# FRIGOGLASS S.A.I.C.

## *Interim Condensed Financial Information*
## *1 January – 30 June 2022*

*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

www.frigoglass.com

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

The Interim Condensed Financial Statements are approved by the Board of Directors of "Frigoglass S.A.I.C." on the **29th of September 2022.**

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

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**The Chairman of the Board of Directors** — Haralambos David

**The Managing Director** — Nikolaos Mamoulis

**The Group Chief Financial Officer** — Emmanouil Metaxakis

**The Head of Financial Controlling** — Vasileios Stergiou

**Board of Directors Statement**
**( according to article 5, Law 3556/2007 )**

In accordance with article 5 of Law 3556/2007 regarding the "Transparency conditions for information about issuers whose securities have been admitted to trading on a regulated market", the undersigned hereby declare responsibly that:

1. The Interim Condensed Financial Statements consolidated and standalone for the period **01.01 - 30.06.2022**, which were prepared in accordance with the applicable accounting standards, reflect 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, taken as whole, according to article 5 paragraph 3 to 5 of Law 3556/2007.
2. The Report of the Board of Directors for the above-mentioned period presents in a truthful way the information that is required according to article 5 paragraph 6 of Law 3556/2007.

**Kifissia, September 29, 2022**

**The Chairman of the Board**

Haralambos David

**The Managing Director**

Nikolaos Mamoulis

**The Member of the Board of Directors**

George Pavlos Leventis

**BOARD OF DIRECTORS REPORT**
**Concerning the Interim Condensed Financial Statements**
**for the period 1st January – 30st June 2022**

***Kifissia, 29 September 2022***
Dear Shareholders,

Group's sales increased by 23.1% y-o-y to €248.2 million, led by double-digit growth in the Commercial Refrigeration business as fewer restrictions in the on-trade channels supported beverage consumption and, consequently, investments for commercial refrigeration equipment from our strategic beverage partners. Sales growth reflects increased orders in West Europe, Asia and Africa, whereas Eastern European markets were significantly impacted by orders' cancellations and logistics constraints following the conflict between Russia and Ukraine. Sales growth was also supported by continued strong momentum in the Glass business, driven by increased demand and price adjustments.

Sales in Commercial Refrigeration operations increased by 11.8% y-o-y to €176.9 million. Although we saw good growth momentum in East Europe in January and February, reflecting improved beverage consumption trends due to the reopening of the on-trade channels, our sales as of March were severely impacted by the cancellation of orders in Russia and Ukraine and delays in customer deliveries due to the intensified transportation challenges. In this environment, our sales declined by 13.8% y-o-y despite the implementation of pricing adjustments early in the year. Sales in Russia decreased by 27% y-o-y, reflecting the escalation of the Russia-Ukraine conflict late in February.

Sales in West Europe were up 25.0% y-o-y, driven by increased demand following continuous beverage consumption recovery in the on-trade channels and pricing initiatives. Most of our markets enjoyed volume growth despite the extended lead-times in customer deliveries following the production constraints created by the fire incident in our plant in Romania and transportation related challenges that have been intensified by the Russia-Ukraine conflict. Notable incremental cooler placements were achieved in Italy, France and Greece, reflecting the reopening of the on-trade channels and the tourism season. Frigoserve's sales remained strong, growing by double digit rate, supported by the expansion in Switzerland.

Sales in Africa and the Middle East increased by 49.5% y-o-y, driven by continue demand recovery and price adjustments. Sales in South Africa were higher year-on-year following increased orders from a soft drink customer, price adjustments and Frigoserve's expansion with a key brewery customer. We also saw sales growing in Nigeria, driven by higher orders from a soft drink customer.

Sales in Asia increased by 55.6% y-o-y, reflecting accelerated growth momentum in the second quarter, market share gains in central Asia and pricing initiatives. Demand remained strong in India, primarily reflecting increased orders from soft drink customers and our distributors.

Glass Operations' sales increased by 64.6% y-o-y to €71.3 million. On a currency neutral basis, sales grew by 53.8%. We had a strong first half of the year with double-digit sales and operating profitability growth, demonstrating our ability to navigate heightened market uncertainty. We reached a new record high on sales, aided by strong demand and price increases to offset elevated production cost.

Strong demand from breweries and spirits customers in Nigeria continued to drive the performance of our glass containers business. Volume growth and price adjustments reflecting the pass through of cost headwinds resulted in a double-digit sales increase. Sales growth momentum maintained in our plastic crates' business, reflecting increased orders from breweries. Metal crowns' performance remained strong, with sales more than doubling following orders from a soft drink customer and breweries, pricing adjustments, supported also by weak comparables amid production constraints following shortages of imported raw materials.

Cost of goods sold increased by 32.3% y-o-y to €215.9 million, driven by elevated raw material cost, significantly higher freight cost due to the supply chain constraints that have been amplified by the situation in Russia and Ukraine and increased production overhead costs in Romania following the temporarily assembly line set-up, as well as favorable sales mix in the Commercial Refrigeration business. These factors outpaced the benefits of higher sales, pricing initiatives and lower discounts. The Glass business also benefited by the improved cost absorption. As a result, cost of goods sold as a percentage of sales increased to 87.0%, from 81.0% in the first half of 2021.

Administrative expenses decreased by 1.9% y-o-y to €9.8 million, led by lower employee related costs and other miscellaneous expenses. Administrative expenses as a percentage of sales improved to 3.9%, from 4.9% in H1 2021.

Selling, distribution and marketing expenses increased by 32.0% y-o-y to €10.6 million, driven by bad debt write-offs related to customers in Ukraine and higher warranty related expenses. As a percentage of sales, selling, distribution and marketing expenses increased to 4.3%, from 4.0% in H1 2021.

Development expenses decreased by 6.5% y-o-y to €1.2 million, reflecting lower year-on-year various expenses. As a percentage of sales, development expenses improved to 0.5%, from 0.6% in H1 2021.

Other operating income reached €14.6 million, compared to €1.1 million in the first half of 2021. The increase reflects €13.9 million insurance reimbursement related to the Business Interruption claim following the fire incident in Romania in 2021.

Net finance costs amounted to €23.6 million, compared to €8.6 million in the first half of 2021, driven by foreign exchange losses following the strengthening of Russian

Ruble and Nigerian Naira, as well as and last year's foreign exchange gains caused by the significant devaluation of the Nigerian Naira in the prior year period.

Income tax expense amounted to €5.5 million, compared to €5.7 million in H1 2021, reflecting different profit mix.

Frigoglass reported a net profit attributable to the shareholders of Frigoglass of €4.7 million, compared to a net loss of €11 million in the first half of 2021, supported by €10.6 million gains from the fire incident due to insurance reimbursements booked in the first half of 2022.

Net cash used in operating activities amounted to €25.0 million, compared to net cash from operating activities of €8.7 million in H1 2021, impacted by higher net trade working capital outflow due to increased business activity.

Net cash from investing activities was €5.4 million, compared to net cash used in investing activities of €3.8 million in H1 2021, supported by the €15.4 million insurance reimbursement. Net cash from investment activities was impacted by capital spending related to the reconstruction of the building and equipment purchases of the Romanian plant.

Net cash from financing activities amounted to €3.4 million, compared to net cash used in financing activities of €12.9 million in H1 2021. The increase reflects the utilization of credit facilities in Russia and Nigeria.

Net trade working capital as of 30 June 2022 (for details please refer to Alternative Performance Measures section in this report) reached €143.3 million, compared to €110.5 million as of 30 June 2021. This increase primarily reflects higher inventories in both segments due to production disruptions in the Commercial Refrigeration and higher raw material stock in Glass segment to support production.

Capital expenditures were €10.8 million, of which €10.2 million relates to purchases of property, plant and equipment and €0.6 million relates to purchases of intangible assets, compared to €4.3 million in H1 2021, of which €3.8 million related to purchase of property, plant and equipment and €0.5 million related to purchase of intangible assets.

**Business Outlook**

Since the start of the Russia-Ukraine conflict in February 2022, market conditions have turned incredibly challenging. Against this backdrop, demand for commercial coolers in Russia and Ukraine was materially impacted in the first half of the year and is anticipated to remain soft for the remainder of the year. Although we have experienced a gradual improvement in the recent months, logistic related disruptions in moving coolers and other related materials out of Russia will remain a major hurdle in supporting orders across Europe. The impact on our top-line will be mitigated through price increases implemented earlier in the year and the strong execution of our commercial strategy resulting in increased orders and market share gains in India, Africa and central Asia. As we are entering the low season for our business, our focus is currently on building up finished goods stock to support orders from our European customers in the first quarter of 2023. This will be achieved through the effective production planning in our Russian facility and the limited assembly line in Romania.

Following a very strong performance in the first half of 2022, we are confident on delivering our guidance for double-digit sales growth in Glass business this year. The favorable market conditions in Nigeria, our effective pass-through pricing mechanism, and initiatives to increase export activity supports our outlook for the year.

We expect supply chain constraints and inflationary pressures on our cost base to continue and impact the second half of the 2022 and into 2023. The recent softening in key commodity prices provides some relief, however the production disruptions we are facing in Romania, the dependence on Russia's production until the first quarter of 2023 and the subsequent logistic costs increase will continue to significantly impact our profitability and liquidity this and next year. In this environment, we have realized price adjustments and continue our cost optimisation programs to partly offset the adverse impact on profitability. Key to gross profit margins improvement of the Commercial Refrigeration business will be the return to production of our new plant in Romania next year. Glass will continue to support group's profitability in 2022 and 2023.

We reiterate our guidance for capital expenditure at approximately €60 million in 2022, which primarily includes the re-construction of our plant in Romania. We anticipate capital expenditure for our Glass business at around €15 million, which includes spending for material purchases for a scheduled rebuild of a glass furnace in 2023.

As the outlook for this year and beyond remains highly uncertain, Frigoglass has been working with legal and financial advisors to review and assess its financial and strategic options in view of improving the Group's capital structure, securing additional liquidity and maximizing stakeholder value. As of the date hereof, a committee of the holders of the €260 million senior secured notes due 2025 (the "2025 Notes"), representing 56.9% of the unaffiliated principal amount of the 2025 Notes outstanding (such committee, the "Noteholder Committee"), has submitted a proposal pursuant to which the Noteholder Committee and Frigoglass are expected to agree a support agreement (the "Support Agreement") that provides for (i) a commitment by the Noteholder Committee to provide interim super senior financing of €30 million for liquidity and general corporate purposes (the "Interim Financing"), (ii) standstill with respect to the payment of interest on the 2025 Notes on the two interest payment dates scheduled in calendar year 2023 (i.e. February and August 2023) and (iii) the support of the Noteholder Committee for a broader capital restructuring on terms that will be negotiated in good faith as promptly as reasonably possible. The effectiveness of the Support Agreement is subject to the satisfaction of conditions precedent, including completion of certain long-form documentation, compliance by the Group with customary restrictive covenants on incurrence of debt, sale of assets and other similar corporate or financing transactions, the granting of customary monitoring, reporting and information rights for the benefit of the Noteholder Committee, cooperation with the Noteholder Committee and its technical, legal and financial advisors and other customary conditions for transactions of this nature, including the commitment of Frigoglass to negotiate the broader capital restructuring in good faith and the entering into a customary lock-up agreement among Frigoglass, the Noteholder Committee and Truad Verwaltungs A.G. as the majority shareholder, such agreement providing for the material terms of such capital restructuring. Frigoglass and the Noteholder Committee are, as of the date hereof, in advanced discussions in good faith to finalize promptly the documentation for the Support Agreement. The Interim Financing is expected to mature one-year following its original drawing, with interest payments consisting of cash and PIK Interest. The covenants of the Interim Financing are expected to be in line with the terms of the 2025 Notes, except for, inter alia, the inclusion of a liquidity covenant, certain events of default and additional restrictions to the negative covenants.

**Update on Romania's plant re-construction and insurance compensation**

We made good progress with respect to our Romania plant re-construction project during the quarter. With construction work already in advanced stage and equipment related tenders being almost completed, we reiterate our expectation that our facility in Romania will be operational at the beginning of 2023. Based on our plan, the building will be ready in January 2023 and the equipment testing phase will kick start in February 2023.

In July 2022, we reached a definitive agreement with the co-insurance scheme, which had underwritten the insurance coverage in relation to the fire incident, for an aggregate net compensation amount of €61.6 million related to the property damage (€42 million compensation) and business interruption claims (€19.6 million compensation). We have already received €52.4 million (€15 million in 2021 and €37.4 million in 2022) from the insurance companies, whereas the remaining €9.2 million related to the property damage claim is subject to the proof of the actual expenditures related to the reconstruction phase of the building and the purchases of equipment.

**Sustainability: Our commitment to net-zero carbon emissions**

We remain firm on leveraging the Sustainability concepts throughout all the aspects of our company. In 2022, we initiated the development of our Science Based Targets plan to support our customers and our own Net Zero strategy. 2022 marks a significant milestone in our sustainability journey as we set our commitment to Net Zero. We have set an ambitious plan to drastically reduce the carbon emissions from all stages of our value chain by 2030 (Scope 1 & 2 emissions by 48% and Scope 3 emissions by 27.5%), and ultimately reach Net Zero by 2050.

We are developing an action plan incorporating all aspects and functions of our operations that aims to embed Net Zero in the company's strategy and operating model and drive efficiency and innovation. Our focus areas include the following:

*Operations*

- Procure certified green electricity

- Invest in the process and energy efficiency of our manufacturing processes, utilise smart factory technologies and low emission fuels

*Products*

- Optimize coolers cabin design and components for increased energy efficiency
- Integrate Renewable Energy Sources (RES) technologies in our coolers
- Increase recycled input material (cullet) in our glass bottles

*Supply chain*

- Optimize raw material / component sourcing locations
- Optimize and consolidate outbound shipments
- Cooperate with logistics companies and clients to promote low carbon transport

## Main Risks and Uncertainties

This Interim Condensed Financial Statements for the period **01.01 - 30.06.2022** have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations as adopted by the European Union and specifically in terms of IAS 34, 'Interim financial reporting'.

