Frigoglass
Annual Report 2019

Customer Centricity

www.frigoglass.com

Contents

Who we are

Frigoglass is a leading producer of Ice-Cold Merchandisers (ICMs) globally and a leading supplier of high quality glass containers and complementary packaging products in West Africa. We are a strategic partner of the global beverage brands throughout the world. Through our close collaboration, we help them realize their market activation strategies, from conception and development of new, customized ICMs and glass packaging solutions, to a full portfolio of after-sales customer service for their cold-drink equipment.

We manufacture and sell ICMs that are strategic merchandizing tools for our customers, serving not only to chill their products, but also as retail space that drives immediate consumption, brand enhancement, enabling increased market penetration and profitability.

Through Frigoserve, we offer an integrated solution for logistics, warehousing, spare parts and refurbishment for Frigoglass and third-party cold-drink equipment such as ICMs, fountains, draughts, vending machines and dispensers. Our extensive network of after-sales customer service representatives serves beverage companies in more than 100 countries.

In our Glass business, we manufacture and sell glass bottles, glass containers, plastic crates and metal crowns. Our products include a broad range of glass bottles and other containers in a variety of shapes, sizes, colors and weights to offer solutions to a wide range of customers operating in the soft drinks, beer, food, spirits, cosmetics and pharmaceutical industries. We are the only glass container producer in Nigeria with multiple furnaces, enabling us to produce all three colors of glass containers concurrently and in separate facilities without risk of contamination.

Letter from the **Chairman** and the **CEO**

Dear stakeholder,

2019 was another year with strong performance and progress against our strategic priorities, delivering sales growth, EBITDA margin expansion and free cash flow generation. We continued building on the fundamental operational improvements embedded across our business, elevated innovation and remained strongly focused on our commercial and cost-out initiatives, as well as, our strategic investments for long-term growth.

In 2019, we continued our turnaround journey for a second consecutive year post the capital restructuring. A series of strategic initiatives implemented within the year enabled us to deepen our customer-centricity and improve our financial performance.

Solid performance in 2019

We delivered a sound performance which was in-line with our expectations, while continued undertaking far-reaching transformational changes in our business. We grew sales by 16%, with comparable EBITDA improving over-proportionally by 27%, resulting in a margin expansion of 130 basis points to 15%. We also delivered a net profit of €6 million, compared to a loss of €9 million in 2018. We closed the year at €19.5 million of comparable adjusted free cash flow, representing a 55% growth versus 2018, despite high investments to support long-term growth of the Group.

Late in the year we engaged to refinance the vast majority of our borrowings in the international debt capital markets that was successfully completed in February 2020, through the issuance of €260 million Senior Secured Notes. Securing our funding for a 5-year period was a priority and will allow us to focus on our operations.

Operational and financial business performance

We are pleased to see our **Commercial Refrigeration business** sales growing by 17% on the back of sustained momentum in Europe and Asia. Our renewed commercial strategy resulted into strong growth both in the soft drink and in the brewery segments across Europe. We remained focused on growing our market share with Coca-Cola bottlers, and in parallel expanding our customer base with the international and local accounts. The successful commercial initiatives during the year also resulted in increasing our market share with key breweries. In Asia, we achieved increased demand from key soft drinks customers in India and breweries in Southeast Asia. We also expanded our customer base in India for our newly launched Norcool brand, which offers a complete product range of chest coolers and freezers to the white market, as well as launched a new range of countertop coolers for the chocolate segment.

2019 was an exceptional year also for our **Frigoserve business** thanks to customer and territory expansion as well as our operational efficiency initiatives. We improved our cost structure, invested behind our Spare Parts operations' information systems and significantly upgraded our infrastructure. We now enjoy an overall stronger position and added a logistics service in the UK which enabled us to offer a full service support to our customers in this market. In Western Europe, we remained focused on expanding into new countries with our major customers as we also continued to develop our business in India, harvesting the country's growth potential.

The performance of **our Glass business** remained solid, with sales increasing by 12% in 2019. This was achieved following solid demand for glass containers from key breweries and soft-drink customers as well as our price initiatives. The metal crowns business also reported an improved performance, with sales increasing by a double-digit rate, as our product and customer development strategy started to deliver tangible results.

