevant local health authorities and adheres to the requirements and actions as implemented by the Greek government and other local governments.

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.

7) Related Party Transactions

The related party transactions of the Company, in the sense used in IAS 24, are listed in the following table:

in € 000's		Year ended 31.12.2019									
Consolidated:		Sales of Goods		Purchases of Goods & Services		Receivables					
		164.512		1.183		14.189		Coca-Cola HBC AG Group			
								Coca-Cola HBC AG Group & A.G. Leventis (Nigeria) Plc.			
								Coca-Cola HBC AG Group			
Parent Company:		Sales of Goods	Income from Other Services & Assets Disposal	Income from Commissions on Sales	Management Fees	Expenses from Services fees	Purchases of Goods & Services	Receivables	Payables	Loans Payable	Interest expense
Frigoglass Cyprus Limited		4	-	-	-	-	-	2	-	1.552	72
Frigoglass South Africa Ltd		3	79	-	1.026	-	-	2.501	-	-	-
Frigoglass (Guangzhou) I.C.E. Co.		-	-	-	-	1.733	-	-	960	-	-
Frigoglass Indonesia PT		3	-	-	450	-	919	307	44	-	-
Frigoglass East Africa Ltd.		27	-	-	-	-	-	27	10	-	-
Frigoglass Romania SRL		816	299	102	10.111	-	20.482	3.688	15.572	-	-
Frigoglass Eurasia LLC		824	359	6	6.335	-	1.966	3.334	1.373	-	-
Frigoglass India PVT.Ltd.		11	-	30	906	402	411	5.932	168	-	-
Frigoglass Hungary Kft		4	-	-	-	-	-	2	-	-	-
Scandinavian Appliances A.S		3.768	-	-	-	-	-	11	-	-	-
Frigoglass Sp Zoo		2	-	-	-	-	-	2	-	-	-
3P Frigoglass Romania SRL		-	-	-	55	-	34	18	10	-	-
Frigoglass Global Ltd.		-	-	-	2.040	-	-	750	-	-	-
Frigoglass Industries (Nig.) Ltd		167	24	-	-	-	-	138	-	-	-
Beta Glass Plc.		136	-	-	-	-	-	78	-	-	-
Frigoinvest Holdings B.V.		-	-	-	-	-	-	-	-	28.002	1.464
Total		5.765	761	138	20.923	2.135	23.812	16.790	18.137	29.554	1.536
0		19.592	-	-	-	-	44	1.048	-	-	-
Grand Total		25.357	761	138	20.923	2.135	23.856	17.838	18.137	29.554	1.536
		Consolidated		Parent Company							
		31.12.2019	31.12.2018	31.12.2019	31.12.2018						
Fees of member of Board of Directors		385	360	385	360						
Short Term Employee Benefits		3.666	3.202	2.912	2.765						
Post Employment Benefits (pension)		302	307	261	267						
Long Term Employee Benefits		912	709	798	676						
Termination Benefits (exit payments)		-	260	-	260						
Total Management Compensation		4.880	4.478	3.971	3.968						

8) Research and Development

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

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

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

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

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

A. Structure of the Company's share capital

The Company's share capital amounts to **Euro 35.543.775,10** divided among **355.437.751 shares** with a nominal value of **Euro 0,10 each**.

All the shares are registered and listed for trading in the Securities Market of the Athens Exchange.

Each ordinary share entitles the owner to one vote and carries all the rights and obligations set out in law and in the Articles of Association of the Company.

The liability of the shareholders is limited to the nominal value of the shares they hold.

B. Limits on transfer of Company shares

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

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

On **31.12.2019** the following shareholders held more than 5% of the total voting rights of the Company:

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

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

D. Shares conferring special control rights

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

E. Limitations on voting rights

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

F. Agreements among Company shareholders

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

G. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association deviating from those provided by Law 4548/2018

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those provided by Law 4548/2018.

H. Authority of the Board of Directors or certain of its members to issue new shares or to purchase the own shares of the Company, pursuant of Law 4548/2018.

According to the provisions of article 24 par. 1 sub. b' and c' of Law 4548/2018, the General Meeting by its own decision, which is subject to the disclosure formalities of the article 13 of Law 4548/2018, may authorize the Board of Directors to increase the share capital by its own decision.

Also, according to the provisions of article article 113 of Law 4548/2018, by a resolution of the General Meeting passed under an increased quorum and majority in accordance with the provisions of articles 130 par. 3 and 4 and 132 par. 2 of Law 4548/2018, a programme can be established for the offer of shares to the Directors and to company personnel, as well as to personnel of affiliated companies, in the form of stock options, according to the more specific terms of such resolution, a summary of which is subject to the publicity formalities of article 13 of Law 4548/2018.

The par value of the shares offered may not exceed, in total, one tenth (1/10) of the paid-up capital on the date of the resolution of the General Meeting. The Board of Directors issues a decision regarding every other related detail which is not otherwise regulated by the General Meeting and, depending on the number of beneficiaries who have exercised their options, the Board of Directors decides on the corresponding increase of the Company's share capital and on the issuing of new shares.

According to the provisions of article 49 of Law 4548/2018, subject to prior approval by the General Meeting, the Company may acquire its own shares, under the responsibility of the Board of Directors, provided that the par value of the shares acquired, including the shares previously acquired and still held by the Company, does not exceed one tenth (1/10) of its paid-up share capital. The resolution of the

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

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

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

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

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

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

10) Non-Financial Performance Review - Sustainability

1. Business model

1.1. Business overview

Frigoglass is a strategic partner to the world's leading beverage brands.

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

1.2. Global presence

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

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

Cool Operations:

Europe			
Production Plants & Sales offices:	Romania, Russia		
Sales offices:	Norway,	Poland,	Germany,
	Hungary, Greece		

Cool Operations:

Asia & Africa	
Production Plants & Sales offices:	India, Indonesia, South Africa
Sales offices:	Kenya, Nigeria

Glass Operations:

Africa	
Production Plants & Sales offices:	Nigeria

1.3. Key objectives and strategy

In 2019, Frigoglass remained focused on its strategic priorities and continued creating value-adding, innovative, cold merchandising solutions for its customers around the world.

1.3.1. Customer focus

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

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

In 2019, our customer-centric culture continued its positive impact on the company revenue, proving the success of our highly effective commercial function for a consecutive year. Frigoglass key account management accelerated speed of translating market messages into actions, and high quality customer service across all regions and continents. In 2019 our Glass division delivered solid growth including more than 60% y-o-y growth in Exports across West Africa. Despite what was overall another muted year for manufacturers in Nigeria our output grew by a further 6% in terms of volume.

After significant growth in the Beer segment in 2018 due to the new brewery located in Sagamu, Ogun state, 2019 saw little growth in the segment with no new brand launches. The Spirits segment performed well, with both local and locally produced international Spirits brands showing good growth and the Food segment continued to grow with a number of new small-scale producers coming on stream. We managed both inbound and outbound supplies through the port of Apapa despite severe congestion and significantly increasing costs due to the use of barges to access the port and the knock on impact on truck and container availability. Our Crate operations were impacted by lower demand from customers with relatively new floats of crates, while our Crowns operations saw volumes grow by almost 28% driven by customers in the Beer segment.

In our Agbara plant, we carried out significant pre-work for our 2020 furnace capacity expansion project, which will pioneer the use of NNPB technology to enable the production of lightweight glass bottles and increase our installed capacity by 35,000 tons per year once completed. We also extended our marketing reach with attendance at a number of regional trade exhibitions to increase customer awareness of our wide product range and explain the benefits of glass containers to many new entrepreneurs seeking to launch new food and beverage products.

1.3.2. Innovation leader

New development tools

In 2019, we made extensive use of the Design for Manufacture and Assembly (DFMA™) methodology, a key initiative of 2018 focusing on product simplification through software aided lean design, developed in the USA and successfully applied in many leading industries worldwide. DFMA software aims to adopt processes yielding improved quality and cost efficiency while avoiding the generation of waste during the manufacture and on-site assembly phases of Frigoglass coolers. DFMA analysis not only provides insights and warns design teams about materials to avoid but also documents environmental compliance. Through product simplification, DFMA combines greater performance with fewer parts and guides Frigoglass design engineers to use the most sustainable and cost effective materials as well as manufacturing processes. It actually combines sustainability with innovative design techniques.

Materials in DFMA software are categorized as “preferred,” “non-preferred” and “avoid.” The latter category includes materials that are not RoHS-compliant. The software also estimates and designates the proportions of product that go to different end-of-life destinations, including reuse, recycling, landfill and incineration. These features support further our designers to incorporate sustainability requirements in the final product.

Market penetration

In 2019 the newly developed iSlim was launched, an ice-cold merchandiser of special slim design, easy to place in various locations. The market feedback was very positive and confirmed the expectations of this model’s potential to dominate the HoReCa channel.

In Africa during the previous year we had expanded the complete Super range of coolers, including the Subzero models for beer related product placements, into Hydrocarbon refrigerants. In 2019, a considerable volume of this new range was sold, confirming the decision to move to environmentally friendly refrigerants.

In Europe, we started implementing together with our big customers a standardization plan of the product and options portfolio, which was set and configured in the year before. This plan allows for common raw materials, less spare parts and waste, easier recycling and focus on sustainable sourcing of components.

The Flex cooler range, launched in 2017, has successfully established in the market, doubling its sales in 2019, compared to previous year. It is one of the core ranges of Frigoglass ICM portfolio with a wide portfolio of models covering various placement needs. Finally in Asia, and more specifically in India, we established the network for promotion and sales of “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 hardtop design, which are ideal for tropical climate, use natural refrigerants and operate with high energy efficiency.

Greener Product portfolio

In 2019, we launched 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.

Research & Development

The labs of India and Greece maintained their ISO17025 quality system as well as the Safety Accreditations of our Strategic Customers and third parties, securing their status as internationally recognized independent labs.

In addition, the lab in Romania initiated the extension of their ISO17025 accreditation scope to include standards that will allow Frigoglass to perform full safety certifications in Romania as well. At the same time, we have initiated the upgrade of our lab in Russia, with significant investments in equipment, infrastructures, personnel, and an ISO17025 Quality System. The ultimate target remains for Frigoglass to be able to test new configurations locally, avoiding transportation of samples to external labs, thus reducing time to commercialization and outbound freight, consequently total emissions.

Connectivity expansion

Our connectivity solutions have become integral part of our product offering. We provide connectivity capabilities and digital services, while enhancing technical excellence.

In 2019, about 50% of our sales included IoT enabled coolers, which is more than double compared to year before.

2. Management approach on key non-financial and sustainability aspects

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

2.1. Focus areas

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

Marketplace

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

Environment

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

Workplace

Our people are our greatest asset. Engaging and developing our people for the long term is our firm objective. We are therefore strongly committed to attracting, developing and

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

Community

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

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

3. Material issues and engagement with our stakeholders

3.1. Material issues

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

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

Our top ten material issues remain as follows:

1. Sustainable product design
2. Regulatory compliance
3. Product energy and material efficiency
4. Economic performance
5. Information security
6. Use of recyclable materials
7. Product lifecycle impact assessment
8. Customer satisfaction
9. Ethical business conduct and culture
10. Product solutions, connectivity and IoT
11. Occupational health and safety
12. Sustainable sourcing and supply chain
13. Inclusion, diversity and equal opportunities

3.2. Stakeholder engagement

At Frigoglass, we highly appreciate the role of stakeholders and the significance of their involvement when it comes to defining our sustainability strategy. Engaging with them is essential for understanding their needs and creating value for the organization. Their insight also helps us acquire a multi-angle perspective that supports our decision making process and ensures that our sustainability targets and actions respond to their concerns and meet their expectations. In the process of mapping our stakeholders, we have identified those for which we have legal, commercial or moral responsibility, such as our investors, clients and the communities in which we operate. Our employees and our suppliers are equally important stakeholder groups because we depend on them for our operation. Finally, we

are conscious of external groups, such as our business partners and product end users, who are influenced by our products and performance. Continuous dialogue and engagement with different stakeholder groups enable us to understand various perspectives, identify opportunities to improve our performance, create value for our customers and shareholders and set our sustainability targets. Integrity, transparency and compliance are the key principles behind all our engagement initiatives. Stakeholder engagement outcomes inform our strategy, risk management and resource allocation, and help us meet stakeholders' expectations and address their concerns.

Our ongoing engagement with our stakeholders helps us understand:

- The impact of our activities and how to handle them in a responsible manner
- The potential risks and opportunities associated with each stakeholder group and how we can effectively manage them in a proactive way
- The effectiveness of our sustainability strategy

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

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

4. Principal risks and their management

In 2019, we continued the implementation of the risk management identification process across our operations, which was an upgrade of our Operational Risk Management tool and update of our reporting system to better assess potential risks and develop mitigation actions.

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

The updated Operational Risk Management program consists of three major assessment categories. For each of them a series of issues and potential risks have been outlined to allow us to have an accurate overview of the risks at asset level i.e. in each individual plant. Under this program, climate change has been recognized as a key risk that relates to both business continuity and environmental management. Annual Environmental, Health and Safety audits have been carried out in each plant by third parties.

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

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

- The opportunities to reduce these risks.

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

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

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

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

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

4.1. Risks resulting from changes in climate-related regulations

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

Description
Participation in the EU ETS and introduction of similar schemes in the US and throughout the World may have a flow-on impact on the cost of business inputs such as electricity and fuels.

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

Description
Changes to refrigerant regulation, including phasing out or banning of different refrigerant gases.
Potential impact
Increased operational cost
Impact magnitude
Low-medium
Estimated implications
Frigoglass is fully equipped in all its plants to produce with HFC free refrigerants. Should additional changes to refrigerant types be required, it is estimated that costs of the magnitude of €3 million will be needed to upgrade production facilities.
Management method
Frigoglass is investing in research and development into alternative refrigerants and in 2019 , over 80% of our ICM placements worldwide were with Hydrocarbon (HC) refrigerants. Other refrigerant related projects include the development of cooling circuits that can operate with a lower HC charge to extend usage to larger size coolers.

4.2. Risks resulting from changes in physical climate parameters:

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

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

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

4.3. Risks resulting from changes from other climate-related developments:

Description
Damage to the reputation of Frigoglass as a provider of environmentally-friendly technologies by its customers and investors if the company fails to meet compliance requirements or is seen to be insufficiently managing all business risks associated with climate change.
Potential impact
Reduced demand for goods/ services
Impact magnitude
High
Estimated implications
The loss of Frigoglass reputation as a supplier of environmentally friendly technologies would have a significant financial impact as we could lose a large proportion of our customer base to other suppliers.
Management method
We manage reputation risk by maintaining our reputation as a leader in technology and innovation by funding our research hubs in Europe and Asia to ensure that our technology meets our customers’ needs for energy efficiency, natural refrigerants and IoT-enabled ICMs that allow for more efficient control of their operation and servicing.

Description
Expectations of major customers with respect to environmental performance (from a design and use perspective).
Potential impact
Reduced demand for goods/ services
Impact magnitude
High
Estimated implications
The financial implication of not being able to provide our customers with both supply chain management information and innovative emissions and energy-related

solutions pose a significant financial loss (up to 50% of sales) to Frigoglass if these customers move to other suppliers who can provide the required information, products and solutions.

Management method

As a technology and innovation leader in our sector, with research and development hubs in Europe, Asia and Africa, we are best positioned to provide global beverage companies with the most advanced product range to reduce their carbon footprint and address the rapidly rising energy costs. The innovations we develop then flow through to our capital investment strategies in our plants in order to equip manufacturing sites with the capability and capacity to manufacture newer models to meet the increasing demand, as well as supplier sourcing strategies to ensure the appropriate components are available in expected quantities and meet our supplier quality standards. In addition, Frigoglass has been collecting and reporting on carbon emission data since 2010 and continues to improve and refine its emissions data. It also reports on a range of sustainability indicators that would be of interest to our customers.

5. Marketplace

5.1. Economic performance and impact

Ensuring economic growth forms an integral part of Frigoglass' sustainable development. We aim to ensure that economic value is created on a constant basis and distributed among all stakeholders. At the same time we strive to fulfil the company's social and environmental responsibilities to the greatest possible extent. We are committed to achieving long-term economic growth, as well as generating and distributing broader economic value for our stakeholders.

Economic value is distributed through various means:

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

In pursuit of value creation, considerable effort has been put forward and several initiatives have been implemented which are directly related to it.

The financial performance of the group is presented in detail in 2019 Financial Statements.

5.2. Fair business practices

Our core values guide our actions, aiming at conducting business in a socially responsible and ethical manner. Our policies and procedures related to Human Rights, Business Ethics, Anti-Corruption and Bribery are effectively communicated to all (permanent) employees and business partners (e.g. customers and suppliers) through business contract terms and in-person regular online training programs. For our internal stakeholders, we run an e-learning platform, the "Frigoglass Academy", which offers systematic training and uses comprehension test to verify understanding of our policies. It also provides reliable statistical data on the population coverage of the training.

The training focuses on the following policies and takes place regularly with updated content, including policy revisions and newly introduced policies:

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

5.3. Responsible procurement and supplier assessment

Given the nature of our business model and our commercial relationships, responsible procurement is a particularly important matter for Frigoglass.

As a global corporation with plants operating in several countries, we always strive to establish honest working relationships with our suppliers which adhere to the principles of sustainable development. An audit process is in place for our largest and most important suppliers, as well as for all our new suppliers. Our objective is to continuously include a wider range of criteria into our supplier assessment processes and audit forms. This refers not only to operational issues, such as the mitigation of supply chain constraints, but also to sustainability aspects such as:

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

In 2018, Frigoglass entered a new chapter in Corporate Social Responsibility journey by launching a sustainable initiative to monitor social and environmental performance.