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 of **31 December 2021**, that are available on the company's web page www.frigoglass.com.

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

**Risks and uncertainties**
The Group is exposed to a number of risks. The risks and uncertainties are described in detail in the Annual Financial Report and relate specifically to the Group or the ICM and Glass Operations, with the exception of the risk related to the Russia and Ukraine conflict that is described in detail in Notes 4.1.6 and 28.

Specifically, as described in Note 4.1.6. "Going concern basis of accounting", the operations of its subsidiary in Russia, Frigoglass Eurasia LLC, have been significantly impacted by the Russia-Ukraine conflict. Also note that Frigoglass Eurasia LLC currently represents the main production facility in Europe, following the fire incident in the Romanian plant in June 2021. The sanctions that have been imposed on Russia by the US, the UK, the EU and other countries as well as the counter sanctions that have been imposed by the Russian government in response, resulted in orders' cancellations, supply chain disruptions on the movement of raw materials and finished goods.

The above, combined with the ongoing macroeconomic uncertainty stemming from the Russia – Ukraine conflict, has led to Frigoglass experiencing liquidity issues that will have an impact on its ability to meet its short to medium term financial obligations and indicates a material uncertainty over the ability of the Company and Frigoglass Group to continue as a going concern.

## Events after balance sheet date and other information

***Compensation related to Fire Incident at facility in Romania***
Frigoglass reached an agreement with the co-insurance scheme for a €19.6m compensation related to the business interruption claim in July 2022. The Group has already received the entire amount (€19.6 million), €6.7 million in the second quarter of 2022 and €12.9 million in July 2022. The total amount was recognized in the Income Statement for the period ended 30 June 2022, broken down between the fire cost income (€5.7 million) and other income (€13.9 million). An additional compensation

of €2.4 million related to the property damage claim was received in August 2022. This amount has not been presented in the income statement for the period ended 30 June 2022.

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

## Important Transactions with Related Parties

## Related Party Transactions:

The most important related parties' transactions of the Company, in the sense used in IAS 24, are listed in the following table:

**Related Parties Transactions:**

| in € 000's | Six months ended 30.06.2022 | | |
|---|---|---|---|
| **Consolidated:** | **Sales of Goods** | **87.366** | Coca-Cola HBC AG Group |
| | **Purchases of Goods & Services** | **1.329** | Coca-Cola HBC AG Group & A.G. Leventis (Nigeria) Plc. |
| | **Receivables** | **34.672** | Coca-Cola HBC AG Group |

| **Parent Company:** | **Income from Services fees** | **Expenses from Services fees** | **Receivables** | **Payables** | **Loans Payable** | **Interest expense** |
|---|---|---|---|---|---|---|
| Frigoglass Cyprus Ltd | - | - | - | - | 1.091 | 41 |
| Frigoglass South Africa Ltd | 651 | - | 3.948 | - | - | - |
| Frigoglass (Guangzhou) I.C.E. Co. ,Ltd. | - | - | - | 196 | - | - |
| Frigoglass Indonesia PT | 163 | - | 392 | - | - | - |
| Frigoglass Romania SRL | 4.680 | - | 2.363 | 4.225 | - | - |
| Frigoglass Eurasia LLC | 1.643 | - | 2.180 | 373 | - | - |
| Frigoglass India PVT.Ltd. | 912 | 76 | 5.227 | 29 | - | - |
| 3P Frigoglass Romania SRL | 25 | - | 86 | - | - | - |
| Frigoglass Industries (Nig.) Ltd | - | - | 154 | - | - | - |
| Beta Glass Plc. | 147 | - | 640 | - | - | - |
| Frigoglass Finance B.V. | - | - | - | 131 | - | - |
| Frigoinvest Holdings B.V. | - | - | - | - | 53.345 | 1.826 |
| **Total** | **8.221** | **76** | **14.990** | **4.954** | **54.436** | **1.867** |
| Coca-Cola HBC AG Group / Revenue from Services of ICM's | 2.663 | - | 1.133 | - | - | - |
| **Grand Total** | **10.884** | **76** | **16.123** | **4.954** | **54.436** | **1.867** |

| **The fees of Management:** | **Consolidated** | | **Parent Company** | |
|---|---|---|---|---|
| | **30.06.2022** | **30.06.2021** | **30.06.2022** | **30.06.2021** |
| **Board of Directors Fees** | **210** | **208** | **210** | **208** |
| Wages & other short term employee benefits | 907 | 1.288 | 609 | 993 |
| Other long term employee benefits | - | 290 | - | 247 |
| Post employment benefits | 197 | 222 | 177 | 202 |
| **Total fees** | **1.104** | **1.800** | **786** | **1.442** |

## Yours Faithfully,

## The Board of Directors

**Translation from the original text in Greek**

## Review Report of the Independent Certified Auditor

To the Board of directors of Frigoglass S.A.I.C.

### Report on Review of Interim Financial Information

### Introduction

We have reviewed the accompanying interim condensed company and consolidated statement of financial position of Frigoglass S.A.I.C. (the "Company"), as of 30 June 2022 and the related interim condensed company and consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by L.3556/2007.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as they have been transposed into Greek Law and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

### Material uncertainty relating to going concern

We draw attention to Notes 2 and 4.1.6 to the condensed interim financial information, which describe the factors the Company and the Group have considered with respect to the applicability of the use of the going concern assumption in the preparation of the condensed interim financial information. As described in Notes 2 and 4.1.6, the Group is experiencing liquidity issues resulting from the ongoing macroeconomic uncertainty stemming from the Russia-Ukraine conflict that has resulted in order cancellations. The situation is also negatively impacted given that the Group's subsidiary in Russia, which currently represents the main production facility in Europe following the fire incident in the Romanian plant in June 2021, is facing supply chain disruptions on the movement of raw materials and finished goods, as a result of sanctions that have been imposed on Russia by the US, the UK, the EU and other countries as well as by counter sanctions that have been imposed by the Russian government in response. These factors, together with the other factors included in the Notes 2 and 4.1.6, indicate the existence of a material uncertainty that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.

Management has been working with legal and financial advisors to review and assess the Frigoglass Group's (the "Group's") financial and strategic options in view of improving its capital structure, securing additional liquidity so as to enable it to meet its financial obligations, and to maximize stakeholder value. As further described in Note 4.1.6 a committee of the holders of the €260 million senior secured notes due 2025 (the "Noteholder Committee") has submitted a proposal pursuant to which the Noteholder Committee and the Company are expected to agree a support agreement (the "Support Agreement") aiming, amongst other things, to improve short term liquidity. As set out in Note 4.1.6, the Support Agreement is subject to a number of conditions precedent including the commitment of the Company to negotiate a broader capital restructuring and the entering into a customary lock-up agreement between the Company, the Noteholder Committee and the Company's majority shareholder. The successful execution and effective implementation of the Support Agreement, the renewal of certain of the Group's existing credit facilities that are short term in nature and the conclusion of the broader restructuring process in the near term are the key factors that the Board of Directors and Management have used as the basis for preparing this interim condensed financial information on the going concern basis of accounting. The timely completion of the aforementioned are material activities that underpin the ability of the Company and the Group to continue as a going concern in the foreseeable future.

Our conclusion is not modified in respect of this matter.

**Report on other legal and regulatory requirements**

Our review has not revealed any material inconsistency or misstatement in the statements of the members of the Board of Directors and the information of the six-month Board of Directors Report, as defined in articles 5 and 5a of Law 3556/2007, in relation to the accompanying condensed interim financial information.

pwc

Athens, 30 September 2022
The Certified Auditor

PricewaterhouseCoopers S.A.
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**FRIGOGLASS S.A.I.C.**
**Commercial Refrigerators**
**Interim Condensed Financial Statements**
**1 January – 30 June 2022**

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## FRIGOGLASS S.A.I.C.
## Interim Condensed Statement of Financial Position
## in € 000's

| | Note | Consolidated | | Parent Company | |
|---|---|---|---|---|---|
| | | 30.06.2022 | 31.12.2021 | 30.06.2022 | 30.06.2021 |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 6 | 102.346 | 93.861 | 1.907 | 2.106 |
| Right-of-use assets | 7 | 4.012 | 3.710 | 797 | 958 |
| Intangible assets | 8 | 10.795 | 11.196 | 1.787 | 1.889 |
| Investments in subsidiaries | 9 | 0 | - | 60.005 | 60.005 |
| Deferred tax assets | | 260 | 220 | - | - |
| Other non-current assets | | 172 | 171 | 63 | 62 |
| **Total non-current assets** | | **117.585** | **109.158** | **64.559** | **65.020** |
| **Current assets** | | | | | |
| Inventories | 10 | 114.145 | 104.317 | - | - |
| Trade receivables | 11 | 107.712 | 66.078 | 1.883 | 1.853 |
| Other receivables | 12 | 52.222 | 42.508 | 17.158 | 14.916 |
| Current tax assets | | 4.726 | 3.193 | - | - |
| Cash and cash equivalents | 13 | 66.875 | 79.207 | 1.441 | 1.752 |
| **Total current assets** | | **345.680** | **295.303** | **20.482** | **18.521** |
| **Total Assets** | | **463.265** | **404.461** | **85.041** | **83.541** |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Borrowings | 15 | 268.472 | 258.237 | 54.436 | 53.973 |
| Lease liabilities | 7 | 3.896 | 3.745 | 545 | 658 |
| Deferred tax liabilities | | 18.753 | 17.733 | - | - |
| Retirement benefit obligations | | 4.468 | 4.366 | 2.826 | 2.915 |
| Provisions | | 4.631 | 4.948 | - | - |
| **Total non-current liabilities** | | **300.221** | **289.029** | **57.807** | **57.546** |
| **Current liabilities** | | | | | |
| Trade payables | | 78.541 | 70.102 | 3.797 | 3.183 |
| Other payables | 14 | 66.073 | 54.576 | 10.551 | 11.020 |
| Current tax liabilities | | 10.462 | 8.258 | - | - |
| Borrowings | 15 | 75.502 | 66.985 | - | - |
| Lease liabilities | 7 | 1.172 | 1.274 | 317 | 366 |
| **Total current liabilities** | | **231.750** | **201.195** | **14.665** | **14.569** |
| **Total Liabilities** | | **531.971** | **490.224** | **72.472** | **72.115** |
| **EQUITY** | | | | | |
| Share capital | 16 | 21.379 | 21.379 | 21.379 | 21.379 |
| Share premium | 16 | (33.744) | (33.744) | (33.744) | (33.744) |
| Other reserves | 17 | (28.330) | (35.332) | 30.153 | 30.153 |
| Accumulated losses | | (83.121) | (87.820) | (5.219) | (6.362) |
| **Capital and reserves attributable to shareholders** | | **(123.816)** | **(135.517)** | **12.569** | **11.426** |
| Non-controlling interests | | 55.111 | 49.754 | - | - |
| **Total Equity** | | **(68.705)** | **(85.763)** | **12.569** | **11.426** |
| **Total Liabilities and Equity** | | **463.265** | **404.461** | **85.041** | **83.541** |

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

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

| | Note | Consolidated | | Parent Company | |
|---|---|---|---|---|---|
| | | Six months ended | | Six months ended | |
| | | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| Revenue from contracts with customers | 5 | 248.222 | 201.596 | 3.424 | 3.244 |
| Cost of goods sold | | (215.887) | (163.195) | (2.720) | (2.561) |
| **Gross profit** | | **32.335** | **38.401** | **704** | **683** |
| Administrative expenses | | (9.764) | (9.957) | (5.795) | (7.139) |
| Selling, distribution and marketing expenses | | (10.647) | (8.067) | (1.551) | (1.887) |
| Development expenses | | (1.171) | (1.253) | - | - |
| Other operating income | 18 | 14.594 | 1.120 | 9.481 | 7.278 |
| Other gains/(losses) - net | 18 | 112 | 107 | - | - |
| **Operating Profit / (Loss)** | | **25.459** | **20.351** | **2.839** | **(1.065)** |
| Finance costs | 19 | (24.082) | (8.718) | (1.650) | (1.758) |
| Finance income | 19 | 450 | 106 | - | - |
| **Finance costs - net** | | **(23.632)** | **(8.612)** | **(1.650)** | **(1.758)** |
| **Profit / (Loss) before Income Tax and Fire Costs** | | **1.827** | **11.739** | **1.189** | **(2.823)** |
| (Losses) / Gains from Fire | 20 | 10.600 | (13.833) | - | - |
| **Profit / (Loss) before income tax** | | **12.427** | **(2.094)** | **1.189** | **(2.823)** |
| Income tax expense | 21 | (5.482) | (5.699) | (47) | (43) |
| **Profit / (Loss) for the period** | | **6.945** | **(7.793)** | **1.142** | **(2.866)** |
| **Attributable to:** | | | | | |
| Non-controlling interests | | 2.246 | 3.245 | - | - |
| Shareholders | | 4.699 | (11.038) | 1.142 | (2.866) |
| | | **6.945** | **(7.793)** | **1.142** | **(2.866)** |
| | | **Amounts in €** | | | |
| Basic and Diluted Earnings / (Loss) per share, after taxes attributable to the shareholders | 22 | 0,0132 | (0,0311) | 0,0032 | (0,0081) |
| **Adjusted EBITDA** | 23 | **34.751** | **29.392** | **3.397** | **(506)** |

