

FRIGOGLASS S.A.I.C.

Interim Condensed Financial Statements *1 January to 31 March 2020*

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



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



www.frigoglass.com

FRIGOGLASS S.A.I.C.
Commercial Refrigerators

Interim Condensed Financial Statements
1 January to 31 March 2020

The present Interim Condensed Financial Statements are approved by the Board of Directors of “Frigoglass S.A.I.C.” **on the 26th May 2020.**

The present Interim Condensed Financial Statements of the period are available on the company’s website www.frigoglass.com

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

The Chairman of the Board of Directors

The Managing Director

Haralambos David

Nikolaos Mamoulis

The Group Chief Financial Officer

The Head of Financial Controlling

Charalampos Gkoritsas

Vasileios Stergiou

BOARD OF DIRECTORS REPORT

Kifissia, May 26 2020

Financial Review for the period ended 31 March 2020

Group sales increased by 8.2% to €135.9 million, demonstrating a resilient performance in the first two months of the year across all our Commercial Refrigeration geographies. Following the rapid evolution of COVID-19 and the subsequent governments' interventions in several of our markets, demand for our commercial refrigeration products slowed down in March. Demand for our glass container and complementary products in Nigeria was also impacted by mounting macroeconomic concerns in the country.

Commercial refrigeration sales increased by 14.6% to €111.2 million. Sales in East Europe grew by 19.8%, following sustained strong orders from key customers in Russia, Ukraine and Poland. This good performance was supported by market share gains with a customer in the brewery segment. Growth was tempered in March as lockdown measures affected our customers' cooler investments. In West Europe, although we saw growth in most of our markets, the significant lower year-on-year orders in Germany resulted in a mid-single digit decline in sales. In Africa and Middle East, sales were up 29.7% year-on-year in the quarter. This performance primarily reflects increased demand in East and South Africa, more than offsetting lower orders from breweries in Nigeria due to the challenging macro environment. Growth momentum in Asia remained strong, with sales growing by 30.3%. This performance was driven by increased orders in the first two months of the year from soft drink customers in India, coupled with market share gains. Sales significantly slowed down in March, mainly following the lockdown measures in India that affected our customers' cooler capital spending.

Glass business sales declined by 13.4% to €24.7 million, primarily driven by lower demand for plastic crates. Lower year-on-year volume in the glass container business, driven by key brewery customers was mostly offset by price initiatives. Metal crowns' sales were also lower year-on-year, impacted by production disruptions due to raw material shortages. Demand for plastic crates remained soft, resulting in a double-digit top-line decline. Measures related to COVID-19 pandemic were taken in Nigeria late in March and early April and were varying from state to state. Demand in April materially impacted by the mandated lockdowns.

Cost of goods sold increased by 8.7% to €109.4 million, as a result of higher year-on-year sales. Cost of goods sold as a percentage of the group's sales was 80.5%, from 80.1% in Q1 2019, reflecting the under-absorption of fixed costs and a less favorable sales mix.

Administrative expenses increased by 9.8% to €6.4 million, primarily impacted by higher employee payroll and IT costs associated with the implementation of SAP platform. Administrative expenses as a percentage of sales increased to 4.7%, from 4.6% in Q1 2019.

Selling, distribution and marketing expenses decreased by 12.3% to €5.2 million, primarily due to lower warranty related expenses. As a percentage of sales, selling, distribution and marketing expenses improved to 3.8%, from 4.7% last year.

Research and development expenses decreased by 18.1% to €0.7 million, primarily reflecting lower year-on-year employee related expenses and IT costs. As a percentage of sales, research and development expenses improved to 0.5%, from 0.7% in Q1 2019.

Net finance cost was €0.6 million, compared to €5.9 million in Q1 2019, supported by foreign exchange gains primarily caused by the impact from Naira's devaluation on hard currency denominated assets.

Income tax expense was €6.5 million, compared to €3.7 million last year, driven by deferred taxes related to foreign exchange gains.

Frigoglass reported a net profit of €4.4 million, compared to €2.0 million last year.

Net cash from operating activities amounted to €6.6 million, compared to net cash used in operating activities of €10.4 million last year. This improvement was achieved through higher year-on-year EBITDA and better working capital management.

Net cash used in investing activities was €4.5 million, compared to €1.9 million in Q1 2019. The increase reflects purchases of equipment related to a furnace rebuild in Nigeria.

Net cash from financing activities amounted to €13.0 million, compared to €1.5 million last year. This increase reflects the proceeds from the senior secured notes issued in February and the utilization of credit lines.

Net trade working capital as of 31 March 2020 (for details please refer to Alternative Performance Measures section in this report) reached €133.7 million, compared to €136.1 million as of 31 March 2019. This decrease was mainly due to lower inventory.

Capital expenditures reached €4.5 million, of which €3.2 million related to the purchase of property, plant and equipment and €1.3 million related to the purchase of intangible assets, compared to €2.7 million in Q1 2019, of which €1.5 million related to the purchase of property, plant and equipment and €1.2 million related to the purchase of intangible assets. The increase reflects higher amounts for investments in materials and equipment related to a furnace rebuild at the Guinea facility in Nigeria.

Business Outlook and COVID-19 Pandemic Update

Although we saw last year's growth momentum continuing in January and February 2020 and were optimistic for the year, customers' orders have been significantly reduced in March following the material impact in the Immediate Consumption channel caused by governments' social-distancing measures and lockdowns in several of our markets. The impact was varying across all our markets, with Western Europe suffering the most.