During 2019, we prepared the Agbara plant for the furnace capacity expansion project, carrying out a significant amount of pre-work. We anticipate the upgraded furnace to be up and running towards the end of the third quarter of 2020. Following the successful completion of our €28.5 million investment we will pioneer NNPB technology for the first time in West Africa, enabling lightweight glass container production to support our customer's growing needs for packaging suited for modern trade.

Elevating innovation

The year's performance is also a reflection of our strong focus on innovation. We continued to develop our innovation pipeline and launched iSlim. A cooler with a slim design which makes its placement flexible to various locations. We also launched the Easy Reach Express 2.0, an open-front cooler with refreshed and customer appealing aesthetics that consumes significantly less electricity compared to its predecessor, enabling our customers to meet their sustainability targets. We are particularly pleased with customers trending towards connectivity solutions, with 50% of our sales representing IoT (Internet of Things) enabled coolers.

Sustainability leadership

During the year, we improved our performance across all sustainability pillars and we are particularly proud that the share of our green coolers represented 82% of our total volume, while our direct operations reported improved energy efficiency and reduced environmental impact. This effort received Gold Recognition of commitment to the principles of sustainability and energy efficiency by the leading CSR rating agency EcoVadis, for the third year in a row.

A challenging year ahead

The unfortunate COVID-19 pandemic is primarily a human tragedy, affecting milions of people around the world. Global economy will be tremendously impacted, therefore looking into 2020, we expect our results to be challenged by the volatility of the market environment under these circumstances. We are closely following up the developments and are taking measures to support our profitability and preserve our financial flexibility.

2019 performance and our clear strategic direction, supported by the drastic transformation of Frigoglass with an optimized manufacturing footprint, robust cost management, improved financial flexibility and organization effectiveness step up, form a strong foundation so as to effectively address the turbulence of the external environment in 2020.

To share our confidence, we invite you to read more about our 2019 performance and initiatives in this report and we take the opportunity to express our gratitude and thanks to our shareholders for their trust and support, our customers for their continued engagement, our suppliers and our employees for their undivided commitment and our Board of Directors for their valuable guidance.

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

Nikos Mamoulis
Chief Executive Officer

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

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Chief Executive Officer

2019 financial highlights

Sales (€m)

482.3

2018: 417.3

Comparable EBITDA (€m)[1]

71.7

2018: 56.4

Comparable EBITDA Margin (€m)[1]

14.9%

2018: 13.5%

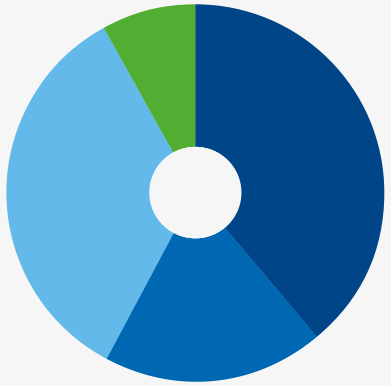
Net Profit (€m)

5.6

2018: -8.7[2]

Consolidated sales breakdown

By geography



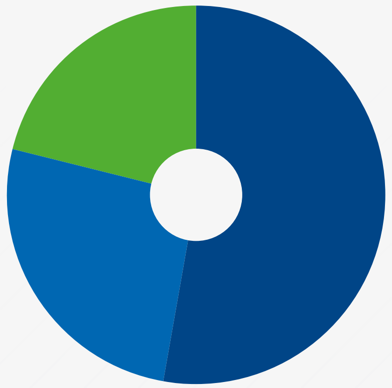
Eastern Europe
€187.3m (39%)

Western Europe
€92.9m (19%)

Africa/Middle East
€166.1m (34%)

Asia
€36m (8%)

By customer group



Coca-Cola
€256m (53%)

Breweries
€123.8m (26%)

All others
€102.5m (21%)

[1] EBITDA before IFRS 16.
[2] Reported Net Profit includes losses from Discontinued Operation of €1.3 million.

Where we operate

Cool Operations Europe

Production plants and sales offices

- Russia
- Romania

Sales and service offices

- Greece
- Germany
- Norway
- Poland
- Hungary
- Cyprus

Cool Operations Asia & Africa

Production plants and sales offices

- India
- Indonesia
- South Africa

Sales and service offices

- Kenya
- Nigeria

Glass Operations

Production plants[1] and sales offices

- Nigeria

[1] We operate two glass plants (with a total of three furnaces), two plastic crates facilities (for returnable glass bottles) and one metal crowns plant.