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

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

**Interim Condensed Income Statement - 2nd Quarter**

**in € 000's**

| | Note | Consolidated | | Parent Company | |
|---|---|---|---|---|---|
| | | Three months ended | | Three months ended | |
| | | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| Revenue from contracts with customers | | 128.775 | 105.712 | 1.817 | 1.883 |
| Cost of goods sold | | (112.669) | (86.770) | (1.443) | (1.570) |
| **Gross profit** | | **16.106** | **18.942** | **374** | **313** |
| Administrative expenses | | (5.031) | (4.885) | (2.699) | (3.471) |
| Selling, distribution and marketing expenses | | (5.518) | (3.823) | (806) | (883) |
| Development expenses | | (579) | (615) | - | - |
| Other operating income | | 14.335 | 707 | 4.397 | 3.847 |
| Other gains/(losses) - net | | 484 | 122 | - | - |
| **Operating Profit / (Loss)** | | **19.797** | **10.448** | **1.266** | **(194)** |
| Finance costs | | (18.062) | (5.297) | (1.075) | (906) |
| Finance income | | 140 | 101 | - | - |
| **Finance costs - net** | | **(17.922)** | **(5.196)** | **(1.075)** | **(906)** |
| **Profit / (Loss) before Income Tax and Fire Costs** | | **1.875** | **5.252** | **191** | **(1.100)** |
| (Losses) / Gains from Fire | | 10.600 | (13.833) | - | |
| **Profit / (Loss) before income tax** | | **12.475** | **(8.581)** | **191** | **(1.100)** |
| Income tax expense | | (4.588) | (2.294) | (11) | (24) |
| **Profit / (Loss) for the period** | | **7.887** | **(10.875)** | **180** | **(1.124)** |
| **Attributable to:** | | | | | |
| Non-controlling interests | | 1.117 | 1.372 | - | - |
| Shareholders | | 6.770 | (12.247) | 180 | (1.124) |
| | | **7.887** | **(10.875)** | **180** | **(1.124)** |
| | | **Amounts in €** | | | |
| Basic and Diluted Earnings / (Loss) per share, after taxes attributable to the shareholders | 22 | 0,0190 | (0,0345) | 0,0005 | (0,0032) |
| **Adjusted EBITDA** | 23 | **24.553** | **14.951** | **1.545** | **81** |

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

**FRIGOGLASS S.A.I.C.**
**Interim Condensed Statement of Comprehensive Income/(Loss)**
**in € 000's**

| | Consolidated | | | |
|---|---|---|---|---|
| | Six months ended | | Three months ended | |
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| **Profit / (Loss) for the period** | **6.945** | **(7.793)** | **7.887** | **(10.875)** |
| **Items that may be subsequently reclassified to income statement** | | | | |
| Foreign currency translation gains/(losses) shareholders | 7.002 | (4.026) | 5.110 | (2.204) |
| Foreign currency translation gains/(losses) to non-controlling interest | 4.962 | (2.141) | 2.958 | (997) |
| **Other comprehensive income / (loss) net of tax** | **11.964** | **(6.167)** | **8.068** | **(3.201)** |
| **Total comprehensive income / (loss)** | **18.909** | **(13.960)** | **15.955** | **(14.076)** |
| **Attributable to:** | | | | |
| - Non-controlling interests | 7.208 | 1.104 | 4.075 | 375 |
| - Shareholders | 11.701 | (15.064) | 11.880 | (14.451) |
| | **18.909** | **(13.960)** | **15.955** | **(14.076)** |

| | Parent Company | | | |
|---|---|---|---|---|
| | Six months ended | | Three months ended | |
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| **Profit / (Loss) for the period** | **1.142** | **(2.866)** | **180** | **(1.124)** |
| **Items that will not be subsequently reclassified to income statement** | **-** | **-** | **-** | **-** |
| **Total comprehensive income / (loss)** | **1.142** | **(2.866)** | **180** | **(1.124)** |

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**

| | Consolidated | | | | | | |
|---|---|---|---|---|---|---|---|
| | Share Capital | Share premium | Other reserves | Accumulated losses | Total | Non - Controlling Interests | Total Equity |
| **Balance at 01.01.2021** | **35.544** | **(33.801)** | **(37.465)** | **(91.882)** | **(127.604)** | **46.503** | **(81.101)** |
| Profit / (Loss) for the period | - | - | - | (11.038) | **(11.038)** | 3.245 | **(7.793)** |
| Other Comprehensive income / (loss) | - | - | (4.026) | - | **(4.026)** | (2.141) | **(6.167)** |
| **Total comprehensive income / (loss) for the period net of tax** | **-** | **-** | **(4.026)** | **(11.038)** | **(15.064)** | **1.104** | **(13.960)** |
| Share option reserve | - | - | 24 | - | **24** | - | **24** |
| **Total Transactions with owners in their capacity as owners** | **-** | **-** | **24** | **-** | **24** | **-** | **24** |
| **Balance at 30.06.2021** | **35.544** | **(33.801)** | **(41.467)** | **(102.920)** | **(142.644)** | **47.607** | **(95.037)** |
| | | | | | | | |
| **Balance at 01.07.2021** | **35.544** | **(33.801)** | **(41.467)** | **(102.920)** | **(142.644)** | **47.607** | **(95.037)** |
| Profit / (Loss) for the period | - | - | - | 5.363 | **5.363** | 3.029 | **8.392** |
| Other Comprehensive income / (loss) | - | - | 1.880 | (194) | **1.686** | 802 | **2.488** |
| **Total comprehensive income / (loss) for the period net of tax** | **-** | **-** | **1.880** | **5.169** | **7.049** | **3.831** | **10.880** |
| Dividends to non-controlling interest | - | - | - | - | **-** | (1.684) | **(1.684)** |
| Share capital decrease **(Note 16)** | (14.218) | - | 4.395 | 9.823 | **-** | - | **-** |
| Shares issued to employees exercising share options | 53 | 57 | (162) | 108 | **56** | | **56** |
| Share based compensation | - | - | 22 | - | **22** | - | **22** |
| **Total Transactions with owners in their capacity as owners** | **(14.165)** | **57** | **4.255** | **9.931** | **78** | **(1.684)** | **(1.606)** |
| **Balance at 31.12.2021** | **21.379** | **(33.744)** | **(35.332)** | **(87.820)** | **(135.517)** | **49.754** | **(85.763)** |
| | | | | | | | |
| **Balance at 01.01.2022** | **21.379** | **(33.744)** | **(35.332)** | **(87.820)** | **(135.517)** | **49.754** | **(85.763)** |
| Profit / (Loss) for the period | - | - | - | 4.699 | **4.699** | 2.246 | **6.945** |
| Other Comprehensive income / (loss) | - | - | 7.002 | - | **7.002** | 4.962 | **11.964** |
| **Total comprehensive income / (loss) for the period net of tax** | **-** | **-** | **7.002** | **4.699** | **11.701** | **7.208** | **18.909** |
| Dividends to non-controlling interests | - | - | - | - | **-** | (1.851) | **(1.851)** |
| **Total Transactions with owners in their capacity as owners** | **-** | **-** | **-** | **-** | **-** | **(1.851)** | **(1.851)** |
| **Balance at 30.06.2022** | **21.379** | **(33.744)** | **(28.330)** | **(83.122)** | **(123.816)** | **55.111** | **(68.706)** |

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 | | | | |
|---|---|---|---|---|---|
| | Share Capital | Share premium | Other reserves | Accumulated losses | Total Equity |
| **Balance at 01.01.2021** | **35.544** | **(33.801)** | **25.874** | **(8.732)** | **18.885** |
| Profit / (Loss) for the period | - | - | - | (2.866) | **(2.866)** |
| Other Comprehensive income / (loss) | - | - | - | - | **-** |
| **Total comprehensive income / (loss) for the period net of tax** | **-** | **-** | **-** | **(2.866)** | **(2.866)** |
| Share based compensation | - | - | 24 | - | **24** |
| **Total Transactions with owners in their capacity as owners** | **-** | **-** | **24** | **-** | **24** |
| **Balance at 30.06.2021** | **35.544** | **(33.801)** | **25.898** | **(11.598)** | **16.043** |
| | | | | | |
| **Balance at 01.07.2021** | **35.544** | **(33.801)** | **25.898** | **(11.598)** | **16.043** |
| Profit / (Loss) for the period | - | - | - | (4.501) | **(4.501)** |
| Other Comprehensive income / (loss) | - | - | - | (193) | **(193)** |
| **Total comprehensive income / (loss) for the period net of tax** | **-** | **-** | **-** | **(4.694)** | **(4.694)** |
| Share capital decrease **(Note 16)** | (14.218) | - | 4.395 | 9.823 | **-** |
| Shares issued to employees exercising share options | 53 | 57 | (162) | 108 | **56** |
| Share based compensation | - | - | 22 | - | **22** |
| **Total Transactions with owners in their capacity as owners** | **(14.165)** | **57** | **4.255** | **9.931** | **78** |
| **Balance at 31.12.2021** | **21.379** | **(33.744)** | **30.153** | **(6.361)** | **11.427** |
| | | | | | |
| **Balance at 01.01.2022** | **21.379** | **(33.744)** | **30.153** | **(6.361)** | **11.427** |
| Profit / (Loss) for the period | - | - | - | 1.142 | **1.142** |
| Other Comprehensive income / (loss) | - | - | - | - | **-** |
| **Total comprehensive income / (loss) for the period net of tax** | **-** | **-** | **-** | **1.142** | **1.142** |
| **Total Transactions with owners in their capacity as owners** | **-** | **-** | **-** | **-** | **-** |
| **Balance at 30.06.2022** | **21.379** | **(33.744)** | **30.153** | **(5.219)** | **12.569** |

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

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

| | Note | Consolidated Period ended 30.06.2022 | Consolidated Period ended 30.06.2021 | Parent Company Period ended 30.06.2022 | Parent Company Period ended 30.06.2021 |
|---|---|---|---|---|---|
| **Profit / (Loss) for the period** | | **6.945** | **(7.793)** | **1.142** | **(2.866)** |
| **Adjustments for:** | | | | | |
| Income tax expense | | 5.482 | 5.699 | 47 | 43 |
| Depreciation | | 9.292 | 9.041 | 558 | 559 |
| Provisions | | (181) | 444 | 118 | 168 |
| Non-cash employee benefits expense - share-based payments | | - | 24 | - | 24 |
| Fire related income/cost | **20** | (5.400) | 12.790 | - | - |
| Finance costs - net | **19** | 23.632 | 8.612 | 1.650 | 1.758 |
| Net (gain)/loss on disposal of property, plant and equipment | **18** | (155) | (239) | - | - |
| **Changes in working capital:** | | | | | |
| Decrease / (increase) of inventories | | (5.845) | (5.193) | - | - |
| Decrease / (increase) of trade receivables | | (38.110) | (45.801) | (30) | (220) |
| Decrease / (increase) of intergroup receivables | | - | - | (301) | 146 |
| Decrease / (increase) of other receivables | | (22.256) | (3.458) | (1.987) | (683) |
| Decrease / (increase) of other non-current assets | | (1) | 10 | (1) | 22 |
| (Decrease) / increase of trade payables | | 6.304 | 32.290 | 614 | (307) |
| (Decrease) / increase of intergroup payables | | - | - | (413) | (49) |
| (Decrease) / increase of other current, non-current liabilities and provisions | | (521) | 7.275 | (23) | 1.321 |
| **Less:** | | | | | |
| Income taxes paid | | (4.224) | (5.031) | - | - |
| **(a) Cash flows from /(used in) operating activities** | | **(25.039)** | **8.670** | **1.374** | **(84)** |
| **Cash flows from investing activities** | | | | | |
| Purchase of property, plant and equipment | **6** | (10.238) | (3.830) | (29) | (106) |
| Purchase of intangible assets | **8** | (593) | (509) | (48) | (51) |
| Proceeds from insurance compensation due to fire (property damage) | | 15.400 | - | - | - |
| Proceeds from disposal of property, plant and equipment | | 493 | 242 | - | - |
| Proceeds from disposal of subsidiary | | 308 | 335 | - | - |
| **(b) Net cash flows(used in) /from investing activities** | | **5.370** | **(3.762)** | **(77)** | **(157)** |
| **Net cash generated from operating and investing activities (a) + (b)** | | **(19.669)** | **4.908** | **1.297** | **(241)** |
| **Cash flows from financing activities** | | | | | |
| Proceeds from borrowings | | 90.307 | 55.885 | 800 | 2.100 |
| (Repayments) of borrowings | | (75.126) | (58.133) | (1.300) | (3.000) |
| Interest paid | | (10.192) | (9.568) | (900) | - |
| Principal elements of lease payments | | (1.557) | (1.052) | (208) | (259) |
| **(c) Net cash flows from/(used in ) financing activities** | | **3.431** | **(12.868)** | **(1.608)** | **(1.159)** |
| **Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c)** | | **(16.238)** | **(7.960)** | **(311)** | **(1.400)** |
| **Cash and cash equivalents at the beginning of the period** | | **79.207** | **70.243** | **1.752** | **2.460** |
| Effects of exchange rate changes on cash and cash equivalents | | 3.906 | (1.105) | - | - |
| **Cash and cash equivalents at the end of the period** | **13** | **66.875** | **61.178** | **1.441** | **1.060** |

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 9** of the financial statements.

The Group is 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 29 September 2022.**

**Note 2 – Basis of Preparation**

This Interim Condensed Financial Statements, standalone and consolidated, for the period **01.01 - 30.06.2022** has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and specifically IAS 34, 'Interim financial reporting'.

The Interim Condensed Financial Statements should be read in conjunction with the annual financial statements for the year ended **31 December 2021** that are available on the company's web page www.frigoglass.com.

The preparation of these Interim Condensed Financial Statements in accordance with IFRS requires the use of certain critical accounting estimates and judgements. 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 amounts of the financial statement and those of the notes are due to rounding.

The financial statements have been prepared in accordance with the going concern basis of accounting.

However as described in Note 4.1.6. "*Going concern basis of accounting*", the operations of its subsidiary in Russia, Frigoglass Eurasia LLC, have been significantly impacted by the Russia-Ukraine conflict. Also note that Frigoglass Eurasia LLC currently represents the main production facility in Europe, following the fire incident in the Romanian plant in June 2021. The sanctions that have been imposed on Russia by the US, the UK, the EU and other countries as well as the counter sanctions that have been imposed by the Russian government in response, resulted in orders' cancellations, supply chain disruptions on the movement of raw materials and finished goods.

The above, combined with the ongoing macroeconomic uncertainty stemming from the Russia – Ukraine conflict, has led to Frigoglass experiencing liquidity issues that will have an impact on its ability to meet its short to medium term financial obligations and indicates a material uncertainty over the ability of the Company and Frigoglass Group to continue as a going concern.