The full impact of the COVID-19 pandemic on our 2020 results remains uncertain and will highly depend on the magnitude of the global economic impact after the lift of the governments' restrictions. What is evident from April's 2020 sales and the continuous trend in May is that the impact will be significant on our Q2 2020 results.

To limit the profitability and cash flow impact caused from the slow-down in demand, we are taking several actions to protect our business and adjust our cost base and capital spending. Currently, our focus is on improving our cost absorption ability by reducing our fixed production and operating expenses base and eliminating discretionary costs, such as travelling, third-party fees and marketing. We have also reprioritised capital expenditure, reducing spending at around €15 million in 2020. We remain firm on completing the furnace rebuild later in the year to protect the long-term future of our Glass business. In these market conditions, we have also currently put on hold the implementation of SAP platform. The aforementioned cash preservation initiatives do not affect our capacity to swiftly respond when demand returns to normal level.

We are entering the crisis from a position of strength, having extended the bulk of our debt maturities to 2025 and reaching a cash balance of €66 million in April, which is sufficient to meet our financing costs obligations. Over and above, we have increased our credit lines with banks in certain local jurisdictions by €10 million. We also continue our efforts to further increase our liquidity position over the upcoming months.

Yours Faithfully,

The Board of Directors

FRIGOGLASS S.A.I.C.
Commercial Refrigerators
Interim Condensed Financial Statements
1 January – 31 March 2020

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	Note	Consolidated		Parent Company	
		Three months ended		Three months ended	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
Revenue from contracts with customers	5 & 23	135.897	125.565	1.491	13.780
Cost of goods sold		(109.360)	(100.579)	(1.151)	(12.926)
Gross profit		26.537	24.986	340	854
Administrative expenses		(6.353)	(5.788)	(4.023)	(3.912)
Selling, distribution & marketing expenses		(5.157)	(5.881)	(1.067)	(1.016)
Development expenses		(720)	(879)	-	-
Other operating income	26	615	619	5.391	2.684
Other gains/<losses> - net	26	(32)	(65)	-	10.093
Operating Profit / <Loss>		14.890	12.992	641	8.703
Finance costs	17	(1.125)	(6.737)	(1.156)	(427)
Finance income	17	537	870	-	1
Finance costs - net		(588)	(5.867)	(1.156)	(426)
Profit / <Loss> before income tax		14.302	7.125	(515)	8.277
Income tax expense	18	(6.504)	(3.704)	(26)	(104)
Profit / <Loss> for the period		7.798	3.421	(541)	8.173
Attributable to:					
Non-controlling interests		3.353	1.390	-	-
Shareholders		4.445	2.031	(541)	8.173
Depreciation		5.648	5.895	316	537
EBITDA	27	20.538	18.887	957	9.240
		Amounts in €			
Basic Earnings / <Loss> per share, after taxes attributable to the shareholders	20	0,0125	0,0057	(0,0015)	0,0230
Diluted Earnings / <Loss> per share, after taxes attributable to the shareholders	20	0,0125	0,0057	(0,0015)	0,0230

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

FRIGOGLASS S.A.I.C.

Interim Condensed Statement of Financial Position

in € 000's



	Note	Consolidated		Parent Company	
		31.03.2020	31.12.2019	31.03.2020	31.12.2019
Assets:					
Property, plant & equipment	6	118.868	129.439	2.393	2.467
Right-of-use assets		4.667	5.312	968	997
Intangible assets	7	12.579	11.973	2.189	2.461
Investments in subsidiaries	14	-	-	60.005	60.005
Deferred tax assets		2.584	2.984	-	-
Other long term assets		2.068	2.067	84	77
Total non current assets		140.766	151.775	65.639	66.007
Inventories	8	97.581	107.250	-	-
Trade receivables	9	116.365	97.523	2.122	5.199
Other receivables	10	29.721	28.791	1.149	1.346
Current tax assets		2.162	3.880	-	-
Intergroup receivables	20	-	-	19.982	16.790
Cash & cash equivalents	11	63.855	54.170	1.707	1.402
Total current assets		309.684	291.614	24.960	24.737
Total Assets		450.450	443.389	90.599	90.744
Liabilities:					
Non current borrowings	13	251.882	223.458	-	-
Lease Liabilities	19	2.891	3.419	597	523
Deferred tax liabilities		17.762	18.149	-	-
Retirement benefit obligations		4.557	4.462	3.108	3.068
Intergroup bond loans	13	-	-	41.987	29.554
Other long term liabilities		2.572	2.327	2.110	1.908
Provisions		3.594	4.326	-	-
Total non current liabilities		283.258	256.141	47.802	35.053
Trade payables		80.199	81.450	3.581	4.130
Other payables	12	64.957	64.251	6.832	6.359
Current tax liabilities		13.790	11.666	-	-
Intergroup payables	20	-	-	5.957	18.137
Current borrowings	13	46.328	55.260	-	-
Lease Liabilities	19	2.043	2.059	400	498
Total current liabilities		207.317	214.686	16.770	29.124
Total Liabilities		490.575	470.827	64.572	64.177
Equity:					
Share capital	15	35.544	35.544	35.544	35.544
Share premium	15	(33.801)	(33.801)	(33.801)	(33.801)
Other reserves	16	(22.742)	(10.319)	25.758	25.758
Accumulated earnings /<losses>		(71.819)	(76.264)	(1.474)	(933)
Equity attributable to equity holders of the parent		(92.818)	(84.840)	26.027	26.567
Non-controlling interests		52.693	57.402	-	-
Total Equity		(40.125)	(27.438)	26.027	26.567
Total Liabilities & Equity		450.450	443.389	90.599	90.744