Strategic Priorities

Customer centricity enables us to have valuable insights on market needs and develop innovative offerings that shape and support our strategic priorities. Customer focus, innovation leadership, quality, cost leadership and a winning organization are the base for continuous growth and customer satisfaction.

Customer Focus

Cool business

2019 was a strong year for the ICM business as the market for refrigerated glass door merchandisers has witnessed a demand rebound in all our markets.

Having proactively executed a variety of strategic initiatives to transform our organization in a result focused, customer centric and cross functional team, we delivered a double digit sales growth in 2019.

Our focus on addressing the high seasonal demand in combination with a disciplined development process has expanded our product portfolio with solutions that meet the market and customer requirements both on performance, as well as, on time delivery.

During 2019, based on the successful roadmap we have implemented in Europe, we have engaged in remodeling our African and Asian operations.

In Africa and Asia we are focusing on further improving our execution effectiveness in the territories.

Our vigilant focus on quality and sustainability is being recognized both in an institutional manner through Ecovadis but also in the positive feedback we receive from our clients on a daily basis.

As the reduction of the cold chain energy impact is a prime focus of governments around the world, we will continue to expand our leadership in this segment, proactively serving our clients with products and solutions that will excel both in reduced environmental impact and in commercial effectiveness.

We will continue to focus on the strong execution of our commercial strategy, resulting in increased customer satisfaction and sustained momentum across all territories.

Glass business

For our Glass division, we continued collaborating with leading brands of West Africa, working closely together to innovate and grow.

2019 was a good year for Glass Containers with sales growing by 17%, whilst export markets rebounded with significant growth after weak export demand in 2018 despite the ongoing severe congestion at the port of Apapa and the impact on truck and container availability, and associated transport costs. Despite what was overall a muted year for manufacturers and FMCG companies in Nigeria our output also grew in terms of volume.

We carried out most of the preparatory work for the furnace capacity expansion project in our Agbara plant to be ready to build the new furnace in 2020. This €28.5 million investment will pioneer NNPB technology for the first time in West Africa, enabling lightweight glass container production to support our customer’s growing needs for packaging suited for modern trade in addition to considerably increasing capacity by 35,000 tons per year. We also increased the size of our fleet of dedicated vehicles to improve delivery times to our customers to handle the additional production from the new furnace.

Following the 2018 launch of ABInBev's inauguration of their Sagamu plant, located in Ogun State close to our Agbara plant the beer segment was relatively quiet in 2019, with little volume growth. The Food segment continued to grow from a small base with the introduction of a range of standard food jars expanding our customer base to new smaller companies whilst international players continued to penetrate the Nigerian market with locally produced international Spirits brands, with the launch of Distell’s Chamdor non-alcoholic wine bottled in Nigeria.

We continued to develop sustainability projects across all our manufacturing locations with a raft of electricity usage reduction initiatives from increased usage of natural light, more energy efficient lighting, to improved air compressor efficiency, all contributing to lower our carbon footprint.

Crates volumes were lower as beer customers reduced spending on new crates following significant crate float injections in previous years. Our Metal Crowns business grew by almost 30% as our product and customer development strategy started to deliver tangible results.

Innovation leader

New development tools

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

Materials in DFMA software are categorized as “preferred,” “non-preferred” and “avoid.”

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

Market penetration

In 2019 the newly developed **iSlim** was launched, an ice-cold merchandiser of special slim design, easy to place in various locations. The market acceptance was strong, providing us with confidence that this method is the perfect fit in the HoReCa channel.

In Africa, we expanded the Super range of coolers, including the **Subzero models** for beer related product placements, into Hydrocarbon refrigerants. In 2019, the contribution of this range was significant.

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

The **Flex** cooler range, has successfully established in the market, doubling its sales in 2019, compared to previous year. It is one of the core ranges of Frigoglass ICM portfolio with covering various placement needs.

In Asia, and more specifically in India, we established the network for promotion and sales of **“Norcool by Frigoglass”**, targeting the country’s white market.

Norcool is a complete line-up of coolers and freezers, ranging from curved glass-top to hardtop design, which are ideal for tropical climate, use natural refrigerants and operate with high energy efficiency.