As a first step, in 2019 we reached our key Strategic & Cost Leverage Suppliers, which represent almost 40% of our Annual Raw Material Spend. In a period of 6 months, 10% of the participants successfully managed to complete their first annual review in this program. We are constantly working on engaging our supplier base to platforms that support business transparency in sustainability and provide an easy way to understand suppliers' performance against four key areas: Environment, Labour rights, Ethics, Sustainable procurement.

5.3.1. The Frigoglass Supplier Code

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

Compliance covers all activities throughout all Suppliers' premises and operations, including their own supply chain, whilst contracts may also contain specific provisions addressing these issues. By requiring our suppliers to comply with the requirements as outlined in the Supplier Code, Frigoglass helps "cascade" good practice throughout its supplier base and minimise its indirect negative impacts. By doing so, it is not only protecting its own reputation, but also the reputation of its suppliers – some of whom might be vulnerable to consumer activism. Suppliers are achieving a level of performance that is in line with our customers' own requirements (for example, requirements about supplier environmental performance). As part of our risk management strategy, compliance with the Frigoglass Supplier Code is subject to audit by Frigoglass or an independent third party. We have also revised our supplier auditing to give more weight to sustainability-related factors. In cases where Suppliers fail to comply with the requirements addressed in this Code, Frigoglass reserves the right to renegotiate and/or terminate an agreement.

New supplier audits	2014 - 2019
% of new suppliers assessed on sustainability criteria	100%
Instances of identified actual or potential negative impact on the assessment criteria	0

We assess a wide range of suppliers representing annual purchases of over 90% of our total group spent. Out of those over 40% have been audited on-site in the last 3 years. As part of our responsible procurement strategy, we run training programs on the sustainability criteria we place on our suppliers. As per Group target, in 2019 all our buyers completed the Sustainable Procurement training. Every new buyer of Frigoglass receives this obligatory training, as part of the standard employment process. In addition, we regularly conduct risk analysis on key purchasing categories to ensure security of supply. When we identify suppliers with high probability of non-compliance with our Supplier Code of Conduct, we manage supply chain risk by proactively finding potential suppliers with higher probability to comply.

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

Environment	Regulatory compliance Pollution and waste Use of recycled materials
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6. Environment

At Frigoglass, we are engaged in the preservation and conservation of the global environment and as such, we remain committed to reducing the environmental impact of our business. We closely monitor the impact of our products, processes, supply chain and operations on the environment and take concrete measures to minimize it. We follow environmentally conscious and sustainable business practices, which directly inform our corporate strategy and drive our approach to innovation. In the previous years, we made considerable progress towards minimizing the environmental impact of our products, rationalizing our manufacturing processes and improving the efficiency of our operations. We also systematically enhance environmental awareness through the environmental education of our employees through our e-learning platform, the “Frigoglass Academy”, with the objective to promote environmental awareness, among other things, throughout the company.

6.1. Product environmental stewardship

As a global manufacturer of beverage coolers, we are committed to designing and producing innovative products, which are energy efficient with minimum environmental impact. ICMs make up the most significant proportion of our customers’ carbon footprint, in some cases up to 50% of their overall footprint. Therefore, offering energy efficient solutions has long been an integral part of our product strategy and one of our main competitive advantages.

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

6.1.1. Improving environmental performance across our ICM range

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

- In close collaboration with our customers and suppliers, we gradually convert our product portfolio into a fleet of coolers with environmentally friendly refrigerants. The share of our so-called “Eco range” has grown considerably in the last years, reaching over 80% of our total ICM sales in 2019. Certain markets, such as South East Asia and India do not have yet the necessary infrastructure to support the transition to Hydrocarbon refrigerants, which is the reason that inhibits us from our 100% target of Eco-coolers sales.

Evolution of green ICM sales in relation to total ICM sales	2015	2016	2017	2018	2019
	48%	60%	70%	82%	82%

- In all our plants we have the manufacturing capability to use environmentally friendly refrigerants, so that we can quickly address potential future changes in refrigerant regulation and efficiently roll out new products.
- In 2019, we continued producing and selling the LC (low charge) version of our best-in-class ICOOL range. This has an optimized cooling mechanism for minimal energy consumption and carbon footprint.

6.1.2. Assessing the lifecycle of our ICMs

In 2018 we initiated a new lifecycle assessment (LCA) for an average cooler, from extraction of raw materials to disposal. Since our last LCA in 2014 several factors affecting the LCA result have changed, some of which are:

- Considerably reduced cooler energy consumption that leads to higher in-use energy efficiency over the product's life time
- Reduced emissions factors of relevant countries of ICM placement, which positively affects in-use energy efficiency as well

The analysis shows that the process with the most important environmental impact remains to be the product use in the market. In specific, around 70% of the impact comes from product use, 20% from raw materials and their sourcing, while the remaining 10% includes manufacturing, recycling and outbound transportation. The results indicate that all our actions in product development are focused on the right processes and areas that mostly affect the total CO2 footprint of the product.

6.1.3. Production of optimised bottles in our glass operations

In our Glass container operations, we continued lightweighting efforts, developing lighter returnable bottles, which in turn reduce the carbon footprint of our customers. We have also applied rightweighting processes in the development of one-way bottles and jars, for the spirits and food segments respectively, with optimized weight to ensure safe product transportation within Nigeria. A significant proportion of our production is returnable bottles, which are heavier than non-returnable or one-way containers, but have considerable benefits for the environment. These containers are heavier to withstand multiple trips in large glass bottles floats, but have considerable benefits for the environment as they can be used more than 25 times before being recycled as cullet and reused as part of the raw materials to make new bottles and jars. We have also collaborated with Wecyclers, a recycling company that aims to power social change by allowing people in low-income communities to capture value from their waste to generate additional cullet for re-use in our glass furnaces.

6.2. Energy efficiency of operations

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

- Replacement of plant illumination with high efficiency LED lighting and motion sensors for automated operation. Installation of skylight sheets on roof top to replace illumination through day light

- Disconnection of devices from power, when production stops, to avoid quiescent consumption
- Installation of lower energy consumption machines in high consuming areas of the manufacturing process e.g. metal processing
- Advancement of leakage detection systems e.g. in water, air, refrigerants
- Automation of heating and ventilation systems in the shop floor as well as separation of heating routing to dedicated operations for more efficient consumption control

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

In addition, as part of our environmental management system, all our operation facilities are certified as per ISO14001 in 2018, apart from one that is undergoing relevant preparation to be certified as well.

Apart from the regular investment we do every year in “green IT” systems in 2019 we initiated a bigger program extending through the Group ICM business and targeting improvement of our efficiencies in the internal processes along the value chain, from customer order to product delivery. That includes the areas of planning, raw material and final product transportation, warehousing and production. We expect this program to have a sizable positive impact on energy and emissions reduction within the products’ lifecycle.

6.2.1. Environmental protection expenditures

In our efforts to continuously enhance the sustainable character of our operations, every year we are allocating approximately 1% of our ICM sales revenue to projects related to improving energy efficiency in operations and reducing our environmental impact. As a result, we have never received grievances about the environmental impact of our operations as long as we monitor them.

6.3. Resource management and efficiency

At Frigoglass, we recognized early that our ICM operations are material-intensive. Since 2010, we have been monitoring and reporting on our material use, with the objective to keep rates of material consumption over produced volume at low levels, despite varying product mix. Furthermore, our Procurement cooperates with strategic suppliers to ensure that stock of raw materials is maintained at warehouses close to the plants. This helps avoid sub-optimal freights (e.g. by air) while still enables us to satisfy our customers’ needs for shorter delivery times. The following table shows the material quantities used in the last 4 years:

Tons of materials used in Cool operations

Tons of materials	Metals				Glass			
	2016	2017	2018	2019	2016	2017	2018	2019
Europe	10.066	13.106	14.619	16.522	3.996	5.233	5.275	7.650
Asia	6.330	6.012	5.250	6.900	1.647	1.552	1.147	1.321
Africa	2.127	1.743	1.977	1.789	602	498	971	1.196
Total	18.523	20.861	21.846	25.211	6.245	7.283	7.392	10.167

Tons of materials	Plastics				Refrigerants			
	2016	2017	2018	2019	2016	2017	2018	2019
Europe	1.105	1.438	2.399	2.436	37	42	25	35
Asia	2.490	2.311	1.327	877	32	24	26	17
Africa	163	120	0	183	14	4	3	4,1
Total	3.758	3.869	3.726	3.496	83	70	54	56

Tons of materials	Insulation				Paint			
	2016	2017	2018	2019	2016	2017	2018	2019
Europe	1.196	2.288	1.913	2.287	100	81	87	101
Asia	624	633	731	1.071	41	34	19	18
Africa	320	238	341	373,1	12	5	2	4,104
Total	2.140	3.159	2.984	3.731	153	120	108	123

Material consumption intensity in Cool operations

	2015	2016	2017	2018	2019
Tons of total material consumption	36.309	30.902	35.362	36.110	42.784
kg of materials / ICM standard units produced	61,7	61,6	56,1	54,4	53,7

The evolution of our material consumption demonstrates the payoff of our strategies, with steady year-by-year reduction of the materials used per ICM standard unit sale. Specifically for 2019 we managed to reduce material intensity by a further 1,3% compared to 2019.

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

Tons of materials used in Glass operations

Tons of materials	Silica sand				Cullet			
	2016	2017	2018	2019	2016	2017	2018	2019
Asia	51.952	33.895	0	0	8.484	37.265	0	0
Africa	84.517	73.859	89.722	91.213	65.294	83.588	82.869	86.684
Total	136.469	107.754	89.722	91.213	73.778	120.853	82.869	86.684

Tons of materials	Soda ash				Limestone powder			
	2016	2017	2018	2019	2016	2017	2018	2019
Asia	17.765	12.071	0	0	12.850	8.923	0	0
Africa	22.765	19.037	23.642	23.949	20.988	17.620	21.978	22.322
Total	40.530	31.108	23.642	23.949	33.838	26.543	21.978	22.322

Tons of materials	Other			
	2016	2017	2018	2019
Asia	8.638	6.996	0	0
Africa	5.002	4.667	5.577	5.995
Total	13.640	11.663	5.577	5.995

Material consumption intensity in Glass operations

	2015	2016	2017	2018	2019
Tons of total material consumption	313.748	298.255	297.921	223.788	230.163
kg of materials / Tons of production	1,99	1,22	1,36	1,30	1,26
% of recycled input materials (cullets)	28%	25%	41%	37%	38%

In 2019, although production in our Nigeria plants increased, material intensity continued to improve with an additional 3,1% reduction. In terms of recycled input materials, the share continued to remain at high levels.

6.4. Water consumption management

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

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

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

6.5. Waste management and control

In our ICM operations, hazardous and non-hazardous waste is generated from the manufacturing process of coolers.

Reducing waste from production, without undermining the effectiveness of the process, is a key priority for Frigoglass.

In 2019, the amount of general waste increased due to increasing production, however our waste intensity continued to decrease. In terms of recycling, our goal of reaching 90% recycling rates by 2020 was achieved and exceeded, reaching recycling levels of over 92,2%.

Tons of general waste generated in Cool operations

	2015	2016	2017	2018	2019
General waste	5.668	4.554	4.721	5.327	6.233
Recycled general waste	4.848	4.022	4.043	4.681	5.746
% Recycled waste	85,5%	88,3%	85,6%	87,9%	92,2%

At Frigoglass, we respect local legislation and comply with internal policies governing the handling of hazardous waste. No hazardous waste is shipped internationally, whilst all is collected from the plants by authorized agencies using their own transportation methods for further disposal and/or recycling.

Tons of hazardous waste generated in Cool operations

	2015	2016	2017	2018	2019
Hazardous waste	45,7	43,2	34,8	34,8*	33,6*
% change		- 3%	- 19%	- 0,2%	- 3,4%

* Accounting only for hazardous waste associated with production activities.

In 2019, we continued to limit the generation of hazardous waste associated with our production activities (reduced by a further 3.4% in relation to 2018), while an additional 20 tons are attributed to the disposal of obsolete stock.

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

7. Workplace

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

The following table refers to Frigoglass permanent employees in operational sites and Head Offices for 2018 and 2019 (not including seasonal staff):

	Permanent employees		Managerial		Non-Managerial	
	2018	2019	2018	2019	2018	2019
Head offices	77	85	44	45	33	40

Nigeria	737	806	78	81	659	725
India	232	237	14	14	218	223
Indonesia	175	174	10	10	165	164
Greece	97	-	11	-	87	-
Romania	1129	1165	19	20	1110	1145
Russia	624	777	18	16	606	761
South Africa	279	266	7	15	272	251
Total	3.350	3.510	201	201	3.150	3.309

We are always looking for ways to attract qualified personnel, to respect their aspirations and we remain committed to their continued professional growth. The data below reports on the diversity of our people for 2019:

2019	Male	Female	<30	31-40	41-50	>51
Head offices	54	31	4	28	35	18
Nigeria	782	24	51	203	255	297
India	235	2	37	130	62	8
Indonesia	147	27	22	94	56	2
Greece	-	-	-	-	-	-
Romania	784	381	392	302	343	148
Russia	675	102	159	347	174	97
South Africa	214	52	36	110	89	31
Total	2.891	619	701	1.214	994	601
	82%	18%	20%	35%	28%	17%

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

Next to Frigoglass Greece and Frigoglass India, in 2019 also Frigoglass Romania was added to our plants with the SA8000 Social Responsibility Standard. After Frigoglass Greece, last year Frigoglass India was also certified with ISO27001, the international standard for information security management systems.

7.1. Labour practices and human rights

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

Our Labour Relations policy ensures compliance with the national legislation, and internationally agreed human rights standards and regulations such as the Universal Declaration of Human Rights (UNDHR).

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

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

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

7.2. Diversity and equal opportunity

We aim to foster an inclusive environment where our people can meet and exceed their expectations, regardless of race, gender, or socioeconomic background, and conversely benefit from diversity to deliver the highest value to our stakeholders. Diversity and inclusion are a vital part of our corporate culture. During the recruitment process, we undertake a number of steps to ensure workforce diversity without any form of discrimination based on gender identity, ethnicity, national origin, age, disability, marital status or any other characteristics protected by law. We do not tolerate any form of harassment, abuse or exploitation.

Our Code of Business Conduct upholds our commitment to providing equal employment opportunities in the workplace and treating all employees without bias. Our Code of Conduct is read and signed by all employees during the hiring process. Besides that, it is an integral part of the training program of our new e-learning tool.

We provide non-discriminatory, fair employee compensation, and firmly believe that talent diversity has a direct impact on our success. We embrace diversity and celebrate our people's unique qualities, differences and similarities, so much that our success is attributed to it. Diversity is part of our culture that drives creativity and leads to innovative solutions for our customers. We are proud that there have been no recorded incidents of discrimination during the reporting period. Our internal audits and whistleblowing procedures are aiming at maintaining zero incident levels.

Frigoglass is committed to promoting gender diversity and equality in the workplace. We strive to provide equal job and advancement opportunities for men and women in our operations. Our goal is to become more gender balanced and gradually increase the representation of women in leadership positions.

The table below demonstrates our progress towards gender diversity in leadership positions with steady year by year increase of female representation, reaching 14,4% within 2019.

Governance personnel	2017		2018		2019	
	Male	Female	Male	Female	Male	Female
Head offices	43	0	6	0	6	0
Nigeria	68	8	72	6	74	7
UAE (Dubai)	5	0	-	-	-	-
India	15	3	14	0	14	0
Indonesia	6	4	6	4	6	4
Greece	11	0	10	0	-	-
Romania	16	3	14	5	12	4
Russia	14	3	14	4	12	4
South Africa	20	3	9	2	7	3
Total	198	24	145	21	131	22
	89,2%	10,8%	87,3%	12,7%	85,6%	14,4%

7.3. Occupational health and safety

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

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

We are committed to keeping workplace accidents at zero levels by applying and implementing various structural and technical measures, as well as conducting risk assessments on our facilities and equipment. More specifically, risk assessments are conducted on a periodic basis in order to promptly identify and mitigate potential hazards. They include the following steps:

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

In 2019 over 80% of our operational sites were certified per OHSAS 18001/ISO45001, after our India operations received the subject certification. In line with our commitment to workplace health and safety, we target to obtain Occupational health & safety certification for Indonesia operations soon too. In all our plants, we also implement a concrete and comprehensive safety management system, which is subject to strict approval processes. As part of this system, we closely monitor the accident frequency rates in all our plants and we are constantly working towards minimising them.

The above efforts have brought significant improvements in our health and safety performance with injury frequency and severity rates decreasing in relation to 2018. Specifically in 2019, injury frequency rate per 1000 hours of work was 0,31% (reduced by 46% in relation to 2018) and severity rate 0,29% (reduced by 57% in relation to 2018).

7.4. Employee training and career development

At Frigoglass we recognize the importance of employee training and development. We continuously try to provide our people with opportunities to grow professionally and resources to advance their career. The company ensures that all employees are equipped with the right mix of knowledge, skills and abilities to fulfil their job requirements. Frigoglass systematically invests in employee training, providing a wide range of training opportunities. We view employee training and development as an essential element of our success, as it effectively aligns action with objectives. The company puts emphasis on the development of technical skills and is committed to supporting employee professional advancement. We also provide training on ethical issues, such as anti-corruption, anti-competitive behaviour and human rights, which aim at further promoting an equal and fair working environment. The average hours of recorded training per employee in 2019 amounted to 29.