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 01.01.2019	127.958	(33.801)	(11.948)	(174.194)	(91.985)	49.026	(42.959)
Profit / <Loss> for the period	-	-	-	2.031	2.031	1.390	3.421
Other Comprehensive income / <expenses> net of tax	-	-	1.766	-	1.766	950	2.716
Total comprehensive income / <expenses> net of taxes	-	-	1.766	2.031	3.797	2.340	6.137
Total Transactions with owners in their capacity as owners	-	-	-	-	-	-	-
Balance at 31.03.2019	127.958	(33.801)	(10.182)	(172.163)	(88.188)	51.366	(36.822)
Balance at 01.04.2019	127.958	(33.801)	(10.182)	(172.163)	(88.188)	51.366	(36.822)
Profit / <Loss> for the period	-	-	-	3.535	3.535	6.644	10.179
Other Comprehensive income / <expenses> net of tax	-	-	(432)	(50)	(482)	(38)	(520)
Total comprehensive income / <expense> net of taxes	-	-	(432)	3.485	3.053	6.606	9.659
Dividends to non controlling interest	-	-	-	-	-	(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)
Balance at 01.01.2020	35.544	(33.801)	(10.319)	(76.264)	(84.840)	57.402	(27.438)
Profit / <Loss> for the period	-	-	-	4.445	4.445	3.353	7.798
Other Comprehensive income / <expenses> net of tax	-	-	(12.423)	-	(12.423)	(8.062)	(20.485)
Total comprehensive income / <expenses> net of taxes	-	-	(12.423)	4.445	(7.978)	(4.709)	(12.687)
Total Transactions with owners in their capacity as owners	-	-	-	-	-	-	-
Balance at 31.03.2020	35.544	(33.801)	(22.742)	(71.819)	(92.818)	52.693	(40.125)

The devaluation of the Naira has resulted in a significant decrease of Group's net equity.

Exchange rate € / Naira at 31.12.2019 was 344,26 and at 31.03.2020 was 397,56.

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

FRIGOGLASS S.A.I.C.

Interim Condensed Statement of Changes in Equity

in € 000's



	Parent Company				Total Equity
	Share Capital	Share premium	Other reserves	Accumulated <losses>	
Balance at 01.01.2019	127.958	(33.801)	25.463	(97.066)	22.554
Profit / <Loss> for the period	-	-	-	8.173	8.173
Other Comprehensive income / <expenses> net of tax	-	-	-	-	-
Total comprehensive income / <expenses> net of taxes	-	-	-	8.173	8.173
Total Transactions with owners in their capacity as owners	-	-	-	-	-
Balance at 31.03.2019	127.958	(33.801)	25.463	(88.893)	30.727
Balance at 01.04.2019	127.958	(33.801)	25.463	(88.893)	30.727
Profit / <Loss> for the period	-	-	-	(4.404)	(4.404)
Other Comprehensive income / <expenses> net of tax	-	-	-	(50)	(50)
Total comprehensive income / <expense> net of taxes	-	-	-	(4.454)	(4.454)
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
Balance at 01.01.2020	35.544	(33.801)	25.758	(933)	26.568
Profit / <Loss> for the period	-	-	-	(541)	(541)
Other Comprehensive income / <expenses> net of tax	-	-	-	-	-
Total comprehensive income / <expenses> net of taxes	-	-	-	(541)	(541)
Total Transactions with owners in their capacity as owners	-	-	-	-	-
Balance at 31.03.2020	35.544	(33.801)	25.758	(1.474)	26.027

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

FRIGOGLASS S.A.I.C.
Interim Condensed Statement of Cash Flows
in € 000's



	Note	Consolidated		Parent Company	
		Period ended		Period ended	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
Profit / <Loss> for the period		7.798	3.421	(541)	8.173
Adjustments for:					
Income tax expense	18	6.504	3.704	26	104
Depreciation		5.648	5.895	316	537
Provisions		185	198	59	48
Finance costs, net	17	588	5.867	1.156	426
Loss/<Profit> from disposal of property, plant & equipment	26	-	3	-	(10.093)
Changes in working capital:					
Decrease / (increase) of inventories		4.922	(12.045)	-	(651)
Decrease / (increase) of trade receivables		(24.141)	(38.232)	3.077	(8.320)
Decrease / (increase) of intergroup receivables		-	-	(3.192)	1.498
Decrease / (increase) of other receivables		(3.097)	(4.058)	171	(133)
Decrease / (increase) of other long term receivables		(6)	20	(4)	6
(Decrease) / increase of trade payables		1.593	17.511	(549)	(1.657)
(Decrease) / increase of intergroup payables		-	-	(12.180)	4.937
(Decrease) / increase of other current & non current liabilities		6.882	7.761	632	2.086
Less:					
Income taxes paid		(246)	(468)	-	-
(a) Cash flows from / (used in) operating activities		6.630	(10.423)	(11.029)	(3.039)
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(3.181)	(1.519)	(25)	(12)
Purchase of intangible assets	7	(1.354)	(1.220)	(169)	(215)
Proceeds from disposal of subsidiary		-	795	-	-
(b) Net cash flows (used in) / from investing activities		(4.535)	(1.944)	(194)	(227)
Net cash generated from operating and investing activities (a) + (b)		2.095	(12.367)	(11.223)	(3.266)
Cash flows from financing activities					
Proceeds from borrowings		289.481	16.031	-	-
<Repayments> of borrowings		(260.347)	(8.458)	-	-
Proceeds from intergroup loans		-	-	16.500	3.000
<Repayments> of intergroup loans		-	-	(1.650)	-
Interest paid		(7.417)	(5.698)	-	-
Issuance cost - Bond		(8.392)	-	(3.147)	-
Payment of Lease Liabilities		(360)	(390)	(175)	(146)
(c) Net cash flows from / (used in) financing activities		12.965	1.485	11.528	2.854
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		15.060	(10.882)	305	(412)
Cash and cash equivalents at the beginning of the period		54.170	49.057	1.402	2.352
Effects of changes in exchange rate		(5.375)	545	-	-
Cash and cash equivalents at the end of the period		63.855	38.720	1.707	1.940