Greener products portfolio

In 2019, we launched Easy Reach Express 2.0, an open-front cooler characterized by modern and sophisticated looks, achieving a 50% reduction of energy consumption compared to its predecessor. The specific product offering uses environmentally friendly HC refrigerant and not only complies with the upcoming energy regulations but also enables our customers meet their ambitious sustainability goals.

Research & Development

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

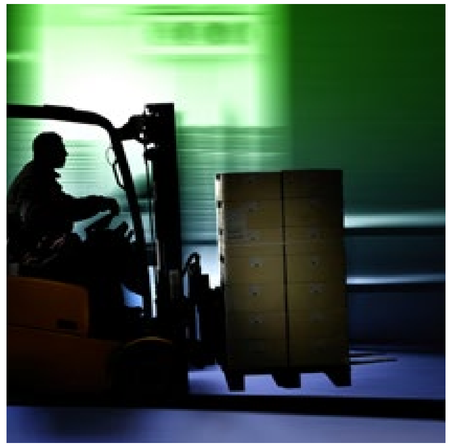
In addition, the lab in Romania initiated the extension of their ISO17025 accreditation scope to include standards that will allow Frigoglass to perform full safety certifications in Romania as well. At the same time, we have initiated the upgrade of our lab in Russia, with significant investments in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

Connectivity expansion

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

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

Frigoserve



In 2019, Frigoserve had an exceptional performance across all business aspects, demonstrating our resilience towards sustainable growth. We achieved our strategic priorities by expanding in new geographies, improving our cost structure, strengthening our Spare Parts organization and upgrading our infrastructure. This performance could never have been achieved without the necessary investments in human capital and the passion of our employees.

We extended our service offering in existing geographies, mainly in Europe and Asia, through existing and new customers and secured a new contract with ABInBev in South Africa, allowing us to strengthen our market position and infrastructure in the continent, as well as, act as a growth avenue going forward.

Within the year we also added logistics Services in the United Kingdom, successfully establishing full service operations to meet our costumers expectations. In Western Europe, our focus remains on expanding into new countries together with our major customers. Furthermore, focusing on the India business development, we set the base to capture the country's growth potential.

Continuing our cost leadership journey, we implemented several productivity improvement initiatives, targeting margin expansion and focusing on business sustainability, as well as set the base for further operational and financial efficiencies.

Importantly, for our Spare Parts business, we invested in a new information system that will assist us to improve our efficiency, increase our customer satisfaction and support our sales. Moreover, we are following an outsourcing warehousing plan to improve availability at a lower cost, which yield material savings starting from 2019.

This year we raised the bar towards operational excellence, organizing a technical workshop in Budapest and a logistics workshop in Athens where our teams streamlined, but also challenged, our processes and systems. Showing our commitment on operational excellence we were also certified with ISO9001 in Greece.

During the year, we launched a business transformation journey, focusing on the strategic re-engineering of all our global business processes and their incorporation into the latest technology tools, based on an ERP platform. Frigoserve e-Service will be integrated in the ERP system.

Going forward, we are focusing on integrating our South Africa operations, expanding to new geographies and broadening our customer base, as well as unlocking new market segments. The improvement of Frigoserve's efficiency, the development of Spare Parts operations and the continuous strengthening of our organizational structure are among our key priorities for 2020.

Quality First

Customer satisfaction is at the heart of all our activities.

Improved quality metrics

2019 has shown the best performance over the last decade in terms of Customer complaints with 51% less claims in 2019, compared to 2017.

This has been achieved despite the significant increase in volume versus 2017. In addition, the First-Time Pass and Product Release Indexes, which are our main manufacturing Quality KPIs, witnessed rising yields versus the previous year thanks to a better integration of our suppliers into our value chain.

The redesign and implementation of our new First Part Approval Process (FPAP) has enabled us to achieve a fruitful collaboration between Frigoglass and its suppliers which resulted in a solid score for incoming material deliveries with a 99.5% yield. Our objective is to deliver consistent, reliable and high-quality products to our customers while sharing our best practices within our business partners ecosystem striving for continuous improvement.

Certified quality systems

In 2019, we continued our investment in management systems. All plants (Romania, Russia, India, Indonesia, South Africa), HO and PDD hubs, which were already certified with management systems standards (including ISO9001, ISO14001, OHSAS18001, ISO17025, ISO27001), updated their certifications successfully.