**Note 3 – Principal accounting policies**
The accounting policies adopted in preparing this Interim Condensed Financial Statements are consistent with those described in the annual financial statements of the Company and the Group for the year ended **31 December 2021**.

***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 1 January 2022.**

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 16 (Amendment) 'Covid-19-Related Rent Concessions'**
The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022.

**IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended**
The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities.

**IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract'**
The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

**IFRS 3 (Amendment) 'Reference to the Conceptual Framework'**
The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

**Annual Improvements to IFRS Standards 2018–2020**
*IFRS 9 'Financial instruments'*

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

*IFRS 16 'Leases'*

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

**Standards and Interpretations effective for subsequent periods**

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2022 (the date of the Group's next annual financial statements) that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

**IAS 1 (Amendment) 'Classification of liabilities as current or non-current'**

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.

**IAS 1 (Amendments) 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Disclosure of Accounting policies'**

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures.

**IAS 8 (Amendments) 'Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates'**

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

**IAS 12 (Amendments) 'Deferred tax related to Assets and Liabilities arising from a Single Transaction'**

The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations. The amendments have not yet been endorsed by the EU.

## Note 4 - Critical accounting estimates and judgements

Management makes estimates and judgments in order to select the most appropriate accounting principles taking into consideration the future outcome of events and transactions. Estimates and judgments are continually evaluated and are based on historical experience of Management and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and judgments adopted in the preparation of the Interim Condensed Financial Statements are consistent with those followed in the preparation of the annual financial statements for the year ended **December 31, 2021.**

### 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, for the period.

#### 4.1.2. Estimated impairment of investments

The Group's investments in subsidiaries are tested for impairment when indications exist that their carrying value may not be recoverable. The recoverable amount of the investments in subsidiaries is determined through 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. of €60 million, which holds the Group's subsidiaries in the ICM and Glass segments which represent the two identifiable, separate cash generating units.

As a result of the deterioration of the macroeconomic environment, the fire incident at the Group's Commercial Refrigeration manufacturing facility in Romania and the ongoing Russia and Ukraine conflict, at 30 June 2022 the Parent Company proceeded with the assessment of impairment of the recoverable amount of its investment based on value in use calculations using discounted cash flows. The recoverable amount was determined based on value in use calculations considering management's best estimates and judgments regarding the future results by taking into consideration the key impacts from the above. As a result of this exercise, it was identified that the recoverable amount is marginally higher than the carrying amount. Due to the associated uncertainty, the possibility exists that the estimates and the judgements used in this exercise may need to be revised during the subsequent period.

The following table sets out the key assumptions for the value in use calculation:
**After – Tax discount rate: WACC: 13%**

**Gross Margin pre -Depreciation: 16% - 25.3%**

**Growth rate in perpetuity: 2.9%**

A sensitivity analysis was performed and Management concluded that the recoverable amount is highly sensitive in changes in the key assumptions.

**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. Estimated impairment of Property, Plant & Equipment and Right of use assets**
The Group's property, plant and equipment is tested for impairment when indications exist that its carrying value may not be recoverable. The recoverable amount of 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. The value in use calculation used to determine the recoverable amount is based on financial budget approved by management covering a one-year period and cash projections for four additional years, taking into account management's estimates and judgments regarding the future results of the cash-generating unit. These estimates and judgments include assumptions about revenue growth rates, direct costs, and discount rates.

The geopolitical situation in Eastern Europe intensified in February 2022, with the conflict between Russia and Ukraine. Large-scale economic sanctions have been imposed on Russia by the US, the UK, and the EU as well as other countries and counter sanctions have been imposed by the Russian government in response. The tension and the conflict are increasingly affecting the global economy and exacerbating ongoing economic challenges resulting in high inflation rates and supply-chain disruptions. In addition, the demand in Russia is declining as customers are reducing coolers' placements.

As a result, the Group proceeded with an interim impairment test of the Russian cash-generating unit's recoverable amount. The recoverable amount was determined based on value in use calculations considering management's best estimates and judgments regarding the future results of the cash-generating unit by taking into consideration the key impacts from the conflict. It is noted that the subsidiary in Russia has significant export activity and does not serve only the local (Russian) market.

As a result of this exercise, it was identified that the recoverable amount is marginally higher than the carrying amount. Due to the associated uncertainty, the possibility exists that the estimates and the judgements used in this exercise may need to be revised during the subsequent period as the geopolitical and economic situation evolves.

The following table sets out the key assumptions for the value in use calculation:
**After – Tax discount rate: Moving WACC within the period varying from 16.8% up to 20.3% in order to reflect the country exposure due to exports activity**

**Gross Margin pre -Depreciation: 13.7% - 18.5%**

**Growth rate in perpetuity: 2.3%**

A sensitivity analysis was performed and Management concluded that the recoverable amount is highly sensitive in changes in the key assumptions.

#### 4.1.5. Export Expansion Grants Receivables

A significant component of the Export Expansion Grants receivable, in Nigeria have been outstanding for more than 1 year and it is expected that they will be settled through Promissory Notes (PNs) to be issued by Debt Management Office (DMO). Management does not expect any losses from the non-recoverability of these grants. For more information refer to **Note 12.**

#### 4.1.6. Going concern basis of accounting

In 2021 and the first semester of 2022, the Group experienced a recovery from the COVID-19 pandemic as evidenced by its sales growth.

On June 5, 2021, a fire incident occurred at the Group's commercial refrigeration manufacturing facility in Timisoara, Romania. The fire caused severe damage, primarily to the plant's production area affecting part of the building installations, machinery and inventories located in the production area. The total damage relating to the destroyed tangible assets and inventories is evaluated (net book value) at €13.4 million. Frigoglass reached a definitive agreement with the co-insurance scheme, which had underwritten the insurance coverage in relation to the fire incident, for an aggregate net compensation amount of €61.6 million related to the property damage (€42 million compensation) and business interruption claims (€19.6 million compensation). An amount of €52.4 million (€15 million in 2021 and €37.4 million in 2022) has already been received from the insurance companies, by the date of approval of the Interim Condensed Financial Statements. The remaining €9.2 million is subject to the proof of the actual expenditures related to the reconstruction phase of the building and the purchases of equipment. For more information, please refer to Notes 12, 20 and 26 of these Interim Condensed

Financial Statements. It is expected that the facility will be reconstructed and fully operational at the beginning of 2023. Due to the fire incident, customers' demand was primarily satisfied from the Group's production facility in Russia and a temporary limited assembly line in Romania.

The increased tension between Russia and Ukraine led to a conflict in February 2022. Economic sanctions have been imposed on Russia by the US, the UK and the EU as well as other countries and counter sanctions have been imposed by the Russian government in response. Frigoglass operates a production facility in Russia through its Commercial Refrigeration subsidiary, Frigoglass Eurasia LLC ("Frigoglass Eurasia"). As noted previously, Frigoglass Eurasia currently represents the Group's main production facility in Europe following the fire incident in the Romanian plant in June 2021. For the period ended 30 June 2022, the Russian and Ukrainian markets accounted for 9.6% and 1.1% of Group's sales, respectively, which were significantly impacted by order cancellations. The subsidiary in Russia also had significant exports (finished and semi-finished goods) to other countries and to the Group's other subsidiaries in 2021 and in the first semester of 2022 and is facing logistics constraints following the conflict between Russia and Ukraine.

As of June 30, 2022, Frigoglass Eurasia represents 17.8% of Group's total assets. As of August 31, 2022, Frigoglass Eurasia had €34.3 million gross debt which is primarily on-demand.

The above, combined with the ongoing macroeconomic uncertainty stemming from the Russia-Ukraine conflict, has led to Frigoglass experiencing liquidity issues that will have an impact on its ability to meet its short to medium term financial obligations and indicates a material uncertainty over the ability of the Company and the Frigoglass Group to continue as a going concern.

Frigoglass has been working with legal and financial advisors to review and assess its financial and strategic options in view of improving the Group's capital structure, securing additional liquidity and maximizing stakeholder value. As of the date of approval of these Interim Condensed Financial Statements, a committee of the holders of the €260 million senior secured notes due 2025 (the "2025 Notes"), representing 56.9% of the unaffiliated principal amount of the 2025 Notes outstanding (such committee, the "Noteholder Committee"), has submitted a proposal pursuant to which the Noteholder Committee and Frigoglass are expected to agree a support agreement (the "Support Agreement") that provides for (i) a commitment by the Noteholder Committee to provide interim super senior financing of €30 million for liquidity and general corporate purposes (the "Interim Financing"), (ii) standstill with respect to the payment of interest on the 2025 Notes on the two interest payment dates scheduled in calendar year 2023 (i.e. February and August 2023) and (iii) the support of the Noteholder Committee for a broader capital restructuring on terms that will be negotiated in good faith as promptly as reasonably possible. The effectiveness of the Support Agreement is subject to the satisfaction of conditions precedent, including completion of certain long-form documentation, compliance by the Group with customary restrictive covenants on incurrence of debt, sale of assets and other similar corporate or financing transactions, the granting of customary monitoring, reporting and information rights for the benefit of the Noteholder Committee, cooperation with the Noteholder Committee and its technical, legal and financial advisors and other customary conditions for transactions of this nature, including the commitment of Frigoglass to negotiate the broader capital restructuring in good faith and the entering into a customary lock-up agreement among Frigoglass, the Noteholder Committee and Truad Verwaltungs A.G. as the majority shareholder, such agreement providing for the material terms of such capital restructuring. Frigoglass and the Noteholder Committee are, as of the date of approval of these Interim Condensed Financial Statements, in advanced discussions in good faith to finalize promptly the documentation for the Support Agreement. The Interim Financing is expected to mature one-year following its original drawing, with interest payments consisting of cash and PIK Interest. The covenants of the Interim Financing are expected to be in line with the terms of the 2025 Notes, except for, inter alia, the inclusion of a liquidity covenant, certain events of default and additional restrictions to the negative covenants.

When adopting the going concern basis of accounting, the Group has, among other things, prepared a liquidity forecast, incorporating the impact of the aforementioned facts, based on cash flow projections for the foreseeable future relating to the next 18 months, from 30 June 2022. These cash flow projections include assumptions regarding cash generated from operations, scheduled investments, debt repayments, insurance proceeds, available credit facilities as well as liquidity support under the terms of the Interim Financing embedded in the Support Agreement described above. Specifically with respect to the impact of the conflict between Russia and Ukraine, the assumptions used in the cash flow projections take into consideration, inter alia, the adverse effects on cash generation and decline in revenue in the Commercial Refrigeration segment primarily in the Russia and Ukraine markets, delays in cash inflows due to supply chain disruption impacting the Group's subsidiary in Russia and an increase in cash outflows due to increases in raw material and transportation costs as well as stretched credit terms from the suppliers. Such assumptions also include debt roll-overs with respect to on-demand facilities, in line with past practices of the Group's lenders.

Notwithstanding management's objective assessment and the cash flow projections that have been prepared, Management and the Directors recognize that the circumstances described above combined with the ongoing economic uncertainty will impact the ability of the Frigoglass Group to meet its financial commitments and there may be an impact on the Group's financial condition overall. Moreover, the financing and liquidity support of the Noteholder Committee pursuant to the Support Agreement is, at the time of preparation of these Interim Condensed Financial Statements, conditional on the satisfaction of various conditions that are outside Management's control.

The Board of Directors and Management are constantly monitoring the situation and are considering all options to enhance liquidity and preserve the Group's financial position.

However, the significant uncertainties facing the Group and the circumstances resulting therefrom could, depending on further developments, cast doubt on the applicability of the going concern assumption used in the preparation of these Interim Condensed Financial Statements.

Therefore, on the basis, that (a) there will be no further substantial deterioration of the external environment, including but not limited to the conflict between Russia and Ukraine, (b) Frigoglass Eurasia will be able to renew a significant part of its existing credit facilities, (c) the Group will be able to continue to utilise certain of the available cash balances in its Nigerian glass operations, (d) the Support Agreement will be successfully executed, implemented, remain effective, after taking into account that the Group's other material debt maturities expire in 2025, after making appropriate inquiries, taking into consideration the risks and uncertainties facing the Group, Management considers that the Group's Interim Condensed Financial Statements as of and for the period ended 30 June 2022 should be prepared on a going concern basis.

**4.2. Critical judgements in applying the entity's accounting policies**

There are no areas that Management required to make critical judgements in applying accounting policies.

**4.3. Financial risk management**

The Group's activities expose it to a variety of financial risks: market risk (including 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 of **31 December 2021**.

**in € 000's**

## 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 Group's CEO and Executive Committee, examine the Group's performance both from a product and geographic perspective and have identified two reportable segments of its business:

1) ICM: The Group manufactures and sells Ice-Cold Merchandises (ICMs) and provides integrated after-sales customer service for its products and a rage of cold-drink equipment through Frigoserve

2) Glass: The Group manufactures and sells glass containers, plastic crates and metal crowns.

The Group's finance department is organized by segment for effective financial control and performance monitoring. Management monitors the operating results of its business segments separately for the purpose of making decisions, allocating resources and assessing performance. Segment performance is evaluated based on earnings before interest, taxes, depreciation, amortization, impairment and fire cost/income (Adjusted EBITDA).