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

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

Notes to the Interim Condensed Financial Statements

Note 1 - General Information

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

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

The Company is incorporated and based in Kifissia, Attica.

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

The address of its registered office is:

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

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

The interim condensed financial statements have been approved by the Board of Directors of the Company on **26th May 2020**.

Note 2 – Basis of Preparation

This Interim Condensed Financial Information for the period **01.01 - 31.03.2020** has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and specifically in terms of IAS 34, ‘Interim financial reporting’.

The Interim Condensed Financial Information should be read in conjunction with the annual financial statements for the year ended **31 December 2019** that are available on the company’s web page www.frigoglass.com.

The financial statements have been prepared on a historical cost basis.

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

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

Note 3 – Principal accounting policies

The accounting policies adopted in preparing this Interim Condensed Financial Information are consistent with those described in the annual financial statements of the Company and the Group for the year ended **31 December 2019**.

The financial statements have been prepared on a historical cost basis.

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

New standards, amendments to standards and interpretations:

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after **01.01.2020**.

None of the standards and interpretations issued is expected to have a significant effect on the Consolidated or the Parent Company financial statements.

Standards and Interpretations effective for the current financial year

IFRS 3 (Amendments) ‘Definition of a business’

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.

IAS 1 and IAS 8 (Amendments) ‘Definition of material’

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 IFRSs.

IFRS 9, IAS 39 and IFRS 7 (Amendments) ‘Interest rate benchmark reform’

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Standards and Interpretations effective for subsequent periods

IFRS 17 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2021)

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

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

Note 4 - Critical accounting estimates and judgements

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

4.1. Critical accounting estimates and assumptions

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

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. The Company has an investment in Frigoinvest Holdings B.V. (Note 14), which holds the Group's subsidiaries in the ICM and Glass segments which represent the two identifiable, separate cash generating units. Based on the assessment performed by management no impairment charge was recognized with respect to the Company's investment in subsidiary.

4.1.3. 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 provision for doubtful debts has been based on the outstanding balances of specific debtors after taking into account their ageing, the agreed credit terms, the history, the existing market conditions and the forward-looking estimates.

Management has assessed receivable balances of subsidiaries and has determined that these receivable do not require an impairment provision

4.1.5. Staff retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the relevant obligation comprises the discount rate, the expected return on plan assets, the rate of compensation increase, the rate of inflation and future

estimated pension increases. Any changes in these assumptions will impact the carrying amount of the retirement benefit obligations. The Group determines the amount of the retirement benefit obligations using suitably qualified independent actuaries at each year-end's balance sheet date.

4.1.6. 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 the below.

4.3. Financial risk management

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.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and they should be read in conjunction with the group's annual financial statements as at **31 December 2019**.

Note 5 - Segment Information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

The operating segment information presented below is based on the information that the Management Committee uses to assess the performance of the Group's operating segments.

Taking into account the above, the categorization of the Group's operations in business segments is the following:

- Ice Cold Merchandise (ICM) Operations
- Glass Operations

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

a) Analysis per business segment i) Statement of Profit & Loss	Three months ended 31.03.2020			Three months ended 31.03.2019		
	ICM Operations	Glass Operations	Total	ICM Operations	Glass Operations	Total
Revenue from contracts with customers						
At a point in time	98.329	24.727	123.056	84.760	28.561	113.321
Over time	12.841	-	12.841	12.244	-	12.244
Total Revenue from contracts with customers	111.170	24.727	135.897	97.004	28.561	125.565
Operating Profit / <Loss>	10.357	4.533	14.890	7.712	5.280	12.992
Finance costs	(9.924)	8.799	(1.125)	(6.440)	(297)	(6.737)
Finance income	12	525	537	6	864	870
Finance costs - net	(9.911)	9.323	(588)	(6.434)	567	(5.867)
Profit / <Loss> before income tax	446	13.856	14.302	1.278	5.847	7.125
Income tax expense	(1.846)	(4.658)	(6.504)	(1.805)	(1.899)	(3.704)
Profit / <Loss> after income tax expenses	(1.400)	9.198	7.798	(527)	3.948	3.421
Profit / <Loss> attributable to the shareholders of the company	(1.385)	5.830	4.445	(181)	2.212	2.031
Depreciation	3.365	2.283	5.648	3.856	2.039	5.895
EBITDA	13.722	6.816	20.538	11.568	7.319	18.887

There are no sales between the two segments.