Additionally, India plant was certified according to ISO45001 (Occupation Health & Safety) for the first time.

Moreover, following Head Office and India plant, Romania plant was also certified according to SA8000 for social accountability. As a next step, we initiated a social responsibility program in our plant in Russia, with the target to obtain the audited certification within 2020.

Finally, during the year, the Greek Entity Service Department was certified for the first time according to ISO9001:2015 and EK2067 F-Gas for integrated services. The quality management system covers all Services' operational fields such as repairs, maintenance, logistics, refurbishment and sales of spare parts and it was successfully developed and implemented with zero non-conformities detected.

For 2020, we plan to update Head Office and Russia Plant OHSAS18001 certification to ISO45001 and as well maintaining all obtained certifications by performing at the highest levels of quality and efficiency.

Cost Leadership

In 2019, we significantly enhanced cost efficiencies, with production costs per unit produced reaching the lowest point in the last 10 years. In addition, new initiatives implemented across all stages from the early phase of design of our products and procurement of Raw Materials to Manufacturing footprint optimization and shop-floor efficiencies were launched.

Footprint Standardization in Manufacturing

In Europe, we implemented a new Platform-to-Plant (P2P) re-allocation Strategy by assigning groups of products to specific production lines and plants based on the way they are designed and built. This standardization of Manufacturing Platform was designed taking into consideration our Supplier, Customer and Range mix footprint, resulting in all-time record productivity and cost efficiency for our Romanian plant while boosting capacity to serve our customers from the Russian plant.

Another important Manufacturing footprint initiative was successfully completed by relocating the production of our Consumer Appliances (CA) product range from Greece to Russia, drastically shortening the supply chain to our main CA markets in the Nordics while yielding significant cost savings in production.

In Asia and Africa, past product range rationalization initiatives and recent infrastructure improvements were augmented by significant volume increases in 2019 and also resulted in record cost efficiencies. In our South African operation, productivity level was the best in the last 5 years capitalizing on a highly-rationalized product mix. The second main assembly line installed in India in 2018 allowed the plant to increase output by 35%, for both local and export business to Africa with a Hydrocarbon version of its product range, while delivering the best productivity level in its last decade of operation.

Manufacturing Process Efficiency

We also attacked several aspects related to process improvements on the shop-floor. Having invested into taking our Continuous Improvement (CI) journey to the next level in 2018 through the introduction of more advanced data-based toolkits, such as Six-Sigma and DMAIC structured methodologies, the first batch of Lean Projects was successfully completed in 2019. Our project teams analyzed and interpreted large amounts of data, utilizing this knowledge to achieve significant results such as efficiency increase by more than 20% in selected areas of Manufacturing operations and reducing wastes in Energy, Consumables or Maintenance by similar double-digit figures. To accelerate the significant direct or indirect results of such activities, we implemented a new common Lean Database to track and execute all our CI Projects online, thus facilitating knowledge transfer and accelerating Project re-implementation between the far-removed entities in our wide geographical footprint.

Digitalization of activities in Manufacturing is one of our fundamental key priorities - not only to automatically provide continuous data-streams to sustain the power of our Lean initiatives but also to enable quicker operational control. To that end, we initiated the implementation of a state-of-the-art Manufacturing Execution System (MES) for our European operations, carefully selected to ensure its fit with our operational requirements. The MES is expected to yield additional savings, but also unblock agility potential in our mass customization operations.

Product Cost Efficiency

Significant cost efficiencies in terms of Material and Manufacturing costs were affected with the maturing implementation of the Design for Manufacture and Assembly (DFMA™) methodology introduced in 2018. Concentrating on our existing fast-runner products, our designers in Europe and Asia achieved in 2019 significant functional part-count and cost reductions through simplification, combination or re-specification. Lessons and experience acquired through this effort also distilled into the design campaign of our new main ranges for Europe, also initiated within the year.

Procurement Cost Control

The strategic procurement initiatives implemented in 2019 allowed us to harvest significant reductions of material cost, while, at the same time, we managed to support the improvement of the quality of our products and services, to widen our access to technology innovation and to enhance the security and continuity of supply. Such initiatives include:

- Strategic partnerships with suppliers of critical technology components such as compressors and motors resulted in cost and quality leadership;
- Leverage of the competition and introduction of new suppliers reduced significant the cost on competition sensitive commodities like polyurethane and plastics;
- Early involvement of suppliers in the design and development of new products provided us with access to innovative technologies and solutions.