**A) Analysis per business segment**
**i) Income statement**

| | Six months ended 30.06.2022 | | | Six months ended 30.06.2021 | | |
|---|---|---|---|---|---|---|
| | ICM Operations | Glass Operations | **Total** | ICM Operations | Glass Operations | **Total** |
| **Timing of revenue recognition** | | | | | | |
| At a point in time | 144.836 | 71.290 | **216.126** | 131.139 | 43.302 | **174.441** |
| Over time | 32.096 | - | **32.096** | 27.155 | - | **27.155** |
| **Total Revenue from contracts with customers** | **176.932** | **71.290** | **248.222** | **158.294** | **43.302** | **201.596** |
| **Operating Profit / (Loss)** | **12.872** | **12.586** | **25.458** | **11.545** | **8.806** | **20.351** |
| Finance costs | (18.601) | (5.481) | **(24.081)** | (12.158) | 3.440 | **(8.718)** |
| Finance income | 18 | 431 | **449** | 6 | 100 | **106** |
| **Profit / (Loss) before Income Tax and Fire Costs** | **(5.710)** | **7.537** | **1.826** | **(608)** | **12.346** | **11.738** |
| Gains / (Losses) from fire incident | 10.600 | - | **10.600** | (13.833) | - | **(13.833)** |
| **Profit / (Loss) before income tax** | **4.890** | **7.537** | **12.426** | **(14.440)** | **12.346** | **(2.095)** |
| Income tax expense | (2.762) | (2.720) | **(5.482)** | (1.301) | (4.398) | **(5.699)** |
| **Profit/(Loss) for the period** | **2.127** | **4.817** | **6.944** | **(15.740)** | **7.947** | **(7.793)** |
| **Profit/(Loss) to shareholders** | **2.332** | **2.367** | **4.699** | **(15.606)** | **4.568** | **(11.039)** |
| Depreciation | 4.175 | 5.117 | **9.292** | 5.763 | 3.277 | **9.041** |
| Adjusted EBITDA (Note 23) | 17.047 | 17.703 | **34.751** | 17.308 | 12.083 | **29.391** |

There are no sales between the two segments.

| | Y-o-Y % 30.06.2022 vs 30.06.2021 | | |
|---|---|---|---|
| | ICM Operations | Glass Operations | **Total** |
| Total Revenue from contracts with customers | 11,8% | 64,6% | **23,1%** |
| Operating Profit / (Loss) | 11,5% | 42,9% | **25,1%** |
| Adjusted EBITDA (Note 23) | -1,5% | 46,5% | **18,2%** |

in € 000's

## Note 5 - Segment information (continued)

### Total Revenue from contracts with customers

**Commercial Refrigeration (ICM)**: Sales increased by 11.8% to €176.9 million, mainly driven by increased orders from Coca-Cola bottlers in West Europe, South Africa and Nigeria, higher demand in India, market share gain in central Asia, as well as pricing initiatives. Frigoserve's successful expansion in Europe and South Africa also supported sales growth in the period. Sales in East Europe were lower year-on-year mainly due to soft demand and cancellations of orders in Russia and Ukraine.
**Glass Operations:** Sales increased by 64.6% to €71.3 million. This increase mainly reflects strong demand for glass containers and metal crowns, higher orders for plastic crates as well as pricing initiatives. Growth was also supported by the strengthening of Naira.

### Adjusted EBITDA

**Commercial Refrigeration (ICM):** Adjusted EBITDA decreased by 1.5% at €17 million. Adjusted EBITDA was impacted by increased raw materials and transportation cost, less favourable mix, bad debt provisions related to customers located in Ukraine, as well as lower production overheads absorption. These factors were balanced by price increases, higher volume sold, lower discounts and the compensation for the business interruption claim. Additionally, the second quarter has been negatively affected by Ruble's appreciation.
**Glass Operations:** Adjusted EBITDA increased by 46.5% to €17.7 million, mainly led by volume growth across all operations, higher selling prices and the favorable Naira/Euro rate. These factors were partly offset by higher production cost and increased energy expenses.

| ii) Statement of Financial Position | Six months ended 30.06.2022 | | | Year ended 31.12.2021 | | |
|---|---|---|---|---|---|---|
| | ICM Operations | Glass Operations | Total | ICM Operations | Glass Operations | Total |
| Total assets | 281.322 | 181.942 | **463.265** | 248.667 | 155.794 | **404.461** |
| Total liabilities | 491.774 | 40.195 | **531.970** | 466.106 | 24.118 | **490.224** |
| Capital expenditure (Notes 6 & 8) | 6.357 | 4.474 | **10.831** | 5.244 | 8.880 | **14.124** |

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

| B) Revenue from contracts with customers per geographical area (based on customer location) | Consolidated Six months ended 30.06.2022 | 30.06.2021 |
|---|---|---|
| **ICM Operations :** | | |
| East Europe | 71.418 | 82.867 |
| West Europe | 44.164 | 35.322 |
| Africa / Middle East | 25.655 | 17.163 |
| Asia | 35.695 | 22.942 |
| **Total** | **176.932** | **158.294** |
| **Glass Operations :** | | |
| Africa | 71.290 | 43.302 |
| **Total** | **71.290** | **43.302** |
| **Total Revenue from contracts with customers** | | |
| East Europe | 71.418 | 82.867 |
| West Europe | 44.164 | 35.322 |
| Africa / Middle East | 96.945 | 60.465 |
| Asia | 35.695 | 22.942 |
| **Consolidated** | **248.222** | **201.596** |

Frigoglass (the "Group") is a supplier of Ice-Cold Merchandisers (ICMs). The demand for these products is seasonal. Therefore, the Group generally records higher revenues during the first and second quarters of the year.

in € 000's

## Note 5 - Segment information (continued)

**B) Revenue from contracts with customers per geographical area (based on customer location)**

| | Parent Company | |
|---|---|---|
| | Six months ended | |
| | 30.06.2022 | 30.06.2021 |
| **ICM Operations :** | | |
| West Europe | 3.424 | 3.244 |
| **Total Revenue from contracts with customers** | 3.424 | 3.244 |

**C) Capital expenditure per geographical area**

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

| | Consolidated | | |
|---|---|---|---|
| | | Year ended | |
| | 30.06.2022 | 31.12.2021 | 30.06.2021 |
| **ICM Operations :** | | | |
| East Europe | 5.568 | 3.685 | 821 |
| West Europe | 424 | 938 | 422 |
| Africa | 286 | 398 | 112 |
| Asia | 79 | 223 | 71 |
| **Total** | **6.357** | **5.244** | **1.426** |
| **Glass Operations:** | | | |
| Africa | 4.474 | 8.880 | 2.913 |
| **Total** | **4.474** | **8.880** | **2.913** |
| **Consolidated** | **10.831** | **14.124** | **4.339** |

in € 000's

## Note 6 - Property, Plant and Equipment

| | Consolidated | | | | | | |
|---|---|---|---|---|---|---|---|
| | Land | Buildings and technical works | Machinery technical installation | Motor vehicles | Furniture and other equipment | Assets under construction | Total |
| **Cost** | | | | | | | |
| **Balance at 01.01.2022** | **4.629** | **56.098** | **161.550** | **4.517** | **8.439** | **3.769** | **239.002** |
| Additions | - | 544 | 2.667 | 495 | 464 | 6.068 | 10.238 |
| Disposals | - | - | (351) | (118) | - | - | (469) |
| Write off | - | - | (57) | (20) | - | - | (77) |
| Transfer from/to assets under construction | - | 13 | 676 | 15 | 70 | (774) | - |
| Foreign currency translation | 225 | 1.027 | 9.480 | 356 | 321 | 564 | 11.973 |
| **Balance at 30.06.2022** | **4.854** | **57.682** | **173.965** | **5.245** | **9.294** | **9.627** | **260.667** |
| **Accumulated Depreciation** | | | | | | | |
| **Balance at 01.01.2022** | **-** | **29.820** | **105.118** | **3.569** | **6.634** | **-** | **145.141** |
| Depreciation charge | - | 879 | 5.567 | 250 | 413 | - | 7.109 |
| Disposals | - | - | (13) | (118) | - | - | (131) |
| Write off | - | - | (57) | (20) | - | - | (77) |
| Foreign currency translation | - | 472 | 5.294 | 255 | 258 | - | 6.279 |
| **Balance at 30.06.2022** | **-** | **31.171** | **115.909** | **3.936** | **7.305** | **-** | **158.321** |
| **Net book value at 30.06.2022** | **4.854** | **26.511** | **58.056** | **1.309** | **1.989** | **9.627** | **102.346** |
| **Net book value at 31.12.2021** | **4.629** | **26.278** | **56.432** | **948** | **1.805** | **3.769** | **93.861** |

Pledged assets are described in detail in Note 15 - Borrowings.

For 2022, additions of €2.7 million relate mostly to the purchase of equipment for the Group's subsidiary in Nigeria.

Assets under construction at 30 June 2022, include the purchase for machinery for the Group's facilities in Romania and Nigeria.

The major variance derives from the appreciation of the Naira against the Euro.

| | Parent Company | | | | | | |
|---|---|---|---|---|---|---|---|
| | Land | Buildings and technical works | Machinery technical installation | Motor vehicles | Furniture and other equipment | Assets under construction | Total |
| **Cost** | | | | | | | |
| **Balance at 01.01.2022** | **303** | **9.042** | **-** | **-** | **547** | **-** | **9.892** |
| Additions | - | - | - | - | 29 | - | 29 |
| **Balance at 30.06.2022** | **303** | **9.042** | **-** | **-** | **576** | **-** | **9.921** |
| **Accumulated Depreciation** | | | | | | | |
| **Balance at 01.01.2022** | **-** | **7.471** | **-** | **-** | **315** | **-** | **7.786** |
| Additions | - | 171 | - | - | 57 | - | 228 |
| **Balance at 30.06.2022** | **-** | **7.642** | **-** | **-** | **372** | **-** | **8.014** |
| **Net book value at 30.06.2022** | **303** | **1.400** | **-** | **-** | **204** | **-** | **1.907** |
| **Net book value at 31.12.2021** | **303** | **1.571** | **-** | **-** | **232** | **-** | **2.106** |

**in € 000's**

## Note 7 - Right-of-use Assets and Lease Liabilities

***A) Amounts recognised in the Statement of Financial Position***

| Right-of-use assets | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 30.06.2022 | 31.12.2021 | 30.06.2022 | 31.12.2021 |
| Buildings and technical works | 3.404 | 3.166 | 601 | 679 |
| Furniture and fixtures | - | - | - | - |
| Motor vehicles | 608 | 544 | 196 | 279 |
| **Total** | **4.012** | **3.710** | **797** | **958** |
| **Lease liabilities** | | | | |
| Non current | 3.896 | 3.745 | 545 | 658 |
| Current | 1.172 | 1.274 | 317 | 366 |
| **Total** | **5.068** | **5.019** | **862** | **1.024** |
| **Additions during the year** | **1.548** | **1.856** | **22** | **46** |

***B) Amounts recognised in the Income Statement***

| Depreciation | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| Buildings and technical works | 997 | 877 | 100 | 95 |
| Furniture and fixtures | - | - | - | - |
| Motor vehicles | 256 | 222 | 80 | 63 |
| **Total** | **1.253** | **1.099** | **180** | **158** |
| **Interest expense ( Note 19 )** | **234** | **139** | **27** | **37** |

in € 000's

## Note 8 - Intangible assets

| | Consolidated | | | |
|---|---|---|---|---|
| | Development costs | Software | Assets under construction | Total |
| **Cost** | | | | |
| **Balance at 01.01.2022** | **17.820** | **9.690** | **6.670** | **34.180** |
| Additions | 47 | 93 | 453 | 593 |
| Transfer from/to assets under construction | 552 | 116 | (668) | - |
| Foreign currency translation | - | 11 | - | 11 |
| **Balance at 30.06.2022** | **18.419** | **9.910** | **6.455** | **34.784** |
| **Accumulated Amortisation** | | | | |
| **Balance at 01.01.2022** | **14.759** | **8.225** | **-** | **22.984** |
| Amortisation charge | 658 | 301 | - | 959 |
| Foreign currency translation | - | 46 | - | 46 |
| **Balance at 30.06.2022** | **15.417** | **8.572** | **-** | **23.989** |
| **Net book value at 30.06.2022** | **3.002** | **1.338** | **6.455** | **10.795** |
| **Net book value at 31.12.2021** | **3.061** | **1.465** | **6.670** | **11.196** |

Pledged assets are described in detail in Note 15 - Borrowings.
Assets under construction relate to the implementation of the SAP project.

| | Parent Company | | | |
|---|---|---|---|---|
| | Development costs | Software | Assets under construction | Total |
| **Cost** | | | | |
| **Balance at 01.01.2022** | **-** | **1.908** | **1.140** | **3.048** |
| Additions | - | 48 | - | 48 |
| **Balance at 30.06.2022** | **-** | **1.956** | **1.140** | **3.096** |
| **Accumulated Amortisation** | | | | |
| **Balance at 01.01.2022** | **-** | **1.159** | **-** | **1.159** |
| Amortisation charge | - | 150 | - | 150 |
| **Balance at 30.06.2022** | **-** | **1.309** | **-** | **1.309** |
| **Net book value at 30.06.2022** | **-** | **647** | **1.140** | **1.787** |
| **Net book value at 31.12.2021** | **-** | **749** | **1.140** | **1.889** |

Assets under construction relate to the implementation of the SAP project.

## Note 9 - Investments in subsidiaries

| | Parent Company | |
|---|---|---|
| | 30.06.2022 | 31.12.2021 |
| **Investment in Frigoinvest Holdings B.V. ( The Netherlands )** | **Net book value** | **Net book value** |
| 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 are described below:

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

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

## Note 10 - Inventories

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 30.06.2022 | 31.12.2021 | 30.06.2022 | 31.12.2021 |
| Raw materials | 78.317 | 68.144 | - | - |
| Work in progress | 3.184 | 2.953 | - | - |
| Finished goods | 40.441 | 41.656 | - | - |
| **Less:** Provision | (7.797) | (8.436) | - | - |
| **Total** | **114.145** | **104.317** | **-** | **-** |

| **Analysis of Provisions :** | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 30.06.2022 | 31.12.2021 | 30.06.2022 | 31.12.2021 |
| **Opening Balance** | **8.436** | **7.041** | **-** | **-** |
| Increase in provision in income statement | 616 | 2.307 | - | - |
| Unused amounts reversed during the year | (786) | (428) | - | - |
| Amounts written off during the year | (775) | (529) | - | - |
| Foreign currency translation | 306 | 45 | - | - |
| **Closing Balance** | **7.797** | **8.436** | **-** | **-** |

## Note 11 - Trade receivables

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 30.06.2022 | 31.12.2021 | 30.06.2022 | 31.12.2021 |
| Trade receivables | 108.953 | 67.108 | 1.905 | 1.875 |
| Less: Provisions | (1.241) | (1.030) | (22) | (22) |
| **Total** | **107.712** | **66.078** | **1.883** | **1.853** |

The increase in the balance of the trade receivables is mainly driven by the seasonality and the sales growth in the second quarter.