2019 was the second year of operation of the “Frigoglass Academy”, the online platform that provides a wide range of training courses to our people. The program addresses all our permanent employees with computer access and in the following years will also cover those currently lacking access. The program offers extensive training on our Code of Business Conduct, Values and core operating policies i.e. Human Rights, Labor, Environment, Speak-up and Health & Safety.

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

The new hires and employee turnover for 2019 are presented in the tables below:

2019	Total new hires	% workforce
Head offices	19	22,4%
Nigeria	96	11,9%
India	20	8,4%
Indonesia	2	1,1%
Greece	-	-
Romania	944*	81%
Russia	96*	12,4%
South Africa	9	3,4%
Total	1.186	34%

**New hires mainly reflect the increase in production shifts in 2019*

2019	Voluntary turnover	Total turnover, including dismissals and contract expirations
Head offices	5	10
Nigeria	13	32
India	16	19
Indonesia	3	3
Greece	-	-
Romania	741	887
Russia	44	45
South Africa	3	22
Total	825	1.018

Yours Faithfully,

The Board of Directors



Independent auditor’s report

To the Shareholders of “Frigoglass SAIC”

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of Frigoglass SAIC (Company and Group) which comprise the separate and consolidated balance sheet as of 31 December 2019, the separate and consolidated income statement and statements of comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2019, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

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

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

Independence

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

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

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The non-audit services that we have provided to the Company and its subsidiaries during the year ended 31 December 2019, are disclosed in the note 30 to the separate and consolidated financial statements.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of property, plant and equipment (Note 4 Critical Accounting Estimates and Judgments, Note 6 Property plant and equipment) (consolidated financial statements) At 31 December 2019, property, plant and equipment amount to €129.4mn for the Group and are presented at cost less accumulated depreciation and any impairment. Management tests non-financial assets subject to amortization for impairment whenever there are relevant indications of potential impairment.</p> <p>Challenging trading and operating conditions exist in some of the countries in which the Group operates, resulting in an increased risk of impairment. Based on the indicators that the carrying amount exceeds the recoverable amount, an impairment assessment has been performed for the following two cash generating units ('CGUs'), namely: Ice Cold Merchandisers (ICM) operations in India and Indonesia.</p> <p>This is a key audit matter for our audit given that management in determining the recoverable amount of each CGU (as the higher of fair value less costs to sell and value-in-use), exercised judgement in calculating the future cash flows of each CGU, (e.g. expectations on market development, and</p>	<p>We evaluated management's overall impairment testing process, including process for identifying indicators for impairment, preparation of impairment testing models as well as their review and approval.</p> <p>The key assumptions assessed per case included, the revenue growth rates, margin trends and discount rates.</p> <p>We discussed extensively with management, the suitability of the impairment model and reasonableness of the assumptions and with the support of our valuation specialists we performed the following procedures:</p> <ul style="list-style-type: none"> • Benchmarking key assumptions in management's valuation models with market trends and assumptions made in the prior year. • Testing the mathematical accuracy of the cash flow models and agreeing relevant data to approved business plans. • Assessing the reliability of management's forecast through a review of actual performance against previous forecasts. • Assessing the sensitivity of impairment tests to changes in significant assumptions <p>We validated the appropriateness of the related disclosures included in Note 6, in the financial statements.</p>



discount rates applied to future cash flow forecast.)

Details on the assumptions used are included in Note 6 “Property, plant and equipment”. In the year ended 31 December 2019, an impairment charge of €1.1 mn was recognized with respect to the Group’s operations in Indonesia, which was allocated to machinery and technical installation.

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

Uncertain tax positions

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

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

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

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

We challenged management’s key assumptions, in particular on cases where there had been significant developments with tax authorities, noting no significant deviation from our expectations. From the evidence obtained and in the context of the consolidated financial statements, taken as a whole, we consider the provisions in relation to uncertain tax positions as at 31 December 2019 to be appropriate.

Other Information

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



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

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

We considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018 and the Corporate Governance Statement required by article 152 of Law 4548/2018 has been prepared.

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

- The information given in the the Board of Directors' Report for the year ended at 31 December 2019 is consistent with the separate and consolidated financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150,151,153 and 154 of Law 4548/2018,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 152 of Law 4548/2018.

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

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

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the Board of Directors is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

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



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

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

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

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

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

2. Appointment

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 30/6/1999. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 21 years.

Athens, 19 March 2020



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Certified Auditors – Accountants
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152 32 Halandri
SOEL Reg. No 113

The Certified Accountant Auditor

Despina Marinou
SOEL Reg. No 17681

FRIGOGLASS S.A.I.C.
Commercial Refrigerators

Annual Financial Statements
for the period 1 January to 31 December 2019

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FRIGOGLASS S.A.I.C.

Income Statement

in € 000's



	Note	Consolidated		Parent Company	
		Year ended		Year ended	
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
Continuing operations:					
Revenue from contracts with customers	5 & 23	482.337	417.297	39.968	42.073
Cost of goods sold	30	(382.434)	(339.996)	(36.614)	(39.064)
Gross profit		99.903	77.301	3.354	3.009
Administrative expenses	30	(25.869)	(21.094)	(18.617)	(15.132)
Selling, distribution & marketing expenses	30	(22.843)	(20.736)	(4.222)	(4.669)
Development expenses	30	(3.755)	(3.585)	-	(2.648)
Other operating income	26	3.381	4.454	19.387	20.757
Other gains/<losses> - net	26	369	303	10.121	(11)
Impairment of fixed assets	6	(1.088)	(2.071)	-	-
Operating Profit / <Loss>		50.098	34.572	10.023	1.306
Finance costs	17	(21.276)	(24.703)	(1.561)	(1.799)
Finance income	17	3.504	3.536	4	1
Finance costs - net		(17.772)	(21.167)	(1.557)	(1.798)
Profit / <Loss> before income tax & restructuring costs		32.326	13.405	8.466	(492)
Restructuring gains/<losses>	28	(4.843)	(301)	(4.505)	-
Profit / <Loss> before income tax		27.483	13.104	3.961	(492)
Income tax expense	18	(13.883)	(13.863)	(192)	(779)
Profit / <Loss> after income tax expenses from continuing operations		13.600	(759)	3.769	(1.271)
Discontinued operations:					
Profit / <Loss> after income tax expenses from discontinued operations attributable to the shareholders of the company	29	-	(1.304)	-	-
Profit / <Loss> for the period		13.600	(2.063)	3.769	(1.271)
Attributable to:					
Non-controlling interests		8.034	6.645	-	-
Shareholders		5.566	(8.708)	3.769	(1.271)
Depreciation	30	22.868	19.791	1.872	3.542
EBITDA	27	74.054	56.434	11.895	4.848
Amounts in €					
Basic Earnings / <Loss> per share, after taxes attributable to the shareholders					
- Continuing operations	21	0,0157	(0,0208)	0,0106	(0,0036)
- Discontinued operations	21	-	(0,0037)	-	-
Total		0,0157	(0,0245)	0,0106	(0,0036)
Diluted Earnings / <Loss> per share, after taxes attributable to the shareholders					
- Continuing operations	21	0,0157	(0,0208)	0,0106	(0,0036)
- Discontinued operations	21	-	(0,0037)	-	-
Total		0,0157	(0,0245)	0,0106	(0,0036)

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

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



	Consolidated	
	Year ended	
	31.12.2019	31.12.2018
Profit / <Loss> after income tax expenses	13.600	(2.063)
Other Comprehensive Income:		
Items that will be reclassified to Profit & Loss in subsequent periods:		
Currency translation difference to company's shareholders	1.334	3.968
Currency translation difference to Non controlling interest	912	1.946
Discontinued operations: Currency translation differences recycled to P&L	-	(3.684)
Currency translation differences	2.246	2.230
Items that will be reclassified to Profit & Loss in subsequent periods	2.246	2.230
Items that will not be reclassified to Profit & Loss in subsequent periods:		
Actuarial gains/ <losses> (Note 32)	(50)	(413)
Items that will not be reclassified to Profit & Loss in subsequent	(50)	(413)
Other comprehensive income / <expenses> net of tax	2.196	1.817
Total comprehensive income / <expenses> net of tax	15.796	(246)
Attributable to:		
- Non-controlling interests	8.946	8.591
- Shareholders	6.850	(8.837)
	15.796	(246)
Total comprehensive income / <expenses> net of tax attributable to the shareholders of the company from:		
- Continuing operations	6.850	(9.409)
- Discontinued operations	-	572
	6.850	(8.837)
	Parent Company	
	Year ended	
	31.12.2019	31.12.2018
Profit / <Loss> after income tax expenses	3.769	(1.271)
Other comprehensive income:		
Items that will not be reclassified to Profit & Loss in subsequent periods:		
Actuarial gains/ <losses> (Note 32)	(50)	(413)
Items that will not be reclassified to Profit & Loss in subsequent periods	(50)	(413)
Total comprehensive income / <expenses> net of tax	3.719	(1.684)

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

FRIGOGLASS S.A.I.C.

Balance Sheet

in € 000's



	Note	Consolidated		Parent Company	
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
Assets:					
Property, plant & equipment	6	129.439	121.235	2.467	3.908
Right-of-use assets	19	5.312	-	997	-
Intangible assets	7	11.973	11.133	2.461	7.369
Investments in subsidiaries	14	-	-	60.005	60.005
Deferred tax assets	33	2.984	400	-	-
Other long term assets		2.067	3.323	77	78
Total non current assets		151.775	136.091	66.007	71.360
Inventories	8	107.250	101.739	-	2.232
Trade receivables	9	97.523	77.606	5.199	3.952
Other receivables	10	28.791	27.441	1.346	1.005
Current tax assets		3.880	4.163	-	-
Intergroup receivables	20	-	-	16.790	13.087
Cash & cash equivalents	11	54.170	49.057	1.402	2.352
Total current assets		291.614	260.006	24.737	22.628
Total Assets		443.389	396.097	90.744	93.988
Liabilities:					
Non current borrowings	13	223.458	227.998	-	-
Lease Liabilities	19	3.419	-	523	-
Deferred tax liabilities	33	18.149	16.698	-	-
Retirement benefit obligations	32	4.462	6.582	3.068	5.480
Intergroup bond loans	13	-	-	29.554	26.480
Other long term liabilities	36	2.327	887	1.908	720
Provisions	31	4.326	3.468	-	-
Total non current liabilities		256.141	255.633	35.053	32.680
Trade payables		81.450	77.643	4.130	6.051
Other payables	12 & 36	64.251	51.052	6.359	4.348
Current tax liabilities	36	11.666	7.467	-	-
Intergroup payables	20	-	-	18.137	28.355
Current borrowings	13	55.260	47.261	-	-
Lease Liabilities	19	2.059	-	497	-
Total current liabilities		214.686	183.423	29.123	38.754
Total Liabilities		470.827	439.056	64.176	71.434
Equity:					
Share capital	15	35.544	127.958	35.544	127.958
Share premium	15	(33.801)	(33.801)	(33.801)	(33.801)
Other reserves	16	(10.319)	(11.948)	25.758	25.463
Accumulated earnings /<losses>		(76.264)	(174.194)	(933)	(97.066)
Equity attributable to equity holders of the parent		(84.840)	(91.985)	26.568	22.554
Non-controlling interests		57.402	49.026	-	-
Total Equity		(27.438)	(42.959)	26.568	22.554
Total Liabilities & Equity		443.389	396.097	90.744	93.988

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



	Consolidated						
	Share Capital	Share premium	Other reserves	Accumulated <losses>	Total	Non - Controlling Interests	Total Equity
Balance at 01.01.2018	127.958	(33.801)	(12.232)	(165.073)	(83.148)	40.883	(42.265)
Profit / <Loss> for the period	-	-	-	(8.708)	(8.708)	6.645	(2.063)
Other Comprehensive income / <expenses> net of tax	-	-	284	(413)	(129)	1.946	1.817
Total comprehensive income / <expenses> net of taxes	-	-	284	(9.121)	(8.837)	8.591	(246)
Dividends to non-controlling interests	-	-	-	-	-	(448)	(448)
Total Transactions with owners in their capacity as owners	-	-	-	-	-	(448)	(448)
Balance at 31.12.2018	127.958	(33.801)	(11.948)	(174.194)	(91.985)	49.026	(42.959)

Balance at 01.01.2019	127.958	(33.801)	(11.948)	(174.194)	(91.985)	49.026	(42.959)
Profit / <Loss> for the period	-	-	-	5.566	5.566	8.034	13.600
Other Comprehensive income / <expenses> net of tax	-	-	1.334	(50)	1.284	912	2.196
Total comprehensive income / <expenses> net of taxes	-	-	1.334	5.516	6.850	8.946	15.796
Dividends to non-controlling interests	-	-	-	-	-	(570)	(570)
Share capital decrease (Note 15)	(92.414)	-	-	92.414	-	-	-
Share option reserve (Note 16)	-	-	295	-	295	-	295
Total Transactions with owners in their capacity as owners	(92.414)	-	295	92.414	295	(570)	(275)
Balance at 31.12.2019	35.544	(33.801)	(10.319)	(76.264)	(84.840)	57.402	(27.438)

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

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



	Parent Company				Total Equity
	Share Capital	Share premium	Other reserves	Accumulated <losses>	
Balance at 01.01.2018	127.958	(33.801)	25.463	(95.382)	24.238
Profit / <Loss> for the period	-	-	-	(1.271)	(1.271)
Other Comprehensive income / <expenses> net of tax	-	-	-	(413)	(413)
Total comprehensive income / <expenses> net of taxes	-	-	-	(1.684)	(1.684)
Total Transactions with owners in their capacity as owners	-	-	-	-	-
Balance at 31.12.2018	127.958	(33.801)	25.463	(97.066)	22.554
Balance at 01.01.2019	127.958	(33.801)	25.463	(97.066)	22.554
Profit / <Loss> for the period	-	-	-	3.769	3.769
Other Comprehensive income / <expenses> net of tax	-	-	-	(50)	(50)
Total comprehensive income / <expenses> net of taxes	-	-	-	3.719	3.719
Share capital decrease (Note 15)	(92.414)	-	-	92.414	-
Share option reserve (Note 16)	-	-	295	-	295
Total Transactions with owners in their capacity as owners	(92.414)	-	295	92.414	295
Balance at 31.12.2019	35.544	(33.801)	25.758	(933)	26.568

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

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



	Note	Consolidated		Parent Company	
		Period ended		Period ended	
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profit / <Loss> for the period		13.600	(2.063)	3.769	(1.271)
Adjustments for:					
Income tax expense	18	13.883	13.863	192	779
Depreciation		22.868	19.791	1.872	3.542
Provisions		5.932	3.517	1.404	477
Provisions for non Cash employee share based payments		295	-	295	-
Restructuring gains/<losses>		3.879	-	3.479	-
Impairment of fixed assets	6	1.088	2.071	-	-
Finance costs, net	17	17.772	21.412	1.557	1.798
Profit/<Loss> of the Sale of Subsidiary	29	-	(6.817)	-	-
Loss/<Profit> from disposal of property, plant & equipment	26	(374)	(293)	(10.121)	11
Changes in working capital:					
Decrease / (increase) of inventories		(7.566)	(2.325)	2.286	(435)
Decrease / (increase) of trade receivables		(18.944)	4.743	(1.247)	271
Decrease / (increase) of intergroup receivables	20	-	-	(3.701)	1.226
Decrease / (increase) of other receivables		(1.238)	(4.363)	(533)	515
Decrease / (increase) of other long term receivables		(1.136)	42	(1)	36
(Decrease) / increase of trade payables		3.188	17.923	(1.922)	2.307
(Decrease) / increase of intergroup payables	20	-	-	5.210	4.460
(Decrease) / increase of other current & non current liabilities		8.303	158	2.136	302
Retirement benefit obligations paid	32	(5.641)	(8.182)	(5.613)	(617)
Less:					
Income taxes paid		(10.800)	(18.791)	-	-
(a) Cash flows from / (used in) operating activities		45.109	40.686	(938)	13.401
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(25.868)	(31.648)	(204)	(214)
Purchase of intangible assets	7	(4.586)	(4.576)	(865)	(2.944)
Proceeds from disposal of property, plant & equipment		375	1.530	-	2
Proceeds from disposal of subsidiary		2.391	972	-	-
(b) Net cash flows (used in) / from investing activities		(27.688)	(33.722)	(1.069)	(3.156)
Net cash generated from operating and investing activities (a) + (b)		17.421	6.964	(2.007)	10.245
Cash flows from financing activities					
Proceeds from borrowings	13	126.409	111.646	-	-
<Repayments> of borrowings	13	(122.979)	(112.305)	-	-
Proceeds from intergroup loans	13	-	-	10.200	10.200
<Repayments> of intergroup loans	13	-	-	(6.839)	(17.906)
Interest paid	13	(13.948)	(10.938)	(1.816)	(1.185)
Payment of Lease Liabilities		(1.788)	-	(488)	-
Dividends paid to non-controlling interests		(570)	(448)	-	-
(c) Net cash flows from / (used in) financing activities		(12.876)	(12.045)	1.057	(8.891)
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		4.545	(5.081)	(950)	1.354
Cash and cash equivalents at the beginning of the period		49.057	53.130	2.352	998
Effects of changes in exchange rate		568	1.008	-	-
Cash and cash equivalents at the end of the period		54.170	49.057	1.402	2.352

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

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

Notes to the Financial Statements

Note 1. General Information

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

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

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

The address of its registered office is:

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

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

The financial statements have been approved by the Board of Directors on **18 March 2020** and are subject to the approval of the Shareholders General Assembly.