	Y-o-Y %		
	31.03.2020 vs 31.03.2019		
	ICM Operations	Glass Operations	Total
Total Revenue from contracts with customers	14,6%	-13,4%	8,2%
Operating Profit / <Loss>	34,3%	-14,1%	14,6%
EBITDA	18,6%	-6,9%	8,7%

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

	Three months ended 31.03.2020			Year ended 31.12.2019		
	ICM Operations	Glass Operations	Total	ICM Operations	Glass Operations	Total
Total assets	305.066	145.384	450.450	281.809	161.580	443.389
Total liabilities	431.689	58.886	490.575	407.847	62.980	470.827
Capital expenditure	1.939	2.596	4.535	9.193	21.261	30.454

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	
	Three months ended 31.03.2020	31.03.2019
ICM Operations :		
East Europe	53.795	44.893
West Europe	27.226	28.895
Africa / Middle East	21.621	16.670
Asia / Oceania	8.528	6.546
Total	111.170	97.004
Glass Operations :		
Africa	24.727	28.561
Total	24.727	28.561
Total Sales :		
East Europe	53.795	44.893
West Europe	27.226	28.895
Africa / Middle East	46.348	45.231
Asia / Oceania	8.528	6.546
Consolidated	135.897	125.565

Note 5 - Segment information (continued)

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

	Parent Company	
	Three months ended	
	31.03.2020	31.03.2019
ICM Operations :		
East Europe	-	331
West Europe	1.491	6.803
Africa / Middle East	-	4.647
Asia / Oceania	-	-
Sales to third parties	1.491	11.781
Intercompany sales (Note 20)	-	1.999
Total Sales	1.491	13.780

The significant decline in sales is mainly attributable to the discontinuation of the Kato Achaia plant in mid 2019.

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		
	31.03.2020	31.12.2019	31.03.2019
ICM Operations :			
East Europe	395	3.824	505
West Europe	1.362	4.459	855
Africa	137	420	146
Asia	45	490	29
Total	1.939	9.193	1.535
Glass Operations:			
Africa	2.596	21.261	1.204
Total	2.596	21.261	1.204
Consolidated	4.535	30.454	2.739

Note 6 - Property, plant & equipment

	Consolidated					Total
	Land	Building & technical works	Machinery technical installation	Motor vehicles	Furniture & fixtures	
Cost						
Balance at 01.01.2020	4.884	60.194	236.821	6.139	10.282	318.320
Additions	-	62	360	27	195	644
Construction in progress	-	8	2.430	-	99	2.537
Tangible Assets Write off	-	-	(319)	-	-	(319)
Exchange differences	(95)	(872)	(19.634)	(627)	(589)	(21.817)
Balance at 31.03.2020	4.789	59.392	219.658	5.539	9.987	299.365
Accumulated Depreciation						
Balance at 01.01.2020	-	29.426	147.413	4.174	7.868	188.881
Depreciation charge	-	429	3.171	214	222	4.036
Tangible Assets Write off	-	-	(319)	-	-	(319)
Exchange differences	-	(386)	(10.857)	(426)	(432)	(12.101)
Balance at 31.03.2020	-	29.469	139.408	3.962	7.658	180.497
Net book value at 31.03.2020	4.789	29.923	80.250	1.577	2.329	118.868
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.

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

The major variance derives from the devaluation of Naira against Euro. Exchange rate € / Naira at 31.12.2019 was 344,26 and at 31.03.2020 was 397,56.

	Parent Company					Total
	Land	Building & technical works	Machinery technical installation	Motor vehicles	Furniture & fixtures	
Cost						
Balance at 01.01.2020	303	8.753	1.710	-	326	11.092
Additions	-	3	-	-	22	25
Balance at 31.03.2020	303	8.756	1.710	-	348	11.117
Accumulated Depreciation						
Balance at 01.01.2020	-	6.812	1.710	-	103	8.625
Depreciation charge	-	77	-	-	22	99
Balance at 31.03.2020	-	6.889	1.710	-	125	8.724
Net book value at 31.03.2020	303	1.867	-	-	223	2.393
Net book value at 31.12.2019	303	1.941	-	-	223	2.467

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

Note 7 - Intangible assets

	Consolidated			
	Development costs	Patents & trademarks	Software & other intangible assets	Total
Cost				
Balance 01.01.2020	19.848	2	10.304	30.154
Additions	243	-	35	278
Construction in progress	50	-	1.026	1.076
Exchange differences	(148)	-	(117)	(265)
Balance at 31.03.2020	19.993	2	11.248	31.243
Accumulated Depreciation				
Balance at 01.01.2020	11.322	2	6.857	18.181
Depreciation charge	487	-	238	725
Exchange differences	(142)	-	(100)	(242)
Balance at 31.03.2020	11.667	2	6.995	18.664
Net book value at 31.03.2020	8.326	-	4.253	12.579
Net book value at 31.12.2019	8.526	-	3.447	11.973
	Parent Company			
	Development costs	Patents & trademarks	Software & other intangible assets	Total
Cost				
Balance 01.01.2020	-	-	2.987	2.987
Additions	-	-	2	2
Construction in progress	-	-	167	167
Disposals to subsidiaries of the group	-	-	(357)	(357)
Balance at 31.03.2020	-	-	2.799	2.799
Accumulated Depreciation				
Balance 01.01.2020	-	-	526	526
Depreciation charge	-	-	84	84
Balance at 31.03.2020	-	-	610	610
Net book value at 31.03.2020	-	-	2.189	2.189
Net book value at 31.12.2019	-	-	2.461	2.461

Note 8 - Inventories

	Consolidated		Parent Company	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Raw materials	60.989	62.783	-	-
Work in progress	2.123	3.186	-	-
Finished goods	42.055	50.441	-	-
Less: Provision	(7.586)	(9.160)	-	-
Total	97.581	107.250	-	-

Note 9 - Trade receivables

	Consolidated		Parent Company	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Trade receivables	117.171	98.269	2.497	5.574
Less: Provisions	(806)	(746)	(375)	(375)
Total	116.365	97.523	2.122	5.199

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, Diageo - Guinness, Pespi and Heineken.