Trade receivables are amounts due from goods sold or services performed in the ordinary course of business. Due to the short-term nature of the current receivables, their carrying amount is considered the same as their fair value.

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

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, Pepsi and Heineken.

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.

Management does not expect any other losses from non-performance of trade receivables, other than as provided for as at 30.06.2022.

Pledged assets are described in detail in Note 15 - Borrowings.

## Note 12 - Other receivables

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 30.06.2022 | 31.12.2021 | 30.06.2022 | 31.12.2021 |
| V.A.T receivable | 16.492 | 15.429 | 200 | 57 |
| Intergroup receivables | - | - | 14.990 | 14.689 |
| Grants for exports receivable | 7.649 | 7.187 | - | - |
| Insurance prepayments | 1.687 | 1.041 | 330 | 51 |
| Prepaid expenses | 1.975 | 1.262 | 180 | 82 |
| Receivable from the disposal of subsidiary | 1.830 | 1.977 | - | - |
| Other taxes receivable | 164 | 1.394 | - | - |
| Advances to employees | 596 | 668 | 36 | 3 |
| Insurance claim receivable due to the fire incident | 12.842 | 10.000 | - | - |
| Other receivables | 8.987 | 3.550 | 1.422 | 34 |
| **Total** | **52.222** | **42.508** | **17.158** | **14.916** |

These amounts generally arise from transactions outside the usual operating activities of the Group. Due to the short-term nature of other receivables, their carrying amount is considered to be the same as their fair value.

**V.A.T. receivable:** The V.A.T receivable is fully recoverable through the operating activity of the Group and the Company. The increase relates to higher inventories in Romania and Nigeria to cover the sales demand in the upcoming quarters.

**Grants for exports receivable:** Export Expansion Grants (EEG) are granted by the Federal Government of Nigeria on exports of goods produced in the country, after having met certain eligibility criteria. The EEGs are granted by the Nigerian Export Promotion Council (NEPC), a Federal government agency, to qualified non-oil exporters. The NEPC oversees non-oil exporters and sets criteria for all non-oil export grants schemes. The EEGs are recognized at fair value, and Management does not expect any losses from the non-recoverability of these grants. For all EEG claims prior to 2017, the Federal Government of Nigeria settled these claims by issuing Negotiable Duty Credit Certificates (NDCC). The NEPC however ceased issuing the NDCCs, following new guidelines from the Nigerian Federal Government, and these were replaced by Promissory Notes (PNs) issued by Debt Management Office (DMO) of the Nigerian Federal Government. The EEG claims of Frigoglass Industries Ltd. were fully settled through PNs, that were subsequently cashed, in 2019 and 2020. The outstanding EEG claims of Beta Glass PLC. will also be settled through PNs.

**Insurance claim receivable due to the fire incident:**

***Property damage***

Frigoglass reached an agreement with the co-insurance scheme for a €42 million compensation related to the property damage claim including inventory. The Group has already received from the insurance companies irrevocable payments of €30.4 million (€15 million in 2021, €10 million in February 2022 and €5.4 million in the second quarter of 2022). The €25 million received in 2021 and in February 2022 were recognized in the Income Statement for the year ended 31 December 2021 against the fire cost expense. The amount that was received in early February 2022 was presented as an insurance claim receivable as of 31.12.2021, on the basis that the receivable was considered as virtually certain. The €5.4 million received in the second quarter of 2022 were recognized in the Income Statement for the period ended 30 June 2022 against the fire cost expenses.

**Business interruption**

Frigoglass reached an agreement with the co-insurance scheme for a €19.6 million compensation related to the business interruption claim in July 2022. The Group has already received the entire amount (€19.6 million), €6.7 million in the second quarter of 2022 and €12.9 million in July 2022. The total amount was recognized in the Income Statement for the period ended 30 June 2022, broken down between the fire cost income (€5.7 million) and other income (€13.9 million). The amount that was received in July 2022 (€12.9 million) was presented as an insurance claim receivable as of 30.06.2022, on the basis that the receivable was considered as virtually certain.

**Other receivables:** Other receivables mostly include advances and prepayments to third parties.

**in € 000's**

## Note 13 - Cash and cash equivalents

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 30.06.2022 | 31.12.2021 | 30.06.2022 | 31.12.2021 |
| Cash on hand | 36 | 8 | - | - |
| Short term bank deposits | 66.839 | 79.199 | 1.441 | 1.752 |
| **Total** | **66.875** | **79.207** | **1.441** | **1.752** |

Pledged assets are described in detail in Note 15 - Borrowings.

## Note 14 - Other payables

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 30.06.2022 | 31.12.2021 | 30.06.2022 | 31.12.2021 |
| Taxes and duties payable | 3.759 | 3.156 | 577 | 264 |
| Intergroup payables | - | - | 4.954 | 5.367 |
| VAT payable | 7.066 | 5.827 | - | - |
| Social security insurance | 1.895 | 1.477 | 186 | 294 |
| Customers' advances | 2.369 | 5.453 | - | 48 |
| Other taxes payable | 835 | 473 | - | - |
| Accrued discounts on sales | 11.391 | 7.313 | - | - |
| Accrued fees & costs payable to third parties | 9.409 | 5.388 | 1.041 | 402 |
| Accrued payroll expenses | 11.852 | 11.295 | 3.516 | 4.325 |
| Other accrued expenses | 4.175 | 3.079 | 29 | 27 |
| Accrual for warranty expenses | 5.835 | 5.268 | - | - |
| All other payables | 7.487 | 5.847 | 248 | 293 |
| **Total** | **66.073** | **54.576** | **10.551** | **11.020** |

The carrying amount of other payables is considered to be the same as its fair value, due to their short-term nature.

**Customer Advances:** The reduction reflects the highest advances received by clients, relating to orders for the first quarter of 2022, at the end of 2021.

**Accrued discount on sales:** The increase in the balance is mainly attributable to the seasonality of sales.

## Note 15 - Borrowings

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | **30.06.2022** | **31.12.2021** | **30.06.2022** | **31.12.2021** |
| Bond loans | 260.000 | 260.000 | - | - |
| Intergroup bond loans | - | - | 54.436 | 53.973 |
| Bank loans | 13.400 | 4.000 | - | - |
| Unamortized costs for the issue of bond | (4.928) | (5.763) | - | - |
| **Total Non current borrowings** | **268.472** | **258.237** | **54.436** | **53.973** |

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | **30.06.2022** | **31.12.2021** | **30.06.2022** | **31.12.2021** |
| Bank overdrafts | 3.245 | 3.740 | - | - |
| Bank loans | 64.704 | 55.771 | - | - |
| Accrued interest for loans | 7.553 | 7.474 | - | - |
| **Total current borrowings** | **75.502** | **66.985** | **-** | **-** |
| **Total borrowings** | **343.974** | **325.222** | **54.436** | **53.973** |

| **Net debt** | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | **30.06.2022** | **31.12.2021** | **30.06.2022** | **31.12.2021** |
| Total borrowings | 343.974 | 325.222 | 54.436 | 53.973 |
| Total Lease Liabilities **( Note 7 )** | 5.068 | 5.019 | 862 | 1.024 |
| Cash and cash equivalents **(Note 13)** | (66.875) | (79.207) | (1.441) | (1.752) |
| **Net debt** | **282.167** | **251.034** | **53.857** | **53.245** |

## Note 15 - Borrowings (continued)

### Maturities of the undiscounted contractual cash flows of financial liabilities

The following tables detail the remaining contractual maturities for financial liabilities. The tables include both interest and principal undiscounted cash flows, assuming that interest rates remain constant from 31 December.

| | Less than 1 year | Between 1 & 2 years | Between 2 & 5 years | Over 5 years | Total | Carrying Amount |
|---|---|---|---|---|---|---|
| **Consolidated 30.06.2022** | **181.115** | **19.016** | **282.321** | - | **482.452** | **427.583** |
| Trade payables | 78.541 | - | - | - | 78.541 | 78.541 |
| Lease Liabilities | 1.379 | 1.141 | 3.900 | - | 6.420 | 5.068 |
| Borrowings | 101.195 | 17.875 | 278.421 | - | 397.491 | 343.974 |
| **Consolidated 31.12.2021** | **149.817** | **23.642** | **290.214** | - | **463.673** | **400.343** |
| Trade payables | 70.102 | - | - | - | 70.102 | 70.102 |
| Lease Liabilities | 1.442 | 1.668 | 2.855 | - | 5.965 | 5.019 |
| Borrowings | 78.273 | 21.974 | 287.359 | - | 387.606 | 325.222 |
| **Parent Company 30.06.2022** | **7.897** | **3.988** | **58.493** | - | **70.378** | **59.096** |
| Trade payables | 3.797 | - | - | - | 3.797 | 3.797 |
| Lease Liabilities | 355 | 257 | 326 | - | 938 | 862 |
| Borrowings | 3.745 | 3.731 | 58.167 | - | 65.643 | 54.436 |
| **Parent Company 31.12.2021** | **8.029** | **4.686** | **59.329** | - | **72.044** | **58.180** |
| Trade payables | 3.183 | - | - | - | 3.183 | 3.183 |
| Lease Liabilities | 414 | 271 | 441 | - | 1.126 | 1.024 |
| Borrowings | 4.432 | 4.415 | 58.888 | - | 67.735 | 53.973 |

in € 000's

**Note 15 - Borrowings (continued)**

**Non-current borrowings**

**Bond loans and unamortised costs for the issue of bond**

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 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.

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 enter 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, Frigoglass Global Limited 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:

| Assets | 30.6.2022 |
|---|---:|
| Intergroup receivables | 335.750 |
| Other debtors | 97 |
| Cash & cash equivalents | 3.474 |
| **Total** | **339.321** |

**Bank loans**

In November 2021, Frigoglass Eurasia LLC signed an unsecured, committed credit facility with a Russian bank, in an amount of €20.0 million for a 24-month period. As at June 30, 2022, €13.4 million were utilized from the aforementioned facility.

**Intergroup bond loans**

The loans from subsidiaries to the Parent Company are maturing in February 2025. The interest rate on the loans for 2022 is 8.2% (2021: 8.2%)

**Current borrowings**

The Group maintains credit facilities with various banks in India, Romania, Russia and Nigeria.

**Bank overdrafts**

Frigoglass India PVT Ltd maintains a credit facility with an Indian bank, in an amount of INR 455 million (€5.5 million). The facility is secured up to INR 200 million (€2.4 million) through a mortgage of property of Frigoglass India PVT Ltd. As at June 30, 2022, €3.2 million was utilized from the aforementioned facility.

**Bank loans**

In August 2021, Frigoglass Romania SRL renewed the credit facility with a Romanian bank, in an amount of €4.5 million for a twelve-month period. The facility is secured through inventories and trade receivables of Frigoglass Romania SRL. As at June 30, 2022, €4.5 million was utilized from the aforementioned facility.

In October 2020, Frigoglass Romania SRL signed a credit facility with a Romanian bank, in an amount of €5.0 million for a twelve-month period, which was extended until August 31, 2022. The facility is secured through a mortgage of land and building and trade receivables of Frigoglass Romania SRL. As at June 30, 2022, €1.5 million was utilized from the aforementioned facility.

In May 2022, Frigoglass Eurasia LLC amended the agreement of an unsecured credit facility with a Russian bank, in an amount of €20.0 million and maturity in October 2023, to include availability of drawdowns also in US dollars. In April 2022, Frigoglass Eurasia LLC has signed a new credit facility with the same Russian bank that matures in April 2025 and allows drawdowns in Russian ruble. As at June 30, 2022, the aggregate drawdowns in euro equivalent from both facilities were €21.2 million.

As at June 30, 2022, Beta Glass Plc and Frigoglass Industries had drawdown €32.9 million in total. Both entities utilize these facilities for the issuance and funding of Letter of Credits and financing imported raw materials and equipment.

## Note 16 - Share capital and share premium

**Share capital:**

The share capital of the Group at **31.12.2020** comprised of **355.437.751** fully paid up ordinary shares with an nominal value of **€ 0.10** each.
The General Meeting of shareholders, at 14.12.2021, decided the nominal decrease of the Company's share capital by the amount of €14,217,510.04 to become €21,326,265.06, through decrease of the nominal value of the Company's 355,437,751 shares from €0.10 to € 0.06 each, according to article 31 of Law 4548/2018, for the purpose of forming a special reserve of equal amount and offsetting losses by deletion of losses from the Company's account "Retained earnings" and the respective amendment of article 3 of the Company's Articles of Association.

On the 31st of December 2021, FRIGOGLASS' s Board of Directors resolved to increase the share capital of the Company by 876,665 ordinary shares, following the exercise of share options by option holders pursuant to the Company's share option plan. The proceeds from the share capital increase amounted to € 110 thousand.