Note 2. Summary of Significant Accounting Policies

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

2.1 Basis of Preparation

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

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

Differences that may exist between the figures of the financial statement and those of the notes are due to rounding. Wherever it was necessary, the comparative figures have been reclassified in order to be comparable with the current year's presentation. Refer to **Note 36**.

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

For the year ended 31 December 2019, the Group reported a net profit of €5.6 million, compared to a net loss of €8.7 million in the year ended December 2018. The consolidated current liabilities of the Group reached €214.7 million, whereas its current assets amounted to €291.6 million.

The 1st Repetitive General Meeting of Frigoglass S.A.I.C. shareholders approved on July 5, 2019 the share capital reduction of €92.4 million through the reduction of the nominal value of each common registered share from €0.36 to €0.10 aiming at the formation of a special reserve of equal amount to offset accumulated losses. The offsetting of losses were implemented through the write-off of accumulated losses from the Company's account "Retained earnings". On October 9, 2019, the Ministry of Development and Investments (General Secretariat of Commerce and Consumer Protection) announced that the minutes of the aforementioned General Meeting were registered with the General Electronic Commercial Registry (G.E.MI.). Following the share capital reduction, the Company complied with the requirements of article 119 of the Companies Act 4548/2018. As of December 31, 2019, the Company's equity position was €26.6 million, accounting for more than half (1/2) of its share capital.

On February 12, 2020, Frigoglass S.A.I.C. through its subsidiary Frigoglass Finance B.V. (the "Issuer") issued €260.0 million in aggregate principal amount of 6.875% senior secured notes due 2025 (the "Notes"). The Notes were issued pursuant to an indenture dated February 12, 2020 (the "Indenture"). The Notes are guaranteed on a senior secured basis by Frigoglass S.A.I.C. and certain of our subsidiaries (the "Guarantors") and secured by certain assets of the Issuer and the Guarantors. The Notes mature on February 12, 2025. The Notes pay interest semi-annually on February 1 and August 1 of each year, commencing on August 1, 2020. The Notes have been admitted to trading on the Euro MTF Market of the Official List of Luxemburg Stock Exchange.

The proceeds of the Notes were used to repay amounts outstanding under certain of the group's credit facilities and to redeem the entire outstanding amount of the Second Priority Secured Notes due 2022 and the entire outstanding amount of its Senior Secured Guaranteed Notes due 2021.

The Indenture limits, among other things, our ability to incur additional indebtedness, pay dividends on, redeem or repurchase our capital stock, make certain restricted payments and investments, create or permit to exist certain liens, transfer or sell assets, merge or consolidate with other entities and enters into transactions with affiliates. Each of the covenants is subject to a number of important exceptions and qualifications.

2.2 Consolidation Principles and Business Combinations

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

The Company accounts for investments in subsidiaries in its separate financial statements at historic cost less impairment losses. Impairment losses are recognised in the income statement.

b) Changes in ownership percentages

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

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

c) Business combinations

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the group,

- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. Whenever the cost of the acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of contingent consideration classified as financial liabilities are recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

2.3 Segment reporting

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

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

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

For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Euro, which is the presentation currency for the consolidated financial statements.

2.4.2 Transactions and balances

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

2.4.3 Group companies

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

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date.
- Income and expenses for each income statement and statement of comprehensive income are translated at the average exchange rate of the reporting period, unless this average is not a reasonable approximation of the cumulative effect of the exchange rates prevailing on the transaction dates, in which case the rate on the date of the transaction is used.
- All resulting exchange differences are recognised in other comprehensive income as a separate component of equity.

On the disposal of a foreign operation, the cumulative exchange differences relating to that particular foreign operation, presented as a separate component of equity, are reclassified to the income statement as part of the gain or loss on sale.

Goodwill and other fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Property plant and equipment

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

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

Depreciation is calculated using the straight-line method to allocate the cost of the assets net of their residual values over its estimated useful life as follows:

Buildings	up to 40 years
Vehicles	up to 6 years
Glass Furnaces	up to 10 years
Glass Molds	2 years
Machinery	up to 15 years
Furniture & Fixtures	up to 6 years

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

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

In the case where an asset's carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference (impairment loss) is recorded as expense in the income statement.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

2.6 Intangible assets

2.6.1 Research Expenses

Research expenditure is recognised as an expense as incurred.

2.6.2 Development Expenses

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures are recognised as an expense in the income statement as incurred. Development costs that have a finite useful life and that have been capitalised, are amortised from the commencement of the asset's production on a straight-line basis over the period of its useful life, not exceeding 5 years.

2.6.3 Computer software

Acquired software licenses are carried at acquisition cost less accumulated amortisation, less any accumulated impairment. They are amortised using the straight-line method over their useful lives, not exceeding a period of 10 years.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the criteria specified in 2.6.3 are met. Directly attributable costs that are capitalised as part of the software include employee costs.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Computer software maintenance costs are recognised as expenses in the income statement as they incur.

2.6.4 Patterns and Trademarks

Separately acquired patents, trademarks and licenses are shown at historical cost less accumulated amortization and less any accumulated impairment.

These costs may be acquired externally.

They have a finite useful life, and are amortized using the straight-line method over a maximum period of 15 years.

2.7 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually, more frequently if events or changes in circumstances indicate that their carrying amount may not be recoverable. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.8 Financial assets

(i) Classification

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

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

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

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

(ii) Recognition and derecognition

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

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are

directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. The Group's debt instruments are measured at amortised cost given that they are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(iv) Impairment

From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group currently does not hold any debt instruments. For the accounting policy related to trade receivables and cash and cash equivalents, refer to notes 2.11 and 2.12 respectively. For a description of the Group's impairment policies refer to note 3.1.b.

2.9 Inventories

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

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

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

2.10 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60- 180 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. For a description of the Group's impairment policies refer to note 3.1.b.

2.11 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Share capital

Ordinary shares are classified as equity.

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

When the Company or its subsidiaries purchase the Company's, own equity instruments the amount paid - including any attributable incremental external costs net of income taxes - is deducted from total shareholders' equity as treasury shares until they are cancelled or reissued. Where such shares are subsequently sold or reissued, any proceed received is included in shareholders' equity.

2.13 Borrowings

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

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

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

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

2.14 Current and Deferred income taxes

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

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

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

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

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

Deferred income taxation is determined using tax rates that have been enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the related deferred income tax liability is settled. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

2.15 Trade Payables

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

2.16 Employee benefits

2.16.1 Post-employment obligations

Group entities operate various post-employment schemes in accordance with the local conditions and practices in the countries they operate. Post-employment obligations include both defined benefit and defined contribution pension plans.

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

The liability regarding defined benefit pension or voluntary redundancy plans, including certain unfunded termination indemnity benefits plans, is measured as the present value

of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated on an annual basis, by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates applicable to high quality corporate bonds or government securities that are denominated in the currency in which the benefits will be paid, with terms approximating to the terms of the related obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions recognised in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

For defined contribution plans, the Group pays contributions to privately administered pension insurance plans on a voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.16.2 Termination benefits

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

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

2.16.3 Profit-sharing and bonus plans

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

2.16.4 Share-based payments

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

The fair value of options granted is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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

2.17 Provisions

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

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

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

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

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

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

Provisions are measured at the present value of the expenditures that, according to the management's best estimations, are expected in order to settle the current obligation at the balance sheet date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

2.18 Revenue recognition

(i) Revenue from sale of goods and sale of services

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

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

(ii) Sales of goods

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

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

The group's obligation to repair or replace fully faulty commercial refrigerator units under the standard and extended warranty terms is recognised as a provision. **Note 31.**

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

(iii) Sales of services

The ICM segment provides also logistic services, extended warranty services and refurbishment services under fixed price contracts. Revenue from providing services is recognised over time in the accounting period in which the services are rendered. Extended

warranty revenue is recognised based on actual service provided at the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses benefits simultaneously.

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

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

(iv) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

(v) Dividend income

Dividend income are recognised as other income in profit or loss (whether relating to interim dividends or final dividends) is recognised when the right to receive payment is established.

2.19 Dividend distribution

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

2.20 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Group entity will comply with all attached conditions.

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

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

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

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

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent

increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

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

2.22 Leases

Information for leases where the Group is a lessee.

The group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 2 to 5 years but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate,
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- a) the amount of the initial measurement of lease liability
- b) any lease payments made at or before the commencement date less any lease incentives received
- c) any initial direct costs, and
- d) restoration costs at the expense of the lessee in order to disassemble and remove the underlying asset, to restore the premises where it has been located, or to restore the underlying asset to the condition provided by the terms and conditions of the lease.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

Information for leases where the Group is a lessor

Lessors continue to classify leases as operating or finance leases.

Lease income from operating leases where the group is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

As at 31.12.2019 there were no instances whereby the Group was a lessor.

Leases – IAS 17 applicable up to 31 December 2018

a) When a Group company is the lessee

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

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

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

b) When a Group company is the lessor

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

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

As from 1 January 2019 this accounting policy has been updated based on the new IFRS 16 standard as described above.

2.23 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**.

The Group applied for the first time, IFRS 16 (Leases) and disclosed below, as required by IFRSs, the nature and effect of these changes. Several other amendments and interpretations were also applied for the first time in 2019 but, other than the classification effect of IFRIC 23, they do not have a significant impact on the consolidated financial statements of the Group for the year ended 31 December 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 has adopted IFRS 16 Leases retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. For the effect of adoption IFRS 16 as at 1 January 2019 refer to **Note 19**.

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. Upon adoption of the interpretation, the Group proceeded with the reclassification of €1.600 has from Other payables to Current tax liabilities. Refer to **Note 36**.

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.

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 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 3. Financial Risk Management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, commodity price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's risk management programme focuses on the volatility of financial markets and seeks to minimise potential adverse effects on the Group's cash flows.

Group Treasury carries out risk management under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's subsidiaries. The Board of Directors has approved the Treasury Policy, which provides the control framework for all treasury and treasury-related transactions. The Group Treasury does not perform speculative transactions or transactions that are not related to the Group's operations.

Market Risk

1) Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk on future transactions, recognised monetary assets and liabilities that are denominated in currencies other than the local entity's functional currency.

To mitigate the exposure of our subsidiaries with functional currencies other than the euro to foreign currency risk we use natural hedging by matching, to the maximum possible 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, we may use derivatives, mainly in the form of forward foreign exchange currency contracts. In some cases when derivatives are either not accessible or at very high hedging cost, we may decide to allow our foreign exchange exposure to remain unhedged. Recently, derivatives have not been used, only natural hedging of exchange rate risks to the extent that this is feasible.

The following tables presents the sensitivity of the Group to reasonable shifts in exchange rates, based on historical volatility. Calculations are based on each subsidiaries exposure of having monetary assets and liabilities in currencies other than their functional currencies. The sensitivity analysis includes outstanding foreign currency denominated monetary items, external loans and loans between operations within the Group where the denomination of the loan is in a currency other than the functional currency of the local entity.

Exchange risk sensitivity 31.12.2019			
		Total P&L effect of positive movements	Total P&L effect of negative movements
Currency	% historical volatility over a 12-month period	(Gain)/loss in income statement € million	(Gain)/loss in income statement € million
USD/EUR	5,0%	909	-909
PLN/EUR	3,2%	-34	34
NOK/EUR	5,6%	90	-90
RON/EUR	1,9%	-14	14
ZAR/EUR	11,9%	-1.187	1.187
NAIRA/EUR	5,1%	2.039	-2.039
RUB/EUR	7,3%	-645	645
INR/EUR	6,6%	-416	416
HUF/EUR	4,2%	-33	33
NAIRA/USD	1,1%	290	-290
IDR/USD	5,1%	124	-124
ZAR/USD	15,3%	564	-564
INR/USD	5,3%	324	-324
NOK/USD	8,8%	-6	6
Total		2.006	-2.006

Exchange risk sensitivity 31.12.2018			
		Total P&L effect of positive movements	Total P&L effect of negative movements
Currency	% historical volatility over a 12-month period	(Gain)/loss in income statement € million	(Gain)/loss in income statement € million
USD/EUR	7,3%	224	-224
PLN/EUR	4,2%	-30	30
NOK/EUR	5,4%	150	-150
RON/EUR	2,1%	-59	59
ZAR/EUR	14,2%	182	-182
NAIRA/EUR	5,3%	906	-906
RUB/EUR	13,2%	-213	213
INR/EUR	8,3%	-366	366
HUF/EUR	4,4%	-65	65
NAIRA/USD	1,2%	116	-116
IDR/USD	8,1%	219	-219
ZAR/USD	20,7%	676	-676
INR/USD	8,3%	152	-152
Total		1.890	-1.890

The aggregate net foreign exchange gains/losses recognised in P&L were:

	2019	2018
Net exchange gain/(loss) operational	(2.862)	(4.882)
Net exchange gain/(loss) financial	1.178	(1.016)
Total net foreign exchange (losses) recognised in profit before income tax for the period	(1.684)	(5.898)

II) Commodity price risk

The Group's production costs are sensitive to the prices of certain raw materials used in the manufacturing process of its products. The Group is primarily exposed to fluctuations in the prices of copper, steel, aluminum, plastics and soda ash and have adopted policies to mitigate the risk of adverse volatility in the prices of such raw materials. In particular, when we purchase raw materials, we negotiate discounts based on volume purchased. We keep strategic inventory reserves at the supplier, at our plants and in finished goods, to guarantee availability. When possible, we enter into annual, six-month or quarterly agreements with our suppliers so as to satisfy production plans but at the same time permit adjustments if prices begin to decline and become more advantageous for us.

III) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates since the Group does not hold any interest bearing assets other than short-term time deposits. Exposure to interest rate risk on liabilities is limited to cash flow risk from changes in floating rates. The Group continuously reviews interest rate trends and the tenure of financing needs. The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing.

For the interest rate risk sensitivity analysis refer to **Note 17**.

Credit risk

Credit risk arises from the Group's cash and cash equivalents and its credit exposures to customers, including outstanding receivables.

I) Risk management

Regarding banks and financial institutions, mainly independently rated parties with high quality credit credentials are accepted. Refer to **Note 34** for the credit ratings of the banks where cash deposits are held.

In respect of outstanding trade receivables, the Group has policies in place to assess the credit quality of the customer, taking into account its financial position, past experience, as well as other factors. Individual credit limits are set and compliance is regularly monitored by management. The Group's credit policy is determined by the terms of payment that are stated on a case-by-case basis in each contract with a customer.

The Group has a significant concentration of credit risk with specific customers which comprise large international groups with high quality credit ratings. Refer to **Note 9** for the credit ratings of the customers.

II) Security

For some trade receivables the Group may purchase credit guarantee insurance cover.

III) Impairment

The Group has only one type of financial assets that are subject to the expected credit loss model that is trade receivables for sales of inventory and from the provision of services.

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

Trade receivables: The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. At the year-end, management considered that there was no material credit risk exposure that had not already been covered by doubtful debt provision. The impact of IFRS 9 as a result of applying the expected credit risk model is immaterial.

Liquidity risk

The Group actively manages liquidity risk to ensure there is adequate cash reserves and available funding, through committed and uncommitted banking facilities, to meet its obligations when due. For information relating to the undrawn banking facilities refer to **Note 13**.

Due to the dynamic nature of the underlying businesses, Group Treasury aims at maintaining flexibility in funding primarily by maintaining committed credit lines. Group

Treasury manages liquidity risk also by maintaining access to the debt and equity capital markets, and by continuously monitoring working capital and forecasted and actual cash flows. For the maturity analysis of financial liabilities refer to **Note 35**.

Capital risk

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

The Group maintains a credit rating with S&P Global Ratings and Moody's.

Rating Agency	Publication Date	Rating	Outlook
S&P Global Ratings	24 January 2020	B-	Stable
Moody's	24 January 2020	B3	Stable

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 investments

The Group's investments in subsidiaries are tested for impairment when indications exist that its carrying value may not be recoverable. The recoverable amount of the investments in subsidiaries is determined on value in use calculations, which requires the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a one year period and cash projections for four additional years. At the year end, the Company has an investment in Frigoinvest Holdings B.V. of €60 m, which holds the Group's subsidiaries in the ICM and Glass segments which represent the two identifiable, separate cash generating units.

During the year there was no indication of impairment.

4.1.3. 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.

4.1.4. Provision for doubtful debts

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Management has assessed receivable balances of subsidiaries and has determined that these receivable do not require an impairment provision. The analysis of the provision is presented in **Note 9**. Further information with respect to customer receivables is presented in **Note 9**.

4.1.5. Staff retirement benefit obligations

The present value of the retirement benefit obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the relevant obligation comprises the discount rate, the expected return on plan assets, the rate of compensation increase, the rate of inflation and future estimated pension increases. Any changes in these assumptions will impact the carrying amount of the retirement benefit obligations. The Group determines the amount of the retirement benefit obligations using suitably qualified independent actuaries at each year-end's balance sheet date refer to **Note 32** for detailed information.

4.1.6. Estimated impairment of property, plant & equipment

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

4.2 Critical judgements in applying the entity's accounting policies

There are no areas that Management required to make critical judgements in applying accounting policies except for extension options that relate to the application of IFRS 16. For more details refer to Note 19.

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

See Note 19 on the effect on the segment information of changes in accounting policy related to leased assets.