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

Management does not expect any losses from non-performance of trade receivables, other than as provided for as at 31.03.2020.

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 Interim Condensed Financial Statements**

in € 000's

Note 10 - Other receivables

	Consolidated		Parent Company	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
V.A.T receivable	10.693	8.738	341	135
Grants for exports receivable	7.980	9.117	-	-
Insurance prepayments	1.104	712	224	16
Prepaid expenses	1.357	709	319	-
Receivable from the disposal of subsidiary	1.636	1.636	-	-
Other taxes receivable	3.087	3.517	-	-
Advances to employees	650	744	69	62
Other receivables	3.214	3.618	196	1.133
Total	29.721	28.791	1.149	1.346

The amount of Grants for exports receivable comprise mainly of Export Expansion Grants (EEG) and Negotiable Duty Credit Certificates (NDCC) in Nigeria **31.03.2020 € 7,26m (2019 € 8,27m)**. 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 an amount related to the government grants.

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 Interim Condensed Financial Statements

in € 000's

Note 11 - Cash & cash equivalents

	Consolidated		Parent Company	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Cash on hand	36	9	-	1
Short term bank deposits	63.819	54.161	1.707	1.401
Total	63.855	54.170	1.707	1.402

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

Note 12 - Other payables

	Consolidated		Parent Company	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Taxes and duties payable	2.894	3.914	347	507
VAT payable	3.223	2.166	-	-
Social security insurance	1.469	1.660	198	381
Customers' advances	1.220	1.275	53	44
Other taxes payable	1.539	1.664	-	-
Accrued discounts on sales	17.973	20.157	435	817
Accrued fees & costs payable to third parties	7.181	7.447	672	1.586
Accrued payroll expenses	11.364	8.949	3.464	2.477
Other accrued expenses	4.941	3.992	-	29
Accrued interest for bank loans	2.470	4.999	-	-
Expenses for restructuring activities	-	45	-	45
Accrual for warranty expenses	5.196	5.210	237	236
Other payables	5.487	2.773	1.426	237
Total	64.957	64.251	6.832	6.359

The fair value of other creditors approximates their carrying value.

Accrued discount on sales: The reduction in the balance is mainly attributable to the invoicing of accrued discounts for prior years and the differentiation of the customer mix.

FRIGOGLASS S.A.I.C.

Notes to the Interim Condensed Financial Statements

in € 000's

Note 13 - Non current & current borrowings

	Consolidated		Parent Company	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Bank loans	-	53.745	-	-
Intergroup bond loans	-	-	41.987	29.554
Bond loans	251.882	169.713	-	-
Total Non current borrowings	251.882	223.458	41.987	29.554
Bank overdrafts	1.944	2.083	-	-
Bank loans	44.384	53.177	-	-
Total current borrowings	46.328	55.260	-	-
Total borrowings	298.210	278.718	41.987	29.554

	Consolidated		Parent Company	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Net debt / Total capital				
Total borrowings	298.210	278.718	41.987	29.554
Total Lease Liabilities	4.934	5.478	997	1.021
Cash & cash equivalents	(63.855)	(54.170)	(1.707)	(1.402)
Net debt (A)	239.289	230.026	41.277	29.173
Total equity (B)	(40.125)	(27.438)	26.027	26.567
Total capital (C) = (A) + (B)	199.164	202.588	67.304	55.740
Net debt / Total capital (A) / (C)	120,15%	113,54%	61,33%	52,34%

Note 13 - Non current & current borrowings (continued)

Non-current borrowings

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.

Guarantees

The companies that have granted guarantees in respect of the Note are: Frigoglass S.A.I.C., Frigoinvest Holdings B.V., Beta Glass Plc, Frigoglass Eurasia LLC, Frigoglass Industries (Nigeria) Limited, Frigoglass Cyprus Limited, Frigoglass Global Limited, Frigoglass Romania S.R.L. and 3P Frigoglass S.R.L.

Security

The security granted in favour of the creditors under the senior secured notes due 2025 include the following:

(a) Security over shares in the following Group companies: Frigoinvest Holdings B.V., Frigoglass Finance B.V., 3P Frigoglass S.R.L., Frigoglass Romania S.R.L., Frigoglass Eurasia LLC and Frigoglass Cyprus Limited. The Notes are also secured by a pledge over the shares of Frigoglass Industries Nigeria Limited and Beta Glass (the "Share Pledge"), with an aggregate amount of the secured obligations in respect of the Share Pledge being limited to €175.0 million.

(b) Security over assets of the Group in the value shown below:

Asset	in € 000's as at 31.03.2020
Intergroup loans receivables	329.746
Other debtors	2
Cash & cash equivalents	4.602
Total	334.350

Note 14 - Investments in subsidiaries

	Parent Company	
	31.03.2020	31.12.2019
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.

Note 15 - Share capital**2020**

The share capital of the Group as at **31.03.2020** comprised of **355.437.751** fully paid up ordinary shares with an nominal value of **€ 0,10** each.