The share capital of the Parent Company at **31.12.2021** and **30.06.2022** comprised of **356,314,416** fully paid up ordinary shares with an nominal value of **€ 0.06** each.

| | Number of shares | Share capital -000' Euro- | Share premium -000' Euro- |
|---|---|---|---|
| **Balance at 01.01.2021** | **355.437.751** | **35.544** | **(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" | - | (14.218) | - |
| Shares issued to employees exercising stock options / Proceeds from the issue of shares | 876.665 | 53 | 57 |
| **Balance at 31.12.2021** | **356.314.416** | **21.379** | **(33.744)** |
| **Balance at 30.06.2022** | **356.314.416** | **21.379** | **(33.744)** |

**in € 000's**

## Note 17 - Other reserves

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | **Statutory reserves** | **Share based payments** | **Extraordinary reserves** | **Tax free reserves** | **Currency translation reserve** | **Total** |
| **Balance at 01.01.2021** | **4.177** | **1.081** | **14.201** | **8.760** | **(65.684)** | **(37.465)** |
| Additions for the year | - | 24 | - | - | - | 24 |
| Foreign currency translation | - | - | (75) | - | (3.951) | (4.026) |
| **Balance at 30.06.2021** | **4.177** | **1.105** | **14.126** | **8.760** | **(69.635)** | **(41.467)** |
| **Balance at 01.07.2021** | **4.177** | **1.105** | **14.126** | **8.760** | **(69.635)** | **(41.467)** |
| Additions for the year | - | 22 | - | - | - | 22 |
| Share capital decrease **( Note 16 )** | - | - | 4.395 | - | - | 4.395 |
| Shares issued to employees | - | (162) | - | - | - | (162) |
| Foreign currency translation | - | - | 26 | - | 1.854 | 1.880 |
| **Balance at 31.12.2021** | **4.177** | **965** | **18.547** | **8.760** | **(67.781)** | **(35.332)** |
| **Balance at 01.01.2022** | **4.177** | **965** | **18.547** | **8.760** | **(67.781)** | **(35.332)** |
| Foreign currency translation | - | - | 153 | - | 6.849 | 7.002 |
| **Balance at 30.06.2022** | **4.177** | **965** | **18.700** | **8.760** | **(60.932)** | **(28.330)** |

| | Parent Company | | | | | |
|---|---|---|---|---|---|---|
| | **Statutory reserves** | **Share based payments** | **Extraordinary reserves** | **Tax free reserves** | **Currency translation reserve** | **Total** |
| **Balance at 01.01.2021** | **4.020** | **1.081** | **12.013** | **8.760** | **-** | **25.874** |
| Additions for the year | - | 24 | - | - | - | 24 |
| **Balance at 30.06.2021** | **4.020** | **1.105** | **12.013** | **8.760** | **-** | **25.898** |
| **Balance at 01.07.2021** | **4.020** | **1.105** | **12.013** | **8.760** | **-** | **25.898** |
| Additions for the period | - | 22 | - | - | - | 22 |
| Share capital decrease ( Note 16 ) | - | - | 4.395 | - | - | 4.395 |
| Shares issued to employees | - | (162) | - | - | - | (162) |
| **Balance at 31.12.2021** | **4.020** | **965** | **16.408** | **8.760** | **-** | **30.153** |
| **Balance at 01.01.2022** | **4.020** | **965** | **16.408** | **8.760** | **-** | **30.153** |
| **Balance at 30.06.2022** | **4.020** | **965** | **16.408** | **8.760** | **-** | **30.153** |

A statutory reserve has been 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 based payments reserve refers to the established Stock Option Plan provided to senior managers and members of the Management Committee.

The Company has created tax free reserves, in accordance with several Hellenic tax laws, during the years, in order to achieve tax deductions, either:
a) by postponing the settlement of tax liabilities until the distribution of the reserves to the shareholders, or
b) by eliminating any future income tax payment related to the issuance of bonus shares to the shareholders.
Should the reserves be distributed to the shareholders as dividends, the distributed profits will be taxed with the applicable rate at the time of distribution. No provision has been recognized for contingent income tax liabilities in the event of a future distribution of such reserves to the Company's shareholders since such liabilities are recognized at the same time as the dividend liability associated with such distributions.

In 2017 the Company proceeded with the nominal decrease of the Company's share capital by the amount of € 9,107 million, by a corresponding decrease of the nominal value of each Company's share from € 0.90 to € 0.36, according to article 4 para. 4a of C.L. 2190/1920, for the purpose of forming a special reserve of equal amount the use of which will be decided in the future. This amount has been allocated in the extraordinary and tax free reserves.

In 2021 the Company proceeded with the formation of an extraordinary reserve in the amount of € 4,395 million, to offset future losses, according to article 31 par. 2 of Law 4548/2018.

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of Group entities with functional currencies other than the Euro.

## Note 18 - Other operating income and Other gains/(losses) - net

### Other operating income

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| Income from subsidiaries: Services fees | - | - | 7.625 | 7.277 |
| Income from insurance claims & Other operating income | 13.916 | - | 1.851 | - |
| Income from scraps sales | 452 | 254 | - | - |
| Other charges to customers and other income | 226 | 866 | 5 | 1 |
| **Total: Other operating income** | **14.594** | **1.120** | **9.481** | **7.278** |

***Income from insurance claims***

Frigoglass reached an agreement with the co-insurance scheme for a €19.6 million compensation related to the business interruption claim in July 2022. The Group has already received the entire amount (€19.6 million), €6.7 million in the second quarter of 2022 and €12.9 million in July 2022. The total amount was recognized in the Income Statement for the period ended 30 June 2022, broken down between the fire cost income (€5.7 million) and other income (€13.9 million). The amount that was received in July 2022 (€12.9 million) was presented as an insurance claim receivable as of 30.06.2022, on the basis that the receivable was considered as virtually certain.

### Other gains /(losses) - net

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| Profit/(Loss) from disposal of property, plant & equipment | 155 | 239 | - | - |
| Other | (43) | (132) | - | - |
| **Total: Other gains/(losses) - net** | **112** | **107** | **-** | **-** |

Other operating income / (expenses) and other gains / (losses) relate to income or expenses not connected to the commercial activity of the Group.

**in € 000's**

## Note 19 - Financial costs - net

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| **Finance income** | (450) | (106) | - | - |
| Interest Expense | 11.322 | 10.302 | 1.867 | 1.848 |
| Exchange loss / (gain) and Other Financial costs | 12.526 | (1.723) | (244) | (127) |
| Finance cost for lease liabilities | 234 | 139 | 27 | 37 |
| **Finance cost** | **24.082** | **8.718** | **1.650** | **1.758** |
| **Finance costs - net** | **23.632** | **8.612** | **1.650** | **1.758** |

## Note 20 - (Losses) / Gains from Fire

### Fire Incident at facility in Romania

On June 5, 2021, a fire incident occurred at the Group's commercial refrigeration manufacturing facility in Timisoara, Timis County of Romania, which caused severe damage primarily to the plant's production area and, consequently, to machinery and inventories located within this area.

Frigoglass reached a definitive agreement with the co-insurance scheme, which had underwritten the insurance coverage in relation to the fire incident , for an aggregate net compensation amount of €61.6 million related to the property damage (€42 million compensation) and business interruption claims (€19.6 million compensation). In H1 2022 €5.4 million were received related to the property damage, which were recognized in the Income Statement for the period ended 30 June 2022 against the fire cost expenses. For the business interruption claim, the total amount was recognized in the Income Statement for the period ended 30 June 2022, broken down between the fire cost income (€5.7 million) and other income (€13.9 million). For more information refer to **Note 12**.

Management has finalized the factory's layout and the construction works started in May 2022. A significant portion of the required equipment has been already ordered. In this context, Management's expectation remains that the facility will be operational at the beginning of 2023. In early October 2021, in a rented industrial space near the existing premises in Timisoara, Frigoglass set up an assembly line producing approx. 21,000 coolers in the first semester of 2022 by mainly importing semi-finished goods from its facility in Russia. In July 2022, Frigoglass enhanced this assembly line in order to be able to produce coolers without importing semi-finished goods from Russia.

| | Six months ended | |
|---|---|---|
| **Below is the analysis of the Fire related (cost)/income:** | **30.06.2022** | **30.06.2021** |
| Fixed Assets write off | - | (11.041) |
| Inventories write off | - | (1.749) |
| Income from insurance compensation for property damage | 5.400 | - |
| Income from insurance compensation for business interruption | 5.684 | - |
| | **11.084** | **(12.790)** |
| Expenses due to business interruption | (484) | (1.043) |
| Income related to destroyed materials | - | - |
| **Fire (Cost)/Income** | **10.600** | **(13.833)** |

## Note 21 - Income tax

It is noted that according to Law 4799/2021, the income tax from business activity obtained by legal entities in Greece, are taxed at a rate of 22% for the income of the tax year 2021 onwards.

The profit before tax of the Group companies is taxed at the applicable rate corresponding to the country in which each company is domiciled. The income tax rates in the countries where the Group operates are between 9% and 33%.

**Audit Tax Certificate**

Effective from fiscan years ended 31 December 2011 onwards, Greek companies meeting certain criteria can obtained an "Annual Tax Compliance Report" as provided for by par. 5, article 82 of L. 2238/1004 and article 65A of L. 4174/2013, from their statutotry auditor in respect of compliance with tax law.

With regard to the fiscal year 2021, the Company is subject to the tax audit of the Certified Auditors, stupulated by the provisions of article 65A of L. 4174/2013. The audit is under progress and the relevant tax certificate is expected to be granted after the release of the interim financial statements for the period 30.06.2022. Management does not expect the emergence of any significant tax obligations apart from those already depicted in the financial statements.

**Unaudited Tax Years**

The tax returns of the Parent Company and the Group's subsidiaries have not been assessed by the tax authorities for different periods, which are presented in 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 **30 June 2022**.

**in € 000's**

## Note 21 - 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. | Greece | 2021 | Parent Company & Service and Repair of ICM's |
| Frigoglass Romania SRL | Romania | 2017-2021 | Ice Cold Merchandisers |
| Frigoglass Indonesia PT | Indonesia | 2017-2021 | Ice Cold Merchandisers |
| Frigoglass South Africa Ltd. | S. Africa | 2017-2021 | Ice Cold Merchandisers |
| Frigoglass Eurasia LLC | Russia | 2019-2021 | Ice Cold Merchandisers |
| Frigoglass Guangzhou Ice Cold Eq. Ltd. | China | 2017-2021 | Sales Office |
| Scandinavian Appliances A.S | Norway | 2016-2021 | Sales Office |
| Frigoglass Spzoo | Poland | 2015-2021 | Service & Repair of ICM's |
| Frigoglass India PVT.Ltd. | India | 2017-2021 | Ice Cold Merchandisers |
| Frigoglass Switzerland AG | Switzerland | | Service & Repair of ICM's |
| Frigoglass East Africa Ltd. | Kenya | 2018-2021 | Sales Office |
| Frigoglass GmbH | Germany | 2017-2021 | Sales Office |
| Frigoglass Hungary Kft | Hungary | 2017-2021 | Service & Repair of ICM's |
| Frigoglass Nordic AS | Norway | 2016-2021 | Sales Office |
| Frigoglass Cyprus Ltd. | Cyprus | 2016-2021 | Holding Company |
| Norcool Holding A.S | Norway | 2016-2021 | Holding Company |
| Frigoinvest Holdings B.V | The Netherlands | 2016-2021 | Holding Company |
| Frigoglass Finance B.V | The Netherlands | 2020-2021 | Financial Services |
| 3P Frigoglass SRL | Romania | 2017-2021 | Plastics |
| Frigoglass Global Ltd. | Cyprus | 2016-2021 | Holding Company |
| Beta Glass Plc. | Nigeria | 2014-2021 | Glass Operation |
| Frigoglass Industries (NIG.) Ltd. | Nigeria | 2016-2021 | 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 22 - Earnings / (Losses) 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).

Options granted to employees under the Employee Option Plans of 2013 to 2016, have not been included in the determination of diluted earnings per share calculations, given that the average share price for the year is not in excess of the available stock option's exercise price. The 4,263,335 options granted on 22 March 2019 are not included in the calculation of diluted earnings per share because they are antidilutive for the period ended **30 June 2022.**
These options could potentially dilute basic earnings per share in the future.

| in 000's € (apart from earning per share and number of shares) | Consolidated Six months ended 30.06.2022 | Consolidated Six months ended 30.06.2021 | Parent Company Six months ended 30.06.2022 | Parent Company Six months ended 30.06.2021 |
|---|---|---|---|---|
| Profit / (Loss) after income tax for attributable to the shareholders of the company | 4.699 | (11.038) | 1.142 | (2.866) |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 356.314.416 | 355.437.751 | 356.314.416 | 355.437.751 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 356.314.416 | 355.437.751 | 356.314.416 | 355.437.751 |
| **Basic earnings / (losses) per share** | **0,0132** | **(0,0311)** | **0,0032** | **(0,0081)** |
| **Diluted earnings / (losses) per share** | **0,0132** | **(0,0311)** | **0,0032** | **(0,0081)** |

| in 000's € (apart from earning per share and number of shares) | Consolidated Three months ended 30.06.2022 | Consolidated Three months ended 30.06.2021 | Parent Company Three months ended 30.06.2022 | Parent Company Three months ended 30.06.2021 |
|---|---|---|---|---|
| Profit / (Loss) after income tax for attributable to the shareholders of the company | 6.770 | (12.247) | 180 | (1.124) |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 356.314.416 | 355.437.751 | 356.314.416 | 355.437.751 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 356.314.416 | 355.437.751 | 356.314.416 | 355.437.751 |
| **Basic earnings / (losses) per share** | **0,0190** | **(0,0345)** | **0,0005** | **(0,0032)** |
| **Diluted earnings / (losses) per share** | **0,0190** | **(0,0345)** | **0,0005** | **(0,0032)** |

## Note 23 - Reconciliation of Adjusted EBITDA

| | Six months ended | | Three months ended | |
|---|---|---|---|---|
| | **30.06.2022** | **30.06.2021** | **30.06.2022** | **30.06.2021** |
| **Consolidated** | | | | |
| **Profit / (Loss) before income tax** | **12.427** | **(2.094)** | **12.475** | **(8.581)** |
| plus: Depreciation (Notes 6,7,8) | 9.292 | 9.041 | 4.756 | 4.503 |
| plus: Fire cost / (income) (Note 20) | (10.600) | 13.833 | (10.600) | 13.833 |
| plus: Finance costs / (income) (Note 19) | 23.632 | 8.612 | 17.922 | 5.196 |
| **Adjusted EBITDA** | **34.751** | **29.392** | **24.553** | **14.951** |
| Revenue from contracts with customers | 248.222 | 201.596 | 128.775 | 105.712 |
| **Margin Adjusted EBITDA, %** | **14,0%** | **14,6%** | **19,1%** | **14,1%** |
| **ICM Operations** | | | | |
| **Profit / (Loss) before income tax** | **4.890** | **(14.440)** | **9.427** | **(13.511)** |
| plus: Depreciation (Notes 6,7,8) | 4.175 | 5.763 | 2.132 | 2.722 |
| plus: Fire cost / (income) (Note 20) | (10.600) | 13.833 | (10.600) | 13.833 |
| plus: Finance costs / (income) (Note 19) | 18.583 | 12.153 | 14.318 | 6.698 |
| **Adjusted EBITDA** | **17.047** | **17.308** | **15.276** | **9.742** |
| Revenue from contracts with customers | 176.932 | 158.294 | 91.870 | 84.469 |
| **Margin Adjusted EBITDA, %** | **9,6%** | **10,9%** | **16,6%** | **11,5%** |
| **Glass Operation** | | | | |
| **Profit / (Loss) before income tax** | **7.537** | **12.346** | **3.048** | **4.930** |
| plus: Depreciation (Notes 6,7,8) | 5.117 | 3.277 | 2.625 | 1.781 |
| plus: Finance costs / (income) (Note 19) | 5.049 | (3.540) | 3.604 | (1.502) |
| **Adjusted EBITDA** | **17.703** | **12.083** | **9.277** | **5.209** |
| Revenue from contracts with customers | 71.290 | 43.302 | 36.905 | 21.243 |
| **Margin Adjusted EBITDA, %** | **24,8%** | **27,9%** | **25,1%** | **24,5%** |

## Note 24 - Related party transactions

Truad Verwaltungs A.G. currently indirectly owns 48.55% of Frigoglass and 99.3% of A.G. Leventis (Nigeria) Plc and also indirectly controls Kar Tess Holding, which holds approximately 23% of Coca Col HBC's total issued share capital.