The consolidated Statement of Financial Position and Statement of Profit & Loss per business segment are presented below:

a) Analysis per business segment i) Statement of Profit & Loss	Continuing operations:						
	Year ended 31.12.2019			Year ended 31.12.2018			Year ended 01.01 - 12.12.18
	ICM Operations	Glass Operations	Total	ICM Operations	Glass Operations	Total	Discontinued Glass Operations
Revenue from contracts with customers							
At a point in time	311.071	113.919	424.990	262.980	101.840	364.820	24.819
Over time	57.347	-	57.347	52.477	-	52.477	-
Total Revenue from contracts with customers	368.418	113.919	482.337	315.457	101.840	417.297	24.819
Operating Profit / <Loss>	23.792	26.306	50.098	11.865	22.707	34.572	(7.729)
Finance costs	(23.513)	2.238	(21.275)	(23.041)	(1.662)	(24.703)	-
Finance income	101	3.403	3.504	191	3.345	3.536	-
Finance costs - net	(23.412)	5.640	(17.772)	(22.849)	1.682	(21.167)	(392)
Profit / <Loss> before income tax & restructuring costs	380	31.946	32.326	(10.984)	24.389	13.405	(8.121)
Restructuring gains/<losses>	(4.843)	-	(4.843)	(301)	-	(301)	-
Profit / <Loss> before income tax	(4.463)	31.946	27.483	(11.285)	24.389	13.104	(8.121)
Income tax expense	(3.391)	(10.492)	(13.883)	(5.711)	(8.152)	(13.863)	-
Profit / <Loss> after income tax expenses	(7.854)	21.454	13.600	(16.996)	16.237	(759)	(8.121)
Profit / <Loss> attributable to the shareholders of the company	(7.505)	13.071	5.566	(16.610)	9.206	(7.404)	(8.121)
Depreciation	14.150	8.718	22.868	12.591	7.200	19.791	74
Impairment of fixed assets	(1.088)	-	(1.088)	(2.071)	-	(2.071)	-
EBITDA	39.030	35.024	74.054	26.527	29.907	56.434	(7.655)

There are no sales between the two segments.

	Y-o-Y %		
	31.12.2019 vs 31.12.2018		
	ICM Operations	Glass Operations	Total
Total Revenue from contracts with customers	16,8%	11,9%	15,6%
Operating Profit / <Loss>	100,5%	15,8%	44,9%
EBITDA	47,1%	17,1%	31,2%

Note 5 - Segment Information (continued)**ii) Statement of Financial Position**

	Year ended 31.12.2019			Year ended 31.12.2018		
	ICM Operations	Glass Operations	Total	ICM Operations	Glass Operations	Total
Total assets	281.809	161.580	443.389	247.816	148.281	396.097
Total liabilities	407.847	62.980	470.827	374.061	64.995	439.056
Capital expenditure	9.193	21.261	30.454	11.402	24.464	35.866

Reference Note 6 & 7

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

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

	Consolidated		Discontinued Glass Operations
	Year ended 31.12.2019	31.12.2018	Year ended 01.01 - 12.12.18
ICM Operations :			
East Europe	187.335	142.043	-
West Europe	92.859	83.681	64
Africa / Middle East	52.219	61.533	10.358
Asia / Oceania	36.005	28.200	14.397
Total	368.418	315.457	
Glass Operations :			
Africa	113.919	101.840	
Total	113.919	101.840	
Total Sales :			
East Europe	187.335	142.043	-
West Europe	92.859	83.681	64
Africa / Middle East	166.138	163.373	10.358
Asia / Oceania	36.005	28.200	14.397
Consolidated	482.337	417.297	24.819

Note 5 - Segment information (continued)

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

	Parent Company	
	Year ended	
	31.12.2019	31.12.2018
ICM Operations :		
East Europe	1.642	1.337
West Europe	25.902	27.066
Africa / Middle East	6.659	6.864
Asia / Oceania	-	2
Sales to third parties	34.203	35.269
Intercompany sales (Note 20)	5.765	6.804
Total Sales	39.968	42.073

c) Capital expenditure per geographical area

The basis of allocation to geographical segments is based on the physical location of the asset

	Consolidated	
	Period ended	
	31.12.2019	31.12.2018
ICM Operations :		
East Europe	3.824	6.464
West Europe	4.459	4.226
Africa	420	304
Asia	490	408
Total	9.193	11.402
Glass Operations:		
Africa	21.261	24.464
Total	21.261	24.464
Consolidated	30.454	35.866
Discontinued operations	-	359

Note 6 - Property, plant & equipment

	Consolidated					Total
	Land	Building & technical works	Machinery technical installation	Motor vehicles	Furniture & fixtures	
Cost						
Balance at 01.01.2019	4.856	58.870	231.445	6.177	11.714	313.062
Additions	-	1.420	8.932	748	1.200	12.300
Construction in progress	-	36	13.406	-	126	13.568
Disposals	-	-	(4.846)	(615)	(43)	(5.504)
Transfer to / from & reclassification (Note 7)	-	117	(225)	(8)	(27)	(143)
Tangible Assets Write off	-	(319)	(13.883)	(268)	(2.479)	(16.949)
Exchange differences	28	70	1.992	105	(209)	1.986
Balance at 31.12.2019	4.884	60.194	236.821	6.139	10.282	318.320
Accumulated Depreciation						
Balance at 01.01.2019	-	27.769	150.485	4.122	9.451	191.827
Depreciation charge	-	1.719	13.057	923	863	16.562
Disposals	-	-	(4.846)	(615)	(43)	(5.504)
Impairment charge from restructuring activities (Note 28)	-	223	430	5	42	700
Impairment charge	-	-	1.088	-	-	1.088
Tangible Assets Write off	-	(319)	(13.883)	(268)	(2.479)	(16.949)
Exchange differences	-	34	1.082	7	34	1.157
Balance at 31.12.2019	-	29.426	147.413	4.174	7.868	188.881
Net book value at 31.12.2019	4.884	30.768	89.408	1.965	2.414	129.439

Construction in progress mainly relates to the Glass furnace in Beta Glass Nigeria

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

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, effected from the date of the announcement.

As part of the restructuring in Kato Achaia impairment costs of tangible assets of **€ 0.7 million** were recognized.

As part of the restructuring several items of old equipment with NBV of €477k have been written off/ fully impaired. For the land and buildings an independent valuator has been used and the impairment charged booked was €223k. Assumptions included tenure, town planning and the condition of the relevant buildings and sites. The fair value was primarily derived using comparable recent market transactions on arm's length terms.

Note 6 - Property, plant & equipment (continued)**Year ended 31.12.2019**

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

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

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

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

ICM segment: Frigoglass Indonesia

After - Tax discount rate:	9,7%	-
Gross margin pre Depreciation:	12,1% - 14,6%	
Growth rate in perpetuity:	3,0%	

Due to adverse operating results impairment assessment at **31.12.2019**, was carried out, using the assumptions stated above, which resulted to impairment loss of **€ 1,1 m.** for the Frigoglass Indonesia PT.

ICM segment: Frigoglass Indonesia PT

As at 31.12.2019, the recoverable amount of the CGU of the ICM manufacturing Frigoglass Indonesias was €14.2m.

Property plant and equipment comprises of €2.2m land and buildings and €1.1m machinery.

Impairment assessment under the value-in-use calculation resulted in a €1.1m impairment for machinery. For land and buildings an external independent valuation was obtained, which resulted in an amount for the specific assets above book value. Thus no further impairment would arise even if assumptions changed.

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

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

Note 6 - Property, plant & equipment (continued)

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

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

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

Year ended 31.12.2018

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

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

Subjective estimates and judgements by management about the future results of the CGU were included in the above calculation.

These estimates and judgements include assumptions surrounding revenue growth rates, direct costs, and discount rates.

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

ICM segment: Frigoglass India

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

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

ICM segment: Frigoglass India PVT Ltd.

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

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

Note 6 - Property, plant & equipment (continued)

	Parent Company					Total
	Land	Building & technical works	Machinery technical installation	Motor vehicles	Furniture & fixtures	
Cost						
Balance at 01.01.2019	303	9.046	13.928	362	2.561	26.200
Additions	-	39	9	-	156	204
Disposals	-	-	(659)	-	-	(659)
Tangible Assets Write off	-	(318)	(11.568)	(362)	(2.262)	(14.510)
Transfer to / from & reclassification (Note 7)	-	(14)	-	-	(129)	(143)
Balance at 31.12.2019	303	8.753	1.710	-	326	11.092
Accumulated Depreciation						
Balance at 01.01.2019	-	6.633	13.145	260	2.254	22.292
Depreciation charge	-	274	124	3	69	470
Disposals	-	-	(619)	-	-	(619)
Tangible Assets Write off	-	(318)	(11.370)	(268)	(2.262)	(14.218)
Impairment charge from restructuring activities (Note 28)	-	223	430	5	42	700
Balance at 31.12.2019	-	6.812	1.710	-	103	8.625
Net book value at 31.12.2019	303	1.941	-	-	223	2.467

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, effected from the date of the announcement.

As part of the restructuring in Kato Achaia impairment costs of tangible assets of € 0.7 million were recognized.

As part of the restructuring several items of old equipment with NBV of €477k have been written off/ fully impaired. For the land and buildings an independent valuator has been used and the impairment charged booked was €223k. Assumptions included tenure, town planning and the condition of the relevant buildings and sites. The fair value was primarily derived using comparable recent market transactions on arm's length terms.

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	
Cost						
Balance at 01.01.2018	303	9.014	14.292	267	2.906	26.782
Additions	-	32	87	95	-	214
Disposals	-	-	(33)	-	-	(33)
Tangible Assets Write off	-	-	(418)	-	(345)	(763)
Balance at 31.12.2018	303	9.046	13.928	362	2.561	26.200
Accumulated Depreciation						
Balance at 01.01.2018	-	6.333	13.308	255	2.471	22.367
Depreciation charge	-	300	247	5	128	680
Disposals	-	-	(20)	-	-	(20)
Tangible Assets Write off	-	-	(390)	-	(345)	(735)
Balance at 31.12.2018	-	6.633	13.145	260	2.254	22.292
Net book value at 31.12.2018	303	2.413	783	102	307	3.908

Note 7 - Intangible assets

	Consolidated			
	Development costs	Patents & trademarks	Software & other intangible assets	Total
Cost				
Balance at 01.01.2019	29.866	37	25.817	55.720
Additions	64	-	618	682
Construction in progress	3.345	-	559	3.904
Transfer to / from & reclassification (Note 6)	1.714	-	(1.571)	143
Write off of Intangible Assets	(15.169)	(35)	(15.073)	(30.277)
Exchange differences	28	-	(46)	(18)
Balance at 31.12.2019	19.848	2	10.304	30.154
Accumulated Depreciation				
Balance at 01.01.2019	23.034	37	21.516	44.587
Depreciation charge	2.535	-	1.304	3.839
Transfer to / from & reclassification (Note 6)	907	-	(907)	-
Write off of Intangible Assets	(15.169)	(35)	(15.073)	(30.277)
Exchange differences	15	-	17	32
Balance at 31.12.2019	11.322	2	6.857	18.181
Net book value at 31.12.2019	8.526	-	3.447	11.973

The write offs for intangible assets related mainly to old fully depreciated assets, no longer used, which have been written off.

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

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

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

FRIGOGLASS S.A.I.C.
Notes to the Financial Statements
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Note 7 - Intangible assets (continued)

	Parent Company			
	Development costs	Patents & trademarks	Software & other intangible assets	Total
Cost				
Balance at 01.01.2019	22.567	35	18.758	41.360
Additions	-	-	316	316
Construction in progress & advances	-	-	549	549
Disposals to subsidiaries of the group	(8.528)	-	(1.805)	(10.333)
Write off of Intangible Assets	(14.039)	(35)	(14.974)	(29.048)
Transfer to / from & reclassification (Note 6)	-	-	143	143
Balance at 31.12.2019	-	-	2.987	2.987
Accumulated Depreciation				
Balance at 01.01.2019	18.129	35	15.827	33.991
Depreciation charge	-	-	634	634
Disposals to subsidiaries of the group	(4.159)	-	(961)	(5.120)
Write off of Intangible Assets	(13.970)	(35)	(14.974)	(28.979)
Balance at 31.12.2019	-	-	526	526
Net book value at 31.12.2019	-	-	2.461	2.461

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

The disposal relates to the disposal of the Intellectual Property for Product Development to Frigoglass Romania S.R.L. for the amount of € 15,4 million which was netted off against liabilities to Frigoglass Romania S.R.L. (Note 26). A profit was realised € 10,1 million.

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

Note 8 - Inventories

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Raw materials	62.783	66.597		3.046
Work in progress	3.186	2.533		28
Finished goods	50.441	42.023		1.056
Less: Provision	(9.160)	(9.414)		(1.898)
Total	107.250	101.739	-	2.232

Analysis of Provisions :

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Opening Balance	9.414	9.639	1.898	1.893
Additions during the year	2.978	2.095	-	50
Restructuring gains/<losses> (Note 28)	250	-	250	-
Unused amounts reversed	(78)	(547)	(309)	-
Total Charges to the income statement	3.150	1.548	(59)	50
Realised during the year	(3.524)	(1.754)	(1.839)	(45)
Transfer to / from & reclassification	18	-	-	-
Exchange differences	102	(19)	-	-
Closing Balance	9.160	9.414	-	1.898

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

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

FRIGOGLASS S.A.I.C.

Notes to the Financial Statements

in € 000's

Note 9 - Trade receivables

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Trade receivables	98.269	78.611	5.574	4.570
Less: Provisions	(746)	(1.005)	(375)	(618)
Total	97.523	77.606	5.199	3.952

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

The fair value of trade receivables 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, CCEP, other Coca - Cola bottlers, Pespi, Diageo - Guinness and Heineken.

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

Management does not expect any losses from non-performance of trade receivables, other than as provided for as at **31.12.2019**.

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

Analysis of provisions for trade receivables:	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Opening balance	1.005	6.194	618	5.623
Additions during the year	23	69	-	-
Write-offs	(40)	(4.996)	-	(4.990)
Total charges to income statement	(17)	(4.927)	-	(4.990)
Realized during the year	(256)	(246)	(243)	(15)
Exchange differences	14	(16)	-	-
Closing Balance	746	1.005	375	618

During 2018 an amount of €5m has been written off as it was assessed as uncollectible. Both the provision amount and the receivable balance have been written off, thus the net impact on the statement of profit and loss was zero.

FRIGOGLASS S.A.I.C.

Notes to the Financial Statements

in € 000's

Note 9 - Trade receivables (continued)

Trade debtors: Credit rating (S&P rating)	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
CCH Group (BBB+)	14.189	22.424	1.048	1.627
CCEP Group (BBB+)	1.190	1.773	-	-
Other Coca-Cola bottlers (N/A)	13.155	8.546	1.456	532
Diageo Group (A-)	142	2.272	-	-
Heineken Group (BBB+)	7.610	7.102	746	705
Pepsi Group (A+)	27.461	5.918	345	2
Other (N/A)	34.522	30.576	1.979	1.704
Total	98.269	78.611	5.574	4.570

Sales to key customers are made based on an annual planning that has been agreed with the customer.

The aging analysis of the trade debtors is the following:	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
00 - 30 days	68.442	51.305	1.776	1.652
31 - 60 days	15.092	14.616	1.000	868
61 - 90 days	6.013	5.158	311	321
91 - 120 days	2.889	1.226	112	206
121 - 180 days	3.626	1.994	1.142	135
> 180 days	2.207	4.312	1.233	1.388
Total	98.269	78.611	5.574	4.570

The overdue analysis of the trade debtors is the following:	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Not yet Overdue	84.498	65.671	3.987	3.619
Overdue 00 - 30 days	8.556	7.797	289	84
Overdue 31 - 60 days	1.726	1.216	182	19
Overdue 61 - 90 days	771	1.196	35	82
Overdue 91 - 120 days	1.189	876	239	176
Overdue 121 - 180 days	1.164	900	824	-
Overdue > 180 days	365	955	18	590
Total	98.269	78.611	5.574	4.570
Less: Provisions	(746)	(1.005)	(375)	(618)
Net trade debtors	97.523	77.606	5.199	3.952

For trade receivables, the Group applies the simplified approach permitted by IFRS 9. Based on this approach, the Group recognizes expected life losses on expected receivables. The calculation is done on an individual basis. Expected loss rates are based on the sales payment profile and the corresponding historical credit losses. The failure of the customer to pay after 180 days from the invoice due date is considered a default. The impact of IFRS 9 as a result of applying the expected credit risk model is immaterial.

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

in € 000's

Note 10 - Other receivables

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
V.A.T receivable	8.738	9.846	135	329
Grants for exports receivable	9.117	8.714	-	-
Insurance prepayments	712	1.228	16	160
Prepaid expenses	709	1.287	-	57
Receivable from the disposal of subsidiary	1.636	2.286	-	-
Other taxes receivable	3.517	1.425	-	-
Advances to employees	744	550	62	23
Other receivables	3.618	2.105	1.133	436
Total	28.791	27.441	1.346	1.005

The amount of Grants for exports receivable of **€ 9.1m (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.

In January 2020 the government of Nigeria initiated a scheme and the Government Grants are paid through Promissory Notes which are negotiable and transferable, subject to submission of the original Notes to the Central Bank of Nigeria.

In January 2020 Frigoglass Industries (Nigeria) Ltd. received the money for the Government Grants and during the next months of 2020 Beta Glass Plc. is expected to do the same.