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.

	Number of shares	Share capital -000' Euro-	Share premium -000' Euro-
Balance at 01.01.2019	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)
Balance at 31.03.2020	355.437.751	35.544	(33.801)

Note 16 - Other reserves

	Consolidated					Total
	Statutory reserves	Share option reserve	Extraordinary reserves	Tax free reserves	Currency translation reserve	
Balance at 01.01.2019	4.177	670	14.729	8.760	(40.284)	(11.948)
Exchange differences	-	-	40	-	1.726	1.766
Balance at 31.03.2019	4.177	670	14.769	8.760	(38.558)	(10.182)
Balance at 01.04.2019	4.177	670	14.769	8.760	(38.558)	(10.182)
Additions for the year	-	295	-	-	-	295
Exchange differences	-	-	-	-	(432)	(432)
Balance at 31.12.2019	4.177	965	14.769	8.760	(38.990)	(10.319)
Balance at 01.01.2020	4.177	965	14.769	8.760	(38.990)	(10.319)
Exchange differences	-	-	(292)	-	(12.131)	(12.423)
Balance at 31.03.2020	4.177	965	14.477	8.760	(51.121)	(22.742)
	Parent Company				Total	
	Statutory reserves	Share option reserve	Extraordinary reserves	Tax free reserves		
Balance at 01.01.2019	4020	670	12.013	8.760	25.463	
Additions for the year	-	-	-	-	-	
Balance at 31.03.2019	4.020	670	12.013	8.760	25.463	
Balance at 01.04.2019	4.020	670	12.013	8.760	25.463	
Additions for the year	-	295	-	-	295	
Balance at 31.12.2019	4.020	965	12.013	8.760	25.758	
Balance at 01.01.2020	4.020	965	12.013	8.760	25.758	
Additions for the period	-	-	-	-	-	
Balance at 31.03.2020	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.

FRIGOGLASS S.A.I.C.

Notes to the Interim Condensed Financial Statements

in € 000's

Note 17 - Financial expenses

	Consolidated		Parent Company	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Finance income				
Interest income	(537)	(870)	-	(1)
Finance cost				
Interest Expense	5.344	4.279	732	422
Exchange loss / (gain) & Other Financial costs	(4.301)	2.366	409	(11)
Finance cost for lease liabilities	82	92	15	16
Finance cost	1.125	6.737	1.156	427
Finance costs - net	588	5.867	1.156	426

Note 18 - Income tax

For **2020** 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.

FRIGOGLASS S.A.I.C.

Notes to the Interim Condensed Financial Statements

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Note 19 - 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., 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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Sales of goods and services	55.674	50.555	1.278	5.644
Purchases of goods and services	285	400	-	21
Receivables	48.366	46.750	1.064	4.819

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

Sales of goods	-	1.999
Disposal of the Intellectual Property for Product Development to Frigoglass Romania S.R.L	-	15.366
Income from subsidiaries: Services fees	5.296	2.662
Income from subsidiaries: recharge research & development expenses	426	602
Expenses from subsidiaries: Services fees	45	190
Income/<Expenses> from subsidiaries: commissions on sales	(388)	19
Interest expense	732	422
Receivables	19.982	11.588
Payables	5.957	17.926
Loans payables (Note 13)	41.987	29.887

C) The fees of Management employee include wages, indemnities and other benefits and the amounts are:

	Consolidated		Parent Company	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Fees for Board of Directors	99	96	99	96
Wages and others short term employee benefits	606	602	491	488
Termination Benefits (exit payments)	56	55	56	55
Total fees management employee	662	657	547	543

Note 20 - 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	
	Three months ended		Three months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Profit / <Loss> after income tax for attributable to the shareholders of the company	4.445	2.031	(541)	8.173
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
Basic earnings / <losses> per share	0,0125	0,0057	(0,0015)	0,0230
Diluted earnings / <losses> per share	0,0125	0,0057	(0,0015)	0,0230

Note 21 - 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 **€ 260 m.**

	Consolidated		Parent Company	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Guarantees for loans	260.000	256.596	260.000	256.549

Other contingent liabilities & commitments:

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 **31.03.2020** for the Group amounted to **€ 250 thousands (31.12.2019: € 2,5 m.)** 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 **31.03.2020** for the Parent Company amounted to **€ 0 thousands (31.12.2019: € 0 thousands)**.

Note 22 - Seasonality of operations**Revenue from contracts with customers**

Quarter	Consolidated		
	2020	2019	
Q1	135.897	125.565	26%
Q2	-	162.697	34%
Q3	-	96.569	20%
Q4	-	97.506	20%
Total Year	135.897	482.337	100%

As shown above the Group's operations exhibit seasonality.

Note 23 - Post balance sheet events**Business Outlook and COVID-19 Pandemic Update**

Although we saw last year's growth momentum continuing in January and February 2020 and were optimistic for the year, customers' orders have been significantly reduced in March following the material impact in the Immediate Consumption channel caused by governments' social-distancing measures and lockdowns in several of our markets. The impact was varying across all our markets, with Western Europe suffering the most.

The full impact of the COVID-19 pandemic on our 2020 results remains uncertain and will highly depend on the magnitude of the global economic impact after the lift of the governments' restrictions. What is evident from April's 2020 sales and the continuous trend in May is that the impact will be significant on our Q2 2020 results.