Frigoglass is the major shareholder of Frigoglass Nigeria Industries Ltd., with shareholding of **76.026%**, where Coca-Cola HBC AG also owns a **23.9%** equity interest.

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 Group entered into an agreement with Coca-Cola HBC AG for the sale of cooling equipment in 1999. The agreement was extended in 2004, 2008, 2013, 2018 and, most recently, in 2021, on substantially similar terms. The current agreement expires on 31 December 2025.

The investments in subsidiaries are reported on **Note 9.**

**A) Transactions with other related parties ( Coca-Cola HBC AG Group & A.G. Leventis Nigeria Plc. ) stated above were:**

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | **30.06.2022** | **30.06.2021** | **30.06.2022** | **30.06.2021** |
| Sales of goods and services | 87.366 | 78.044 | 2.663 | 2.599 |
| Purchases of goods and services | 1.329 | 953 | - | - |
| | **30.06.2022** | **31.12.2021** | **30.06.2022** | **31.12.2021** |
| Receivables | 34.672 | 11.427 | 1.133 | 1.179 |
| Dividend payable | 1.684 | - | - | - |

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

| | **30.06.2022** | **30.06.2021** |
|---|---|---|
| Income from subsidiaries: Services fees | 7.625 | 7.277 |
| Income from subsidiaries: Recharge Development expenses | 596 | 482 |
| Expenses from subsidiaries: Services fees | 76 | 87 |
| Interest expense | 1.867 | 1.848 |
| | **30.06.2022** | **31.12.2021** |
| Receivables **(Note 12)** | 14.990 | 14.689 |
| Payables **(Note 14)** | 4.954 | 5.367 |
| Borrowings **(Note 15)** | 54.436 | 53.973 |

| **C) The fees of Management:** | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | **30.06.2022** | **30.06.2021** | **30.06.2022** | **30.06.2021** |
| **Board of Directors Fees** | **210** | **208** | **210** | **208** |
| Wages & other short term employee benefits | 907 | 1.288 | 609 | 993 |
| Other long term employee benefits | - | 290 | - | 247 |
| Post employment benefits | 197 | 222 | 177 | 202 |
| **Total fees** | **1.104** | **1.800** | **786** | **1.442** |

**in € 000's**

## Note 25 - Contingent Liabilities and Commitments

**a) Bank Guarantee Letters and Guarantees for Loans & Senior Secured Notes :**

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 30.06.2022 | 31.12.2021 | 30.06.2022 | 31.12.2021 |
| Bank Guarantee Letters | 1.892 | 2.086 | - | - |
| Guarantees for Loans & Senior Secured Notes | - | - | 260.000 | 260.000 |
| **Total** | **1.892** | **2.086** | **260.000** | **260.000** |

**b) 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.

**c) Capital commitments:**

The capital commitments contracted for but not yet incurred at the balance sheet date **30.06.2022** for the Group amounted to **€ 15.9 million (31.12.2021: € 1.0 million.)** and relate mainly to purchases of machinery in Romania.
There are no capital commitments for the parent company.

## Note 26 - Post balance sheet events

**Compensation related to Fire Incident at facility in Romania**
Frigoglass reached an agreement with the co-insurance scheme for a €19.6 million compensation related to the business interruption claim in July 2022. The Group has already received the entire amount (€19.6 million), €6.7 million in the second quarter of 2022 and €12.9 million in July 2022. The total amount was recognized in the Income Statement for the period ended 30 June 2022, broken down between the fire cost income (€5.7 million) and other income (€13.9 million). An additional compensation of €2.4million related to the property damage claim was received in August 2022. This amount has not been presented in the income statement for the period ended 30 June 2022.

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

## Note 27 - Average number of personnel

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

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| **Operations** | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| ICM Operations | 3.529 | 3.391 | 112 | 110 |
| Glass Operations | 1.600 | 1.421 | | |
| **Total** | **5.129** | **4.812** | **112** | **110** |

## Note 28 - Impact of the Russia and Ukraine conflict

The geopolitical situation in Eastern Europe intensified in February 2022, with the conflict between Russia and Ukraine. Large-scale economic sanctions have been imposed on Russia by the US, the UK and the EU as well as other countries and counter sanctions have been imposed by the Russian government in response. The tension and the conflict are increasingly affecting the global economy and exacerbating ongoing economic challenges resulting in high inflation rates and supply-chain disruptions.

Frigoglass operates a production facility in Russia through its Commercial Refrigeration subsidiary, Frigoglass Eurasia LLC. Following the fire incident in the Romanian plant in June 2021, the Russian facility represents the Group's main production facility in Europe and 17.8% of Group's total assets as of 30th of June 2022.

For the period ended 30 June 2022, the Russian and Ukrainian markets accounted for 9.6% and 1.1% of Group's sales, respectively. The combined sales in Russia and Ukraine in the first semester of 2022 declined by 32% y-o-y.

The subsidiary in Russia also had significant exports (finished and semi-finished goods) to other countries and to the Group's other subsidiaries in 2021 and in the first half of 2022 accounting for c. 71% of its first semester 2022 sales. Purchases of raw materials in Russia represent approx. 21% of total purchases of the Commercial Refrigeration segment in the first half of 2022 which are consumed by the Russian subsidiary.

Finally, Frigoglass Eurasia LLC maintains credit facilities with Russian banks which are primarily on-demand. As of June 30, 2022, Frigoglass Eurasia LLC had €39.3 million gross debt and €2.6 million cash and cash equivalents.

Given the extent and ongoing duration of the conflict, Frigoglass Eurasia LLC is facing increased transportation cost, supply chain disruptions on movements of products and the imports of raw materials and has put appropriate plans in place to maintain its operation in the country.

Management continues to monitor the situation closely and continually updates its contingency plans. In this context, following the start of the conflict, Frigoglass enhanced the assembly line in Romania in order to be able to produce coolers without importing semi-finished goods from Frigoglass Eurasia LLC.

Given the ongoing uncertainty stemming from, and the unknown duration of, the conflict between Russia and Ukraine and the international response thereto, Management has concluded that at the date of approval of this Interim Condensed Financial Statements, it is still challenging to effectively quantify the impact that this evolving geopolitical crisis will have on Group's performance and liquidity.

In this highly volatile and uncertain environment, the Group expects the FY 2022 Commercial Refrigeration revenue in East Europe to decline. However, the Group expects that this impact on the FY2022 top-line of the Commercial Refrigeration Segment, will be mitigated through price increases implemented earlier in the year as well as higher orders and market share gains in India, Africa and Central Asia.

In relation to the FY 2022 Commercial Refrigeration profitability, the Group expects a material impact on adjusted EBITDA primarily driven by increased transportation cost, raw material cost increases, a less favorable sales mix and lower cost absorption. Management is focusing on initiatives such as price increases and cost control in order to partially offset this impact.

The Group closely monitors exchange risks related to Rubble-denominated transactions with the appreciation of Rubble negatively impacting Commercial Refrigeration profitability.

For the impact on property, plant and equipment and right to use assets refer to Note 4.1.4.
For the impact on the investments in subsidiaries of the Parent company, refer to Note 4.1.2.
For the impact on Management's going concern assessment, refer to Note 4.1.6.
For the impact on revenue from contracts with customers, refer to Note 5.

## 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 the fire costs/income.

**Fire Cost/Income**
Fire cost/income comprise costs/income arising from the fire incident at the Group’s commercial refrigeration manufacturing facility in Timisoara, Timis County of Romania, which caused severe damage primarily to the plant’s production area and, consequently, to machinery and inventories located within this area. These costs are included in the Group’s Income Statement, while the receipt of the insurance compensation for these expenses are included in the Cash Flow Statement. However, they are excluded from Adjusted EBITDA and Adjusted Free Cash Flow in order for the user to obtain a better understanding of the Group’s operating and financial performance achieved from usual activity.

**Adjusted EBITDA (Earnings before Interest, Taxes, Depreciation, Amortization and Fire cost/income) )**
Adjusted EBITDA is calculated by adding back to profit/(loss) before income tax, the depreciation, the net finance cost/income and the fire related costs. Adjusted EBITDA margin (%) is defined as Adjusted EBITDA divided by Revenue from contracts with customers.
Adjusted EBITDA is intended to provide useful information to analyze the Group’s operating performance.

| *(in € 000’s)* | 2Q22 | 2Q21 | 1H22 | 1H21 |
|---|---|---|---|---|
| **Profit / (Loss) before income tax** | **12.475** | **-8.581** | **12.427** | **-2.094** |
| Depreciation | 4.756 | 4.503 | 9.292 | 9.041 |
| Fire cost / (income) | -10.600 | 13.833 | -10.600 | 13.833 |
| Net finance costs | 17.922 | 5.196 | 23.632 | 8.612 |
| **Adjusted EBITDA** | **24.553** | **14.951** | **34.751** | **29.392** |
| Sales from contracts with customers | 128.775 | 105.712 | 248.222 | 201.596 |
| **Adjusted EBITDA margin, %** | **19,1%** | **14,1%** | **14,0%** | **14,6%** |

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

| *(in € 000's)* | **30 June 2022** | **31 December 2021** | **30 June 2021** |
|---|---|---|---|
| Trade debtors | 107.712 | 66.078 | 100.506 |
| Inventories | 114.145 | 104.317 | 84.292 |
| Trade creditors | 78.541 | 70.102 | 74.268 |
| **Net Trade Working Capital** | **143.316** | **100.293** | **110.530** |

**Free Cash Flow**

Free Cash Flow is used by the Group and defined as cash generated by operating activities after cash used in investing activities. Free Cash Flow is intended to measure Group's cash generation, 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.

| *(in € 000's)* | **1H22** | **1H21** |
|---|---|---|
| Net cash from/(used in) operating activities | -25.039 | 8.670 |
| Net cash from/(used in) investing activities | 5.370 | -3.762 |
| **Free Cash Flow** | **-19.669** | **4.908** |

**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 fire related cost/income, the insurance reimbursements related to the fire incident in Romania the proceeds from disposal of property, plant and equipment (PPE) and subsidiaries.

| *(in € 000's)* | **1H22** | **1H21** |
|---|---|---|
| **Free Cash Flow** | **-19.669** | **4.908** |
| Fire cost / (income) | -5.200 | 1.043 |
| Capex related to fire incident in Romania | 4.980 | 0 |
| Proceeds from insurance compensation due to fire (property damage) | -15.400 | 0 |
| Proceeds from disposal of subsidiary | -308 | -335 |
| Proceeds from disposal of Tangible Assets | -493 | -242 |
| **Adjusted Free Cash Flow** | **-36.090** | **5.374** |

**Net Debt**

Net Debt is used by management to evaluate the Group's capital structure and leverage.

Net Debt is defined as non-current borrowings plus current borrowings (including accrued interest) plus lease liabilities less cash and cash equivalents as illustrated below.

**Net Debt**

| *(in € 000's)* | 30 June 2022 | 31 December 2021 | 30 June 2021 |
|---|---|---|---|
| Long-term borrowings | 268.472 | 258.237 | 253.428 |
| Short-term borrowings | 75.502 | 66.985 | 57.013 |
| Lease liabilities (long-term portion) | 3.896 | 3.745 | 3.568 |
| Lease liabilities (short-term portion) | 1.172 | 1.274 | 1.780 |
| Cash and cash equivalents | 66.875 | 79.207 | 61.178 |
| **Net Debt** | **282.167** | **251.034** | **254.611** |

## Adjusted Net Debt

Adjusted Net Debt includes the unamortised costs related to the €260 million Senior Secured Notes issued on February 12, 2020.

| *(in € 000's)* | 30 June 2022 | 31 December 2021 | 30 June 2021 |
|---|---|---|---|
| **Net Debt** | **282.167** | **251.034** | **254.611** |
| Unamortised issuance costs | 4.928 | 5.763 | 6.572 |
| **Adjusted Net Debt** | **287.095** | **256.797** | **261.183** |

## Capital Expenditure (Capex)

Capital Expenditure is defined as the purchases of property, plant and equipment and intangible assets. The Group uses capital expenditure as an APM to ensure that capital spending is in line with its overall strategy for the use of cash.

| *(in € 000's)* | 2Q22 | 2Q21 | 1H22 | 1H21 |
|---|---|---|---|---|
| Purchase of PPE | -5.691 | -2.661 | -10.238 | -3.830 |
| Purchase of intangible assets | -321 | -285 | -593 | -509 |
| **Capital expenditure** | **-6.012** | **-2.946** | **-10.831** | **-4.339** |