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

Other receivables comprise various prepayments. 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 Financial Statements
in € 000's
Note 11 - Cash & cash equivalents

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash on hand	9	7	1	1
Short term bank deposits	54.161	49.050	1.401	2.351
Total	54.170	49.057	1.402	2.352

Cash & cash equivalents per currency

EURO - €	13.861	17.191	1.376	2.180
USD - \$	22.042	15.241	23	170
Polish Zloty - PLN	612	385	0	0
Nigeria Naira - NAIRA	11.781	13.354	0	0
Norwegian krone - NOK	895	871	0	0
Chinese yuan renminbi - CNY	10	4	0	0
Indian Rupee - INR	1.129	698	0	0
Russian rouble - RUB	48	48	0	0
Romanian Lei - RON	434	234	0	0
S. African Rand - ZAR	2.535	288	3	2
Indonesian Rupiah - IDR	47	109	0	0
Hungarian Forint - HUF	526	329	0	0
Kenyan Sheiling-KES	117	282	0	0
Danish Krone-DKK	2	2	0	0
Swedish Krone-SEK	117	19	0	0
Great Britisg Pounds- GBP	8	2	0	0
Swiss Franc -CHF	7	-	0	0
Total	54.170	49.057	1.402	2.352

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

Note 12 - Other payables

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Taxes and duties payable	3.914	3.807	508	530
VAT payable	2.166	1.371	-	-
Social security insurance	1.660	1.506	381	473
Customers' advances	1.275	1.886	44	87
Other taxes payable	1.664	467	-	-
Accrued discounts on sales	20.157	13.957	817	374
Accrued fees & costs payable to third parties	7.447	5.494	1.586	555
Accrued payroll expenses	8.949	7.327	2.477	1.705
Other accrued expenses	3.992	2.697	29	64
Accrued interest for bank loans	4.999	5.096	-	-
Expenses for restructuring activities	45	-	45	-
Accrual for warranty expenses	5.210	3.332	236	297
Other payables	2.773	4.112	236	263
Total	64.251	51.052	6.359	4.348

Amounts in the Balance Sheet financial statements of the 31.12.2018 have been reclassified so as to be comparable with those of the current period.

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 growth and seasonality.

FRIGOGLASS S.A.I.C.

Notes to the Financial Statements

in € 000's

Note 13 - Non current & current borrowings

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Bank loans	53.745	53.014	-	-
Intergroup bond loans	-	-	29.554	26.480
Bond loans	169.713	174.984	-	-
Total Non current borrowings	223.458	227.998	29.554	26.480
Bank overdrafts	2.083	1.259	-	-
Bank loans	53.177	46.002	-	-
Total current borrowings	55.260	47.261	-	-
Total borrowings	278.718	275.259	29.554	26.480

Effective interest rates	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Bond loans	5,82%	5,80%	5,90%	5,90%
Non current borrowings	3,99%	4,28%	-	-
Bank overdrafts	9,45%	9,40%	-	-
Current borrowings	3,03%	3,35%	-	-

Net debt / Total capital	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Total borrowings	278.718	275.259	29.554	26.480
Total Lease Liabilities	5.478	-	1.020	-
Cash & cash equivalents	(54.170)	(49.057)	(1.402)	(2.352)
Net debt (A)	230.026	226.202	29.172	24.128
Total equity (B)	(27.438)	(42.959)	26.568	22.554
Total capital (C) = (A) + (B)	202.588	183.243	55.740	46.682
Net debt / Total capital (A) / (C)	113,54%	123,44%	52,34%	51,69%

Note 13 - Non current & current borrowings (continued)

The foreign currency exposure of borrowings is as follows:

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
- EURO	257.994	256.448	29.554	26.480
- USD	16.146	15.711	-	-
- INR	4.578	3.100	-	-
Total	278.718	275.259	29.554	26.480

Group:

Committed unutilized Revolving Credit Facilities (RCFs)

	12.870	15.330
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The movement of liabilities from borrowings is listed below:

	Consolidated	Parent Company
Balance 01.01.2019	275.259	26.480
Cash flows	3.430	1.545
Foreign exchange adjustments	29	-
Other non-cash movements	-	1.529
Balance 31.12.2019	278.718	29.554

Balance 01.01.2018	275.855	33.702
Cash flows	(1.361)	(8.891)
Foreign exchange adjustments	765	-
Other non-cash movements	-	1.669
Balance 31.12.2018	275.259	26.480

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

in € 000's

Note 13 - Non current & current borrowings (continued)

During the period 01.01.2019 – 31.12.2019, the Group proceeded to a debt repayment amounting to €3.2 million as part of its amortization schedule (paid every six months starting from March 2019) regarding first lien debt.

The analysis of the Group's non-current borrowings (including the current portion of non current borrowings) is as follows:

Description	Rate	Maturity	31.12.2018 Book Value	(Repayments)/ Drawdowns	31.12.2019 Book Value
a) Bank Loans					
First Lien RCF	Euribor/Libor+4.25%	31.12.2021	9,046	1,620	10,666
First Lien Term Loan (Euro)	Euribor+4.25%	31.12.2021	6,730	-232	6,498
First Lien Term Loan (US\$)	Libor+4.25%	31.12.2021	8,215	-131	8,084
Second Lien RCF (Ancillary)	Euribor/Libor+3.25%	31.03.2022	11,629		11,629
Second Lien Term Loan (Euro)	Euribor+3.25%	31.03.2022	17,393		17,393
b) Bond Loans					
Senior Secured Guaranteed Notes	Euribor+4.25%	31.12.2021	76,449	-2,637	73,813
Second Priority Secured Notes	7%	31.03.2022	98,535		98,535
Total Non current borrowings			227,998	-1,380	226,618

Based on the First Lien Facilities Agreement, there are two financial covenants:

- (i) Minimum Liquidity Covenant which is tested weekly, and
- (ii) Leverage Covenant which is tested semi-annually.

The Group has complied with the financial covenants during the 2019 and 2018 reporting periods.

Representations, covenants and events of default on Second Lien Facilities are substantially the same as those in the First Lien Facilities Agreement.

The First Lien Notes Subscription Agreement contains the same covenants and undertakings as the First Lien Facilities. 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 on Senior Secured Guaranteed Notes (First Lien Notes) and Second Priority Secured Notes is paid on January 15 and July 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. 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 Industries Nigeria Limited
7. Beta Glass Plc.
8. PT Frigoglass Indonesia
9. 3P Frigoglass S.R.L
10. Frigoglass Cyprus Limited
11. Frigoglass Global Limited
12. Frigoglass South Africa (Proprietary) Limited
13. Frigoglass East Africa Limited

Security

The security granted in favour of the creditors under the First Lien Facilities, First Lien Notes, Second Lien Facilities and Second Lien Notes 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 Romania S.R.L., Frigoglass Eurasia LLC, PT Frigoglass Indonesia, Frigoglass South Africa (Proprietary) Limited, Frigoglass Cyprus Limited, Frigoglass Global Limited, Frigoglass East Africa Limited and 3P Frigoglass S.R.L.; and
- (b) security over assets of the Group in the value shown below:

Asset	in € 000's as at 31.12.2019
Tangible assets	29,034
Other long term assets	39
Inventories	43,082
Trade debtors	25,203
Intergroup receivables	45,371
Intergroup loan receivables	269,136
Other debtors	64
Cash & cash equivalents	11,069
Total	422,998

On February 12, 2020, Frigoglass S.A.I.C. through its subsidiary Frigoglass Finance B.V. (the "Issuer") issued €260.0 million in aggregate principal amount of 6.875% senior secured notes due 2025 (the "Notes"). The Notes were issued pursuant to an indenture dated February 12, 2020 (the "Indenture"). The Notes are guaranteed on a senior secured basis by Frigoglass S.A.I.C. and certain of our subsidiaries (the "Guarantors") and secured by certain assets of the Issuer and the Guarantors. The Notes mature on February 12, 2025. The Notes pay interest semi-annually on February 1 and August 1 of each year, commencing on August 1, 2020. The Notes have been admitted to trading on the Euro MTF Market of the Official List of Luxemburg Stock Exchange.

The proceeds of the Notes were used to repay amounts outstanding under certain of the group's credit facilities and to redeem the entire outstanding amount of the Second Priority Secured Notes due 2022 and the entire outstanding amount of its Senior Secured Guaranteed Notes due 2021.

The Indenture limits, among other things, our ability to incur additional indebtedness, pay dividends on, redeem or repurchase our capital stock, make certain restricted payments and investments, create or permit to exist certain liens, transfer or sell assets, merge or consolidate with other entities and enters into transactions with affiliates. Each of the covenants is subject to a number of important exceptions and qualifications.

Note 14 - Investments in subsidiaries

	Parent Company	
	31.12.2019	31.12.2018
Investment in Frigoinvest Holdings B.V. (The Netherlands)		
Opening balance	60.005	60.005
Closing Balance	60.005	60.005

The subsidiaries of the Group, the country of incorporation and their shareholding status as are described below:

Company name & business segment	Country of incorporation	Consolidation method	% Shareholding
ICM Operations			
Frigoglass S.A.I.C.	Greece	Parent Company	
SC. Frigoglass Romania SRL	Romania	Full	100,00%
PT Frigoglass Indonesia	Indonesia	Full	99,98%
Frigoglass South Africa Ltd.	South Africa	Full	100,00%
Frigoglass Eurasia LLC	Russia	Full	100,00%
Frigoglass (Guangzhou) Ice Cold Equipment Co. Ltd.	China	Full	100,00%
Scandinavian Appliances A.S	Norway	Full	100,00%
Frigoglass Spzoo	Poland	Full	100,00%
Frigoglass India PVT.Ltd.	India	Full	100,00%
Frigoglass East Africa Ltd.	Kenya	Full	100,00%
Frigoglass GmbH	Germany	Full	100,00%
Frigoglass Hungary Kft	Hungary	Full	100,00%
Frigoglass Nordic AS	Norway	Full	100,00%
Frigoglass Cyprus Limited	Cyprus	Full	100,00%
Norcool Holding A.S	Norway	Full	100,00%
Frigoinvest Holdings B.V	The Netherlands	Full	100,00%
Frigoglass Finance B.V	The Netherlands	Full	100,00%
3P Frigoglass Romania SRL	Romania	Full	100,00%
Frigoglass Ltd.	Ireland	Full	100,00%
Glass Operations			
Frigoglass Global Limited	Cyprus	Full	100,00%
Beta Glass Plc.	Nigeria	Full	55,21%
Frigoglass Industries (NIG.) Ltd.	Nigeria	Full	76,03%

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

Frigoglass West Africa Limited in Nigeria in 2019 merged with Frigoglass Industries Nigeria Ltd.

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

in € 000's

Note 14 - Investments in subsidiaries (continued)

Below is the summarised financial information of the Group's subsidiaries with non-controlling interests. Total assets and liabilities include intergroup balances.

Frigoglass Industries (Nigeria) Ltd.	2019	2018
Total assets	116.209	115.125
Total liabilities	57.127	61.518
Total equity	59.082	53.607
Net sales revenue	39.818	46.056
Profit / <Loss> after income tax expenses	4.475	4.243
Non controlling interest - %	23,97%	23,97%
Profit / <Loss> after income tax expenses attributable to non-controlling interests	1.073	1.017
Dividends to non-controlling interests	-	-
Capital expenditure	2.210	2.642

Beta Glass Plc.	2019	2018
Total assets	150.859	131.944
Total liabilities	51.539	48.446
Total equity	99.320	83.498
Net sales revenue	85.631	72.914
Profit / <Loss> after income tax expenses	16.170	13.056
Non controlling interest - %	44,79%	44,79%
Profit / <Loss> after income tax expenses attributable to non-controlling interests	7.242	5.847
Dividends to non-controlling interests	570	448
Capital expenditure	19.269	21.908

Note 15 - Share capital**Share capital:****2019**

The share capital of the Group as at **31.12.2019** comprised of **355.437.751** fully paid up ordinary shares with an nominal value of **€ 0,10** each.

The 1st Repetitive General Meeting of shareholders, as at 05.07.2019, decided the nominal decrease of the Company's share capital by the amount of €92,413,815.26 to become €35,543,775.10, through decrease of the nominal value of the Company's 355,437,751 shares from €0.36 to € 0.10 each, according to article 31 of Law 4548/2018, for the purpose of forming a special reserve of equal amount for offsetting losses by deletion of losses from the Company's account "Retained earnings" and the amendment of article 3 of the Company's Articles of Association.

On **09.10.2019** the Ministry of Development and Investments approved the above decision.

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.

	Number of shares	Share capital -000' Euro-	Share premium -000' Euro-
Balance at 01.01.2018	355.437.751	127.958	(33.801)
Balance at 31.12.2018	355.437.751	127.958	(33.801)
Transfer to reserves due to the decrease of the nominal value of each share for offsetting losses by deletion of losses from the account "Accumulated losses"	-	(92.414)	-
Balance at 31.12.2019	355.437.751	35.544	(33.801)

Note 15 - Share capital - Treasury shares - Dividends & Share options (continued)**Share Options**

The establishment of the Frigoglass Stock Option Plan was approved by shareholders at the 2007 Annual General Meeting and subsequently in 2009, 2010, 2012, 2014 and 2019.

The Stock Option Plan is designed to provide long-term incentives for senior managers and members of the Management Committee to deliver long-term shareholder returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options vest in one-third increments each year for three years and can be exercised for up to 10 years from the date of award. When the options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (at the nominal value) and share premium.

The exercise price of options is determined by the General Meeting.

A summary of stock option activity under all plans is as follows:

	2019		2018	
	Weighted Average exercise price (€)	Number of stock options	Weighted Average exercise price (€)	Number of stock options
Beginning Balance	9,340	282.874	9,320	334.234
Grants	0,125	6.480.000	-	-
Expirations	16,620	(21.663)	9,210	(51.360)
Forfeitures	-	-	-	-
Ending Balance	0,459	6.741.211	9,340	282.874

<i>Vested and exercisable at the end of the period</i>	1,054	2.421.192	9,340	282.874
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Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price (€)	Share options	Weighted Average exercise price (€)
3/1/2011	31/12/2020	16,620	24.232	0,060
10/12/2012	31/12/2021	16,620	30.897	0,076
23/10/2013	31/12/2022	16,770	31.160	0,078
27/6/2014	31/12/2023	11,370	42.328	0,071
15/5/2015	31/12/2024	5,700	49.657	0,042
4/11/2015	31/12/2024	6,630	6.666	0,007
26/7/2016	31/12/2025	0,450	76.271	0,005
22/3/2019	31/12/2028	0,125	6.480.000	0,120
31.12.2019	Total		6.741.211	0,459

Weighted average remaining contractual life, in years, of options outstanding at the end of period **8,821**

The assessed fair value at grant date of options granted during the year ended 31 December 2019 was €0.08 per option.

The fair value at grant date is independently determined using an adjusted form of the Binomial options pricing model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.

The model inputs for options granted during the year ended **31 December 2019** included:

a) options are granted in consideration of services rendered and vest over a three-year period.

Vested options are exercisable for a period of ten years after vesting

b) exercise price: €0.125

c) grant date: 22 March 2019

d) expiry date: 31 December 2028

e) share price at grant date: €0.125

f) expected price volatility of the company's shares: 56,875%

g) expected dividend yield: 0.00%

h) risk-free interest rate: 0.333%.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. 129

Note 16 - Other reserves

	Consolidated						Total
	Statutory reserves	Share option reserve	Extraordinary reserves	Cash flow hedge reserve	Tax free reserves	Currency translation reserve	
Balance at 01.01.2018	4.177	670	14.638	-	8.760	(40.477)	(12.232)
Exchange differences from discontinued operations recycled to P&L	-	-	-	-	-	(3.684)	(3.684)
Exchange differences from continuing operations	-	-	91	-	-	3.877	3.968
Balance at 31.12.2018	4.177	670	14.729	-	8.760	(40.284)	(11.948)
Balance at 01.01.2019	4.177	670	14.729	-	8.760	(40.284)	(11.948)
Additions for the year	-	295	-	-	-	-	295
Exchange differences from continuing operations	-	-	40	-	-	1.294	1.334
Balance at 31.12.2019	4.177	965	14.769	-	8.760	(38.990)	(10.319)

	Parent Company					Total
	Statutory reserves	Share option reserve	Extraordinary reserves	Special reserves	Tax free reserves	
Balance at 01.01.2018	4020	670	12.013	-	8.760	25.463
Balance at 31.12.2018	4.020	670	12.013	-	8.760	25.463
Balance at 01.01.2019	4.020	670	12.013	-	8.760	25.463
Additions for the period	-	295	-	-	-	295
Balance at 31.12.2019	4.020	965	12.013	-	8.760	25.758

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:

- by postponing the settlement of tax liabilities until the distribution of the reserves to the shareholders, or
- by eliminating any future income tax payment related to the issuance of bonus shares to the shareholders.

Should the reserves be distributed to the shareholders as dividends, the distributed profits will be taxed with the applicable rate at the time of distribution.

No provision has been recognized for contingent income tax liabilities in the event of a future distribution of such reserves to the Company's shareholders since such liabilities are recognized at the same time as the dividend liability associated with such distributions.

Note 17 - Financial expenses

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Finance income				
Interest income	(3.504)	(3.536)	(4)	(1)
Interest Expense	17.012	17.115	1.536	1.673
Exchange loss / (gain) &				
Other Financial costs	3.920	7.588	(36)	126
Finance cost for lease liabilities	344	-	61	-
Finance cost	21.276	24.703	1.561	1.799
Finance costs - net	17.772	21.167	1.557	1.798

Interest rate risk sensitivity analysis

The Group's principal sources of finance consist of Bond Loans, local overdraft facilities, short- and long-term local bank borrowing facilities and Revolving Credit Facilities (RCFs).