To limit the profitability and cash flow impact caused from the slow-down in demand, we are taking several actions to protect our business and adjust our cost base and capital spending. Currently, our focus is on improving our cost absorption ability by reducing our fixed production and operating expenses base and eliminating discretionary costs, such as travelling, third-party fees and marketing. We have also reprioritised capital expenditure, reducing spending at around €15 million in 2020. We remain firm on completing the furnace rebuild later in the year to protect the long-term future of our Glass business. In these market conditions, we have also currently put on hold the implementation of SAP platform. The aforementioned cash preservation initiatives do not affect our capacity to swiftly respond when demand returns to normal level.

We are entering the crisis from a position of strength, having extended the bulk of our debt maturities to 2025 and reaching a cash balance of €66 million in April, which is sufficient to meet our financing costs obligations. Over and above, we have increased our credit lines with banks in certain local jurisdictions by €10 million. We also continue our efforts to further increase our liquidity position over the upcoming months.

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 & Personnel expenses/Employee benefits

The average number of personnel per operation for the Group & for the Parent company are listed below:

Operations	Consolidated	
	31.03.2020	31.03.2019
ICM Operations	4.254	4.059
Glass Operations	1.410	1.411
Total	5.664	5.470

Average number of personnel	Parent Company	
	31.03.2020	31.03.2019
	135	211

FRIGOGLASS S.A.I.C.

Notes to the Interim Condensed Financial Statements

in € 000's

Note 25 - Other operating income & Other gains/<losses> - net

	Consolidated		Parent Company	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Other operating income				
Income from subsidiaries:				
Services fees & royalties on sales	-	-	5.296	2.662
Income from subsidiaries:				
Commission on sales	-	-	(388)	19
Revenues from insurance claims	-	-	-	-
Revenues from scraps sales	128	203	-	-
Other charges to customers & other income	487	416	483	3
Total: Other operating income	615	619	5.391	2.684
Other gains<losses> - net				
Profit/<Loss> from disposal of property, plant & equipment and IP	-	(3)	-	10.093
Other	(32)	(62)	-	-
Total: Other gains/<losses> - net	(32)	(65)	-	10.093

The profit of € 10,1 million for the Parent company in Q1 2019 relates to the Disposal of the Intellectual Property for Product Development to Frigoglass Romania S.R.L (**Note 7 & 19**).

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

in € 000's

Note 26 -Reconciliation of EBITDA

	Consolidated	
	Three months ended	
	31.03.2020	31.03.2019
Profit / <Loss> before income tax	14.302	7.125
plus: Depreciation	5.648	5.895
plus: Impairment of tangible assets	-	-
plus: Restructuring costs	-	-
plus: Finance costs *	588	5.867
EBITDA	20.538	18.887
Revenue from contracts with customers	135.897	125.565
Margin EBITDA, %	15,1%	15,0%

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

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.

Restructuring Costs

Restructuring costs comprise costs arising from significant changes in the way the Group conducts business, such as the discontinuation of manufacturing operations. 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, restructuring costs, 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>	1Q20	1Q19
Profit / (Loss) before income tax	14,302	7,125
Depreciation	5,648	5,895
Finance costs	588	5,867
EBITDA	20,538	18,887
Sales from contracts with customers	135,897	125,565
EBITDA margin, %	15.1%	15.0%

Net Trade Working Capital (NTWC)

Net Trade Working Capital is calculated by subtracting Trade Payables from the sum of Inventories and Trade Receivables. The Group presents Net Trade Working Capital because it believes the measure assists users of the financial statements to better understand its short term liquidity and efficiency.

<i>(in € 000's)</i>	31 March 2020	31 December 2019	31 March 2019
Trade debtors	116,365	97,523	116,823
Inventories	97,581	107,250	115,095
Trade creditors	80,199	81,450	95,834
Net Trade Working Capital	133,747	123,323	136,084

Free Cash Flow

Free cash flow is 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 debt service, dividend distribution and own retention.

<i>(in € 000's)</i>	1Q20	1Q19
Net cash from operating activities	6,630	(10,423)
Net cash from investing activities	(4,535)	(1,944)
Free Cash Flow	2,095	(12,367)

Adjusted Free Cash Flow

Adjusted Free Cash Flow facilitates comparability of Cash Flow generation with other companies, as well as enhances the comparability of information between reporting periods. Adjusted Free Cash Flow is calculated by excluding from the Free Cash Flow (defined above) the restructuring related cost, the proceeds from disposal of property, plant and equipment (PPE) and subsidiaries.

<i>(in € 000's)</i>	1Q20	1Q19
Free Cash Flow	2,095	(12,367)
Proceeds from disposal of subsidiary	–	(795)
Adjusted Free Cash Flow	2,095	(13,162)

Net debt

Net debt is 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 March 2020	31 December 2019
Long-term borrowings	251,882	223,458
Short-term borrowings	46,328	55,260
Lease liabilities (long-term portion)	2,891	3,419
Lease liabilities (short-term portion)	2,043	2,059
Cash and cash equivalents	63,855	54,170
Net Debt	239,289	230,026

Adjusted Net debt

Adjusted net debt includes the unamortised costs related to the €260 million senior secured notes issued on February 12, 2020.

<i>(in € 000's)</i>	31 March 2020	31 December 2019
Net Debt	239,289	230,026
Unamortised issuance costs	8,118	–
Adjusted Net Debt	247,407	230,026

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>	1Q20	1Q19
Purchase of PPE	(3,181)	(1,519)
Purchase of intangible assets	(1,354)	(1,220)
Capital expenditure	(4,535)	(2,739)