The ratio of the fixed to floating interest rates of the Group's principal sources of finance as at **31.12.2019** amounts to **37% (€ 103,5 m) / 63%. (€ 175,2 m)**

The exposure to interest rate risk on the Group's income and cash flows from financing activities is set out below with the relevant sensitivity analysis.

in € 000's		Volatility of	Effect on
01.01.2019 - 31.12.2019		Interest Rates	Profit / <Loss>
		(+/-)	before income tax
	-EURO	1,00%	1.545
	-USD	1,00%	161
	-INR	1,00%	46
	Total		1.752

Frigoglass S.A.I.C
Notes to the Financial Statements
in € 000's

Note 18 - Income tax

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Corporate tax	15.283	10.127	192	779
Deferred tax	(1.400)	3.736	-	-
Total	13.883	13.863	192	779
	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profit / <Loss> before income tax	27.483	13.104	3.961	(492)
Tax calculated at the nominal tax rates	7.931	5.262	951	(143)
Tax effects of:				
Income not subject to tax	(438)	(829)	-	-
Expenses not deductible for tax purposes	2.877	1.862	888	866
Utilization of previously unrecognized tax losses	(2.356)	(103)	(1.839)	(695)
Tax losses for which no deferred income tax asset was recognized	4.512	6.027	-	-
Other taxes	1.357	1.644	192	751
Tax expense as of income statement	13.883	13.863	192	779

The Group did not recognize deferred tax assets for accumulated tax losses € 22 m., for Greece, Indonesia, India, South Africa, Kenya, Cyprus, Germany, Norway because the future taxable profits within the next years, most probably, will not be adequate to cover the current accumulated tax losses.

Note 18 - Income tax (continued)

For 2019 in Greece tax rate is 24%. 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 **9% 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 2019**, 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 **2014-2019**. 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 2018** a respective "Tax Certificate" has been issued by the statutory Certified Auditors in accordance with art 65A of Law 4174/2013, without any qualification or matter of emphasis as pertains to the tax compliance of the Company.

The 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.

One of the Group's foreign subsidiary undertakings may be challenged by the foreign tax authorities as regards the deductibility of certain intra group charges, dividend distribution and bad faith suppliers, given recent developments in the tax environment in the country of operation of that foreign subsidiary.

The Group and its tax advisors has assessed the possible challenge and has concluded that the foreign subsidiary has in place all required transfer pricing documentation and other relevant supporting documentation to counter any challenge.

Moreover a recent tax audit completed for this subsidiary for prior years has not raised significant concerns.

The Group has therefore not proceeded to recognise a provision in relation to this matter as a cash outflow is not probable as of 31 December 2019.

During the current financial year audits from the local tax authorities have been completed in 2 territories for prior open tax years. Additional taxes and penalties where applicable have been recorded.

Frigoglass S.A.I.C
Notes to the Financial Statements
in € 000's

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	2019	Ice Cold Merchandisers
SC. Frigoglass Romania SRL	Romania	2017-2019	Ice Cold Merchandisers
PT Frigoglass Indonesia	Indonesia	2015-2019	Ice Cold Merchandisers
Frigoglass South Africa Ltd.	S. Africa	2012-2019	Ice Cold Merchandisers
Frigoglass Eurasia LLC	Russia	2018-2019	Ice Cold Merchandisers
Frigoglass (Guangzhou) Ice Cold Equipment Co. Ltd.	China	2017-2019	Sales Office
Scandinavian Appliances A.S	Norway	2010-2019	Sales Office
Frigoglass Spzoo	Poland	2009-2019	Service & Repair of ICM's
Frigoglass India PVT.Ltd.	India	2019	Ice Cold Merchandisers
Frigoglass East Africa Ltd.	Kenya	2014-2019	Sales Office
Frigoglass GmbH	Germany	2016-2019	Sales Office
Frigoglass Hungary Kft	Hungary	2017-2019	Service & Repair of ICM's
Frigoglass Nordic AS	Norway	2010-2019	Sales Office
Frigoglass Cyprus Limited	Cyprus	2015-2019	Holding Company
Norcool Holding A.S	Norway	2010-2019	Holding Company
Frigoinvest Holdings B.V	Netherlands	2015-2019	Holding Company
Frigoglass Finance B.V	Netherlands	2015-2019	Financial Services
3P Frigoglass Romania SRL	Romania	2017-2019	Plastics
Frigoglass Global Limited	Cyprus	2015-2019	Holding Company
Beta Glass Plc.	Nigeria	2014-2019	Glass Operation
Frigoglass Industries (NIG.) Ltd.	Nigeria	2016-2019	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 - Right-of-use assets & Lease liabilities**Changes in accounting policies:**

This note explains the impact of the adoption of IFRS 16 Leases on the group's financial statements. The accounting policies are described in Note 2.22. The group has adopted IFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

Adjustments recognized on adoption of IFRS 16

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019.

Consolidated	
Operating lease commitments disclosed as at 31 December 2018	3.114
Weighted average incremental borrowing rate on 01.01.2019	6,4%
Discounted using the lessee's incremental borrowing rate on 01.01.2019	2.883
(Less): short-term leases on 01.01.2019	(135)
(Less): low-value assets leases on 01.01.2019	(33)
Add/(less): adjustments as a result of different treatment of extension and termination options	2.855
Add/<less>: Other Adjustments	1.330
Operating lease commitments as at 1st January 2019	6.900
of which are:	
Long-term lease liabilities	4.862
Short-term lease liabilities	2.038
Total	6.900

Parent Company	
Operating lease commitments disclosed as at 31 December 2018	1.239
Weighted average incremental borrowing rate on 01.01.2019	5,8%
Discounted using the lessee's incremental borrowing rate on 01.01.2019	1.169
Add/<less>: Other Adjustments	87
Operating lease commitments as at 1st January 2019	1.256
of which are:	
Long-term lease liabilities	818
Short-term lease liabilities	438
Total	1.256

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	Consolidated		Parent	
	2019	2018	2019	2018
Interest expense (included in finance cost)	344	-	61	-
Expense relating to short-term leases (included in administrative expenses)	185	-	0	-
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	40	-	7	-

The total cash outflow for leases in 2019 was €1.788k for the Group and €488k for the Parent Company.

Note 19 - Right-of-use assets & Lease liabilities (continued)

Right-of use assets were measured at the amount equal to the lease liability.
The recognized right of use assets relate to the following types of assets:

	Warehouses & Offices	Machinery	Vehicles	Total
	Consolidated			
Cost				
Balance at 01.01.2019	-	-	-	-
Effect of the first time adoption	5.806	40	1.054	6.900
Additions	260	-	552	812
Balance at 31.12.2019	6.066	40	1.606	7.712
Accumulated Depreciation				
Balance at 01.01.2019	-	-	-	-
Depreciation charge	1.977	16	407	2.400
Balance at 31.12.2019	1.977	16	407	2.400
Net book value at 31.12.2019	4.089	24	1.199	5.312
	Parent Company			
Cost				
Balance at 01.01.2019	-	-	-	-
Effect of the first time adoption	599	-	657	1.256
Additions	-	-	211	211
Balance at 31.12.2019	599	-	868	1.467
Accumulated Depreciation				
Balance at 01.01.2019	-	-	-	-
Depreciation charge	300	-	170	470
Balance at 31.12.2019	300	-	170	470
Net book value at 31.12.2019	299	-	698	997

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets – increase by € 6.900 • lease liabilities – increase by € 6.900

Impact on segment disclosures and earnings per share:

Adjusted EBITDA, segment assets and segment liabilities for **December 2019** all increased as a result of the change in accounting policy. Lease liabilities are now included in segment liabilities.

The following segments were affected by the change in policy: ICM Operations € 5,1 m & Glass Operations € 0,3m.

Earnings per share decreased by € 0,0005 per share for the period 01.01 - 31.12.2019 as a result of the adoption of IFRS 16.

Practical expedients applied

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard with respect to leases previously classified as operating leases in accordance with IAS 17:

- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

Extension options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension options held are exercisable only by the group and not by the respective lessor. In addition there are several cases where the leases are covered by automatic renewal options. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or to not terminate a renewable lease after its initial period. The most significant estimates relate to leases of warehouses and offices. The Group considered a) the importance of the underlying assets in the Group's operations and b) in several cases the costs of relocation. In most cases the Group included the period covered by extension options in the lease term. For leases of automatic renewals an additional period of 2-3 years was assumed. As at 1 January 2019, future cash outflows of €3.358k (undiscounted) have been included in the lease liability because it is reasonably certain that the leases will be extended (or not terminated). The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. No reassessment was required during the period.

FRIGOGLASS S.A.I.C.

Notes to the Financial Statements

in € 000's

Note 20 - Related party transactions

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.

Frigoglass is the major shareholder of Frigoglass Nigeria Industries Ltd. and Frigoglass West Africa Ltd. based in 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 (NIG) Ltd. has signed an office lease agreement with A.G. Leventis (Nigeria) Plc. for its offices in Lagos, Nigeria, and freight forwarding in Nigeria.

The investments in subsidiaries are reported to Note 14.

A) The amounts of **related party** transactions and balances were:

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Sales of goods and services	164.512	167.558	19.592	22.560
Purchases of goods and services	1.183	1.156	44	83
Receivables	14.189	22.424	1.048	1.627

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

Sales of goods & other services	5.765	6.804
Disposal of the Intellectual Property for Product Development to Frigoglass Romania S.R.L	15.366	-
Income from subsidiaries: Services fees and royalties on sales	18.891	19.860
Income from subsidiaries: recharge research & development expenses	2.031	-
Expenses from subsidiaries: Services fees	2.135	1.553
Income from subsidiaries: commissions on sales	138	415
Income from Other Services	761	794
Purchases of goods / Expenses from subsidiaries	23.812	26.524
Interest expense	1.536	1.673
Receivables	16.790	13.087
Payables	18.137	28.355
Loans payables (Note 13)	29.554	26.480

C) The fees to members of the Board of Directors and Management compensation include wages, indemnities and other employee benefits and the amounts are:

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Fees for Board of Directors	385	360	385	360
Short Term Employee Benefits	3.666	3.202	2.912	2.765
Post Employment Benefits (pension)	302	307	261	267
Long Term Employee Benefits	912	709	798	676
Termination Benefits (exit payments)	-	260	-	260
Total Management Compensation	4.880	4.478	3.971	3.968

Note 21 - Earnings per share**Basic & Diluted earnings per share**

Basic and Diluted 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 diluted earnings per share are calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration.

No adjustment is made to net profit (numerator).

Diluted earnings per share

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.

in 000's € (apart from earning per share and number of shares)	Consolidated		Parent Company	
	Year ended		Year ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profit / <Loss> after income tax from Continuing operations attributable to the shareholders of the company	5.566	(7.404)	3.769	(1.271)
Profit / <Loss> after income tax from Discontinued operations attributable to the shareholders of the company	-	(1.304)	-	-
Profit / <Loss> after income tax for attributable to the shareholders of the company	5.566	(8.708)	3.769	(1.271)
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
a) Basic:				
Profit / <Loss> per share after taxes from Continuing operations attributable to the shareholders of the company	0,0157	(0,0208)	0,0106	(0,0036)
Profit / <Loss> per share after taxes from Discontinued operations attributable to shareholders of the company	-	(0,0037)	-	-
Basic earnings / <losses> per share	0,0157	(0,0245)	0,0106	(0,0036)
b) Diluted:				
Profit / <Loss> per share after taxes from Continuing operations attributable to the shareholders of the company	0,0157	(0,0208)	0,0106	(0,0036)
Profit / <Loss> per share after taxes from Discontinued operations attributable to the shareholders of the company	-	(0,0037)	-	-
Diluted earnings / <losses> per share	0,0157	(0,0245)	0,0106	(0,0036)

Note 22 - Contingent Liabilities & Commitments**Guarantees for Loans:**

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 **€ 252,7 m.** See Note 13 for the guarantors.

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Guarantees for loans	252.709	256.596	252.709	256.549

Other contingent liabilities & commitments:

As at 31.12.2019 the Group provided Guarantee facilities & Letter of credits to the banks to secure liabilities to trade creditors € 8,2 million and Other Guaranties € 0,3 m.

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.

Capital commitments:

The capital commitments contracted for but not yet incurred at the balance sheet date **31.12.2019** for the Group amounted to **€ 2,5 m. (31.12.2018: € 597 thousands)** and relate mainly to purchases of machinery and the SAP investment.

The capital commitments contracted for but not yet incurred at the balance sheet date **31.12.2019** for the Parent Company amounted to **€ 0 thousands (31.12.2018: € 0 thousands)**.

Note 23 - Seasonality of operations**Revenue from contracts with customers**

Quarter	Consolidated			
	2019		2018	
Q1	125.565	26%	105.664	25%
Q2	162.697	34%	142.449	34%
Q3	96.569	20%	80.299	19%
Q4	97.506	20%	88.885	21%
Total Year	482.337	100%	417.297	100%

As shown above the Group's operations exhibit seasonality.

Note 24 - Post balance sheet events

On February 12, 2020, Frigoglass S.A.I.C. through its subsidiary Frigoglass Finance B.V. (the "Issuer") issued €260.0 million in aggregate principal amount of 6.875% senior secured notes due 2025 (the "Notes"). The Notes were issued pursuant to an indenture dated February 12, 2020 (the "Indenture"). The Notes are guaranteed on a senior secured basis by Frigoglass S.A.I.C. and certain of our subsidiaries (the "Guarantors") and secured by certain assets of the Issuer and the Guarantors. The Notes mature on February 12, 2025. The Notes pay interest semi-annually on February 1 and August 1 of each year, commencing on August 1, 2020. The Notes have been admitted to trading on the Euro MTF Market of the Official List of Luxemburg Stock Exchange.

The proceeds of the Notes were used to repay amounts outstanding under certain of the group's credit facilities and to redeem the entire outstanding amount of the Second Priority Secured Notes due 2022 and the entire outstanding amount of its Senior Secured Guaranteed Notes due 2021.

The Indenture limits, among other things, our ability to incur additional indebtedness, pay dividends on, redeem or repurchase our capital stock, make certain restricted payments and investments, create or permit to exist certain liens, transfer or sell assets, merge or consolidate with other entities and enters into transactions with affiliates. Each of the covenants is subject to a number of important exceptions and qualifications.

The emerging COVID-19 outbreak may have a negative impact on worldwide economic activity and the Group's business. The rapid spread of COVID-19 outbreak on a global scale has resulted in increased travel restrictions and disruption and shutdown of businesses. The Group may experience impact from quarantines, market downturns and changes in customer behavior related to pandemic fears and impact on the Group's workforce if the virus becomes widespread in any of the Group's markets. In addition, the Group's customers, distribution partners, service providers or suppliers may experience financial distress, file for bankruptcy protection, go out of business, or suffer disruptions in their business due to the coronavirus outbreak. At this point, the extent of the impact on the Group's results due to the coronavirus outbreak is uncertain. The impact of this outbreak is a non-adjusting post balance sheet event as of 31 December 2019.

The outbreak of COVID-19 is likely to have a further negative impact in 2020 on the global economy and, in the future, might impact the Group's operations or reduce demand for its products, any of which could have a significant negative impact on the Group's financial results in 2020 and beyond. Given the dynamic nature of this outbreak, however, the extent to which COVID-19 impact the Group's results will depend on future developments, which remain highly uncertain and cannot be predicted at this time. It is possible that the continued spread of COVID-19 could cause an economic slowdown or recession which could adversely affect the demand for the Group's products, or cause other unpredictable events, each of which could adversely affect the Group's business, results of operations or financial condition.

As regards the operations of the Company and its subsidiaries, management is monitoring the developments from the outbreak closely, and the Group follows guidance from the Greek and other relevant local health authorities and adheres to the requirements and actions as implemented by the Greek government and other local governments.

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 24 - Average number of personnel

The average number of personnel per operation for the Group & for the Parent company are listed below:

Operations	Consolidated	
	31.12.2019	31.12.2018
ICM Operations	3.998	3.744
Glass Operations	1.410	1.410
Total	5.408	5.154

	Parent Company	
	31.12.2019	31.12.2018
Average number of personnel	171	207

Personnel expenses & Employee benefits	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Wages & salaries	59.971	58.321	11.778	11.741
Social contribution	6.516	6.480	1.997	2.060
Total Payroll (Note 30)	66.487	64.801	13.775	13.801
Pension plan (defined contribution)	1.678	1.377	590	550
Retirement benefit (defined benefit) (Note 32)	3.375	(126)	3.151	628
Provision for stock option plan	295	-	295	-
Employee benefits, personnel expenses	9.022	8.222	1.446	1.429
Total Continuing operations	80.857	74.274	19.257	16.408

Employee benefits, personnel expenses relate mainly to:

transportation Expenses, Canteen Expenses, Training Expenses, Medical Plan Expenses.

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

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Other operating income				
Income from subsidiaries:				
Services fees & royalties on sales	-	-	18.891	19.860
Income from subsidiaries:				
Commission on sales	-	-	138	415
Revenues from insurance claims	-	155	-	155
Revenues from scraps sales	962	894	-	-
Other charges to customers & other income	2.419	3.405	358	327
Total: Other operating income	3.381	4.454	19.387	20.757

The decrease in charges to customers is mainly driven by lower year-on-year transportation profit in our Glass business in Nigeria.

Other gains<losses> - net

Profit/<Loss> from disposal of property, plant & equipment and IP	374	293	10.121	(11)
Other	(5)	10	-	-
Total: Other gains/<losses> - net	369	303	10.121	(11)

The profit of € 10,1 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).

Note 27 -Reconciliation of EBITDA

Continuing operations	Consolidated		Parent Company	
	Year ended		Year ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profit / <Loss> before income tax	27.483	13.104	3.961	(492)
plus: Depreciation	22.868	19.791	1.872	3.542
plus: Impairment of tangible assets	1.088	2.071	-	-
plus: Restructuring costs	4.843	301	4.505	-
plus: Finance costs *	17.772	21.167	1.557	1.798
EBITDA	74.054	56.434	11.895	4.848
Revenue from contracts with customers	482.337	417.297	39.968	42.073
Margin EBITDA, %	15,4%	13,5%	29,8%	11,5%

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

Parent company's EBITDA margin in 2019 excluding the profit from the disposal of the intellectual property (€ 10.1 million) for product development to Frigoglass Romania S.R.L (Note 26) would have been 4,5%.

FRIGOGLASS S.A.I.C.

Notes to the Financial Statements

in € 000's

Note 28 - Restructuring <losses>

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, effected from the date of the announcement.

	Consolidated	Parent Company
	31.12.2019	
Provision for staff leaving indemnities	(2.529)	(2.529)
Consulting fees	(369)	(31)
Provision for inventories	(250)	(250)
Impairment charge of Tangible Assets	(700)	(700)
Other plant expenses not productive	(995)	(995)
Restructuring <losses>	(4.843)	(4.505)

According to management's assessment, the cease of production at the Kato Achaia plant is not presented as a discontinued operation in accordance with IFRS 5 as it does not constitute a separate major part of the business of the Company and the production carried out at that plant has been transferred to another Group company, which still serves the existing sales geographic area.

Kato Achaia production activity is involved in the ICM segment.

As a result of the cease of production at Kato Achaia plant, 91 employees were terminated, for which a total compensation of € 5.4 was paid up to 31 December 2019.

For those employees a provision equal to Euro 2,9 million was already reported before the restructuring.

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

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

FRIGOGLASS S.A.I.C.

Notes to the 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

	Year ended
	01.01 - 12.12.18
Revenue from contracts with customers	24.819
Cost of goods sold	(31.789)
Gross profit/<loss>	(6.970)
Administrative expenses	(170)
Selling, distribution & marketing expenses	(926)
Other operating income	337
Operating Profit / <Loss>	(7.729)
Finance <costs>/income	(392)
Profit / <Loss> before income tax & restructuring costs	(8.121)
Profit / <Loss> before income tax	(8.121)
Profit / <Loss> after income tax expenses from discontinued operations	(8.121)
Attributable to:	
Non-controlling interests	-
Shareholders	(8.121)
Depreciation	74
EBITDA	(7.655)

C) Balance Sheet

	12.12.2018
Property, plant & equipment	750
Inventories	4.161
Trade receivables	6.289
Other receivables	2.390
Cash & cash equivalents	2.634
Assets held for sale	16.224
Retirement benefit obligations	1.671
Trade payables	7.729
Other payables	1.042
Liabilities associated with assets held for sale	10.442
Net assets classified as held for sale	5.782

FRIGOGLASS S.A.I.C.

Notes to the Financial Statements

in € 000's

Note 29 - Discontinued operations (continued)		Year ended
		01.01 - 12.12.18
D) Cash Flows Statement		
Profit / <Loss> after income tax		(8.121)
(a) Cash flows from /(used in) operating activities		(3.100)
(b) Net cash generated from investing activities		(359)
(c) Net cash flows from/(used in) financing activities		5.565
Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c)		2.106
Cash and cash equivalents at the beginning of the year		415
Effects of changes in exchange rate		113
Cash and cash equivalents at the end of the period		2.634

E) Details of the Sale of Subsidiary

Consideration Received or Receivable:

Cash	3.606	Consideration Received	3.606
Short Term Fair Value of Deferred Consideration	2.286	Less: Cash & cash equivalents	(2.634)
Long Term Fair Value of Deferred Consideration	3.023		
Total Disposal Consideration	8.915	Net Proceeds from disposal	972
Carrying amount of Net Assets Sold	5.782		
Gain on Sale before tax & reclassification of foreign currency translation reserve	3.133		
Income Tax Expense on Gain	-		
Reclassification of foreign currency translation reserve	3.684		
Gain on sale after income tax	6.817		
Profit after tax of discontinued operation 01.01-12.12.18	(8.121)		
Profit & <Loss> from Discontinued Operations	(1.304)		

Note 30 - Expenses by nature

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

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Raw materials, consumables, energy & maintenance	259.408	226.517	25.642	28.864
Wages & salaries (Note 25)	66.487	64.801	13.775	13.801
Transportation expenses	15.091	12.617	1.933	1.785
Employee benefits, personnel expenses (Note 25)	9.022	8.222	1.446	1.429
Travel & car expenses	3.953	4.245	981	1.213
Provision for staff leaving indemnities and actual cost paid (Note 25)	3.375	(126)	3.151	628
Audit & third party fees	19.421	17.890	5.221	4.141
Rent, insurance, leasing payments and security expenses	7.351	7.597	810	995
Provisions for trade debtors, inventories, warranties and free of charge goods	10.955	8.730	(404)	(107)
Promotion and after sales expenses	15.641	13.635	3.366	3.711
Telecommunications, subscriptions and office supply expenses	1.086	952	168	163
Other expenses	2.857	1.655	1.197	1.348
Provision for stock options (Note 15 & 16)	295	-	295	-
Depreciation	22.868	19.791	1.872	3.542
Government grant income for exports	(2.909)	(1.115)	-	-
Total	434.901	385.411	59.453	61.513

Categorized as:

Cost of goods sold	382.434	339.996	36.614	39.064
Administration expenses	25.869	21.094	18.617	15.132
Selling, distribution & marketing expenses	22.843	20.736	4.222	4.669
Research & development expenses	3.755	3.585	-	2.648
Total	434.901	385.411	59.453	61.513

Depreciation allocated to:

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cost of goods sold	17.094	14.795	398	326
Administration expenses	2.970	2.500	1.395	1.139
Selling, distribution & marketing expenses	508	144	34	71
Research & development expenses	2.296	2.352	45	2.006
Total	22.868	19.791	1.872	3.542

Audit fees and other services of the auditor:

Audit and other fees charged in the income statement concerning the audit firm PricewaterhouseCoopers and its network in Greece, were as follows, in € 000's:

	2019	2018
Audit fees	250	200
Tax certificate	72	70
Other fees	68	73
Total fees	390	343

Note 31 - Provisions for other liabilities & charges

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Provisions for warranties	3.696	2.687	-	-
Other provisions	630	781	-	-
Total provision for other liabilities and charges	4.326	3.468	-	-

Provisions for Warranties	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Opening balance	2.687	3.356	-	-
Additional provision for the year	1.076	220	-	-
Unused amounts reversed	(83)	(849)	-	-
Charged to income statement	993	(629)	-	-
Exchange difference	16	(40)	-	-
Closing balance	3.696	2.687	-	-

As at **31 December 2019** the total provision is consistent with the Group's warranty policy and assumes that no extraordinary quality control issues will arise on the basis that no such indicators exist as at the date of approval of these financial statements.

Other Provisions	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Opening balance	781	554	-	-
Additional provision for the year	-	38	-	-
Unused amounts reversed	(148)	(18)	-	-
Charged to income statement	(148)	20	-	-
Utilized during the year	-	227	-	-
Exchange difference	(3)	(20)	-	-
Closing balance	630	781	-	-

Other Provisions include costs that may arise in the future for the settlement of State claims in India.

Note 32 - Retirement benefit obligations

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Retirement benefit	4.462	6.582	3.068	5.480
Total retirement benefit obligations	4.462	6.582	3.068	5.480

The amounts recognized in the income statement are as follows:

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Current service cost	354	818	240	203
Interest cost	150	1.216	65	80
Past service cost	117	448	92	345
Other Expenses (income)	2.754	(2.608)	2.754	-
Total	3.375	(126)	3.151	628

Movement in the net liability recognized on the balance sheet:

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Net liability at the beginning of the period	6.582	14.510	5.480	5.056
Benefits paid	(5.641)	(8.182)	(5.613)	(617)
Total expenses recognized in the income statement	3.375	(126)	3.151	628
Total amount recognized in the OCI	50	413	50	413
Exchange difference	96	(33)	-	-
Net liability at the end of the period	4.462	6.582	3.068	5.480

Benefits paid recognized in the income statement mainly relate to the compensations paid to KA employees as part of the restructuring (Note 28). Total expenses recognized in the Income statement include the additional provision (Note 28).

Note 32 - Retirement benefit obligations (continued)

Main assumptions used:	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Discount rate	2,12%	2,62%	1,00%	1,73%
Salary increase	2,25%	2,48%	1,45%	1,75%
Plan duration	14,70	17,04	16,84	14,20

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

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Change in financial and other assumptions	50	413	50	413
Recognized actuarial <gain> / loss to OCI	50	413	50	413

The major defined benefit plans of the Group are those of the Greek, Indonesia, India and Hungary entities, which are subject to the local legislation.

Employees are entitled to retirement indemnities, generally based on the employee's length of service, employment category and remuneration.

These are unfunded plans with obligation of payment at the date when they fall due.

The liabilities arising from such obligations are valued by independent firm of actuaries.

The last actuarial valuations were undertaken **in December 2019**.

Sensitivity analysis for significant assumptions

A quantitative sensitivity analysis for significant assumptions is shown below:

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Discount rate 0,5% higher	(305)	(431)	(240)	(359)
Discount rate 0,5% lower	328	463	263	391

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

Note 33 - Deferred tax

Consolidated

Deferred tax asset	Tax losses carried forward	Provisions & Liabilities	Pensions & employee benefit plan	Unrealized exchange differences	Other	Total
Balance at 01.01.2019	-	1.923	-	1.930	134	3.987
Charged to income statement	-	576	-	1.091	115	1.782
Exchange differences	-	11	-	21	(3)	29
Balance at 31.12.2019	-	2.510	-	3.042	246	5.798

Deferred tax liabilities	Accelerated tax depreciation	Unrealized exchange differences	Other	Total
Balance at 01.01.2019	13.267	7.007	11	20.285
Charged to income statement	(468)	852	-	384
Exchange differences	181	113	-	294
Balance at 31.12.2019	12.980	7.972	11	20.963

Net deferred tax asset / (liability)

(15.165)

Closing balance at:

Consolidated

	31.12.2019	31.12.2018
Deferred tax assets	2.984	400
Deferred tax liabilities	18.149	16.698
Net deferred tax asset / (liability)	(15.165)	(16.298)

Following the merge of Frigoglass West Africa and Frigoglass Industries in Nigeria, the Group reviewed previously unrecognised tax losses and determined that it was now probable that taxable profits will be available against which tax losses can be utilised. As a consequence, a deferred tax asset of €2.984k was recognised.

Note 33 - Deferred tax (continued)

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

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

Net deferred tax asset / (liability)	(16.298)
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Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against tax liabilities and when the deferred income taxes relate to the same fiscal authority. The majority portion of deferred tax asset / liability is to be recovered after more than 12 months. The Group recognises a deferred tax asset with respect to tax losses carried forward only to the extent that it believes can be utilised in the immediate future.

FRIGOGLASS S.A.I.C.

Notes to the Financial Statements

in € 000's

Note 34 - Bank deposits analysis

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

	Consolidated		Parent Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
B	37.184	27.025	-	-
Baa3	6.514	-	-	-
Ba1	2.541	-	-	-
A	2.385	4.809	240	616
AA-	606	-	-	-
A-	3	-	-	-
B2	1.068	-	-	-
BB+	13	-	-	-
BBB+	3.356	1.685	28	18
BBB-	476	-	-	-
B-	15	-	-	-
CCC+	-	3.815	1.120	1.679
Ba2	-	8.747	-	-
A+	-	687	-	-
Baa1	-	494	-	-
N/A	-	1.788	13	38
Total	54.161	49.050	1.401	2.351

Note 35 - Maturity of the undiscounted contractual cash flows of financial liabilities

	Less than 1 year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years	Total	Carrying Amount
Consolidated 31.12.2019					460.641	420.493
Trade creditors	81.450	-	-	-	81.450	81.450
Lease Liabilities	2.194	1.989	1.511	341	6.035	5.478
Other creditors (excluding taxes -duties & social security insurance payable)	54.847	-	-	-	54.847	54.847
Loans	69.246	113.540	135.523	-	318.309	278.718
Consolidated 31.12.2018					441.639	397.690
Trade creditors	77.643	-	-	-	77.643	77.643
Lease Liabilities	-	-	-	-	-	-
Other creditors (excluding taxes -duties & social security insurance payable)	44.788	-	-	-	44.788	44.788
Loans	61.407	12.418	245.383	-	319.208	275.259
Parent Company 31.12.2019					45.512	40.174
Trade creditors	4.130	-	-	-	4.130	4.130
Lease Liabilities	538	227	364	-	1.129	1.020
Other creditors (excluding taxes -duties & social security insurance payable)	5.470	-	-	-	5.470	5.470
Loans	1.743	1.743	31.297	-	34.783	29.554
Parent Company 31.12.2018					42.843	36.595
Trade creditors	6.051	-	-	-	6.051	6.051
Lease Liabilities	-	-	-	-	-	-
Other creditors (excluding taxes -duties & social security insurance payable)	4.064	-	-	-	4.064	4.064
Loans	1.562	1.562	29.604	-	32.728	26.480

Note 36 - Reclassifications of the Balance Sheet

Amounts in the Balance Sheet financial statements of the 31.12.2018 have been reclassified so as to be comparable with those of the current period.

The reclassifications have no effect on the Net Profit attributable to the Company shareholders, on the Net Profit attributable to the Minorities, on the EBITDA, on the Assets and Liabilities of the Company. The reclassification was done to accurately reflect the amounts of long-term and short-term liabilities.

For the consolidated financial statements an amount of €1.600 has been reclassified from Other payables to Current tax liabilities due to the provisions of IFRIC 23 - Uncertainty over income tax treatment and an amount € 887 from Other payables to Other long term liabilities due to the long term nature of the company's bonus scheme.

For the parent company an amount € 720 from Other payables to Other long term liabilities due to the long term nature of the company's bonus scheme.

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 Sales from contracts with customers.

EBITDA is intended to provide useful information to analyze the Group’s operating performance.

<i>(in € 000's)</i>	2019	2018
Profit / (Loss) before income tax	27,483	13,104
Depreciation	22,868	19,791
Restructuring costs	4,843	301
Impairment of fixed assets	1,088	2,071
Finance costs	17,772	21,167
EBITDA	74,054	56,434
Sales from contracts with customers	482,337	417,297
EBITDA margin, %	15.4%	13.5%

Comparable EBITDA

Comparable EBITDA is used by the management in order to facilitate comparability with prior year's figures. It is defined as EBITDA deducting the expense adjustments related to leases. Comparable EBITDA margin (%) is defined as Comparable EBITDA divided by Sales from contracts with customers.

<i>(in € 000's)</i>	2019	2018
EBITDA	74,054	56,434
EBITDA margin, %	15.4%	13.5%
Expense adjustment related to leases	2,400	–
Comparable EBITDA	71,654	56,434
Comparable EBITDA margin, %	14.9%	13.5%

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 December 2019	31 December 2018
Trade debtors	97,523	77,606
Inventories	107,250	101,739
Trade creditors	81,450	77,643
Net Trade Working Capital	123,323	101,702

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.

Comparable Free Cash Flow

Comparable free cash flow is used by management in order to facilitate comparability with prior year's figure and it is defined as free cash flow adding the payment of lease liabilities.

<i>(in € 000's)</i>	2019	2018		
		Continuing operations	Discontinued operations	Reported
Net cash from operating activities	45,109	43,786	(3,100)	40,686
Net cash from investing activities	(27,688)	(33,363)	(359)	(33,722)
Free Cash Flow	17,421	10,423	(3,459)	6,964
Lease payments	(1,788)	–	–	–
Comparable Free Cash Flow	15,633	10,423	(3,459)	6,964

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.

Comparable Adjusted Free Cash Flow

Comparable adjusted free cash flow is defined as adjusted free cash flow adding the payment of lease liabilities.

<i>(in € 000's)</i>	2019	2018		
		Continuing operations	Discontinued operations	Reported
Free Cash Flow	17,421	10,423	(3,459)	6,964
Restructuring Costs	6,639	838	–	838
Payment of Pension Scheme in Nigeria	–	7,311	–	7,311
Proceeds from disposal of subsidiary	(2,391)	(972)	–	(972)
Proceeds from disposal of PPE	(375)	(1,530)	–	(1,530)
Adjusted Free Cash Flow	21,294	16,070	(3,459)	12,611
Lease payments	(1,788)	–	–	–
Comparable adj. Free Cash Flow	19,506	16,070	(3,459)	12,611

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. Following the adoption of IFRS 16, financial liabilities related to leases are included in the calculation of net debt as from 2019 onwards.

<i>(in € 000's)</i>	31 December	31 December
	2019	2018
Long-term borrowings	223,458	227,998
Short-term borrowings	55,260	47,261
Lease liabilities (long-term portion)	3,419	–
Lease liabilities (short-term portion)	2,059	–
Cash and cash equivalents	54,170	49,057
Net Debt	230,026	226,202

Comparable Net debt

Comparable net debt excludes the financial liabilities related to leases for comparability purposes with prior years. It is defined as net debt (described above) deducting financial liabilities related to leases as illustrated below.

<i>(in € 000's)</i>	31 December	31 December
	2019	2018
Net Debt	230,026	226,202
Lease liabilities (long-term portion)	3,419	–
Lease liabilities (short-term portion)	2,059	–
Comparable Net Debt	224,548	226,202

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>	2019	2018		
		Continuing operations	Discontinued operations	Reported
Purchase of PPE	(25,868)	(31,289)	(359)	(31,648)
Purchase of intangible assets	(4,586)	(4,576)	–	(4,576)
Capital expenditure	(30,454)	(35,865)	(359)	(36,224)