Finally, we have also implemented our strategic decision for a more centrally driven cost management, with Central Procurement Team now managing 90% of the total Direct Material spend, compared to 50% in 2017.

Tree of Values

Winning Organization

People are our most valuable asset and the driving force behind our company's growth and success.

Our TREE of Values "Teamwork, Responsibility, Ethos, Excellence" guides all aspects of our business actions, from decision making, to the way we interact with our colleagues, customers and suppliers.

In 2019, we focused on sustaining a culture of high-performance and ongoing development, leading change and increasing business effectiveness.

We worked closely with our operations and partnered with the business to create value for both our internal and external customers. We developed solutions that were responsive to organizational needs and we aligned our organizational structure to enable the speed, the agility and the leadership, that are necessary to secure strategy implementation.

Maestro

With Maestro program, we transform our business to achieve operational excellence, improve employee experience while meeting our customers' expectations. Maestro is focusing on the strategic reengineering of all our business processes and their incorporation into the latest technology tools. HR plays a significant role in this transformation project, which involves communication and change management, organizational design and development, recruitment, training, reward and facility management.

Certificates

Frigoglass Romania was certified with the SA8000 and Frigoglass South Africa with the BBBEE Certificate Level 3.

Onboarding

Onboarding sets the tone for work culture, performance expectations and employee engagement. All newly hired employees participate in our induction program. During the year, we thoroughly designed the New Employee Onboarding (NEO), an online tool destined to help new employees to get up to speed as quickly as possible, provide them a sense of community and prepare them to quickly become an effective, contributing member. NEO is planned to be launched globally within 2020.

Performance Management

Frigoglass carries out an annual performance management program for its employees. Performance Dialogue enables us to deliver business results in a transparent and fair working environment. The focus is on the What (Objectives) and the How (Competencies) of delivering results. In 2019, our employees hold productive Performance Dialogue meetings and had the opportunity to align individual with organizational goals and promote continuous feedback.

Training and Development

We empower our people to give their best, develop their full potential and achieve great things. We train our employees on issues and skills that are linked to their development, through various means such as classroom trainings, e-courses and on-the-job training.
Our e-learning platform, Frigoglass Academy not only provides valuable business e-courses, but also promotes comprehension of all Frigoglass fundamental policies. Among the courses offered in 2019 there were lessons on assessing leadership performance, leading teams through change, building and ensuring successful presentations and planning and running effective business meetings.

HR Metrics

We use HR metrics to identify trends over time and make well-informed, evidence-based decisions to support the Company's strategic plan. During last year, we have taken significant steps in improving the quality of HR Key Performance Indicators and creating a culture of monitoring, reporting and continuous improvement. We revised the KPIs framework, we trained the HR team and we designed comprehensive templates and KPIs guides.

Sustainability

We are proud that Sustainability is deeply embedded in our culture and well incorporated across our business activities. Working closely with our people, customers and partners, as well as innovating in ways that serve our business and secure a sustainable future remains among our key priorities. In 2019, we made progress in all our sustainability pillars and ambitious commitments.

Sustainability Strategy

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

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

Environment
Frigoglass creates value by recognizing and reducing its products' impact on the environment. In our operations, we measure performance through regularly monitoring the environmental impact of our products and undertaking actions to improve the efficiency of materials' use.

Workplace
Our people are our greatest asset. Engaging and developing our people for the long term is our firm objective. We are therefore strongly committed to attracting, developing and retaining the best people to successfully support our business strategy, whilst providing them a safe and inclusive working environment.

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

Thirteen material issues

In 2019, we monitored our performance according to the sustainability guidelines produced by the Global Reporting Initiative (GRI Standards) in combination with UN Sustainable Development Goals (SDGs), ensuring that we stay up to date with global developments on sustainability reporting.

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

Our resulting top material issues for 2019 were:

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

During the year, we improved our performance across all sustainability pillars: the share of our green coolers was 82% of our total volume; our direct operations reported improved energy efficiency and reduced environmental impact; our people worldwide were systematically educated through the regular trainings on the "Frigoglass Academy" platform; finally, the local communities in the regions where we operate were supported with targeted programs that improve people's wellbeing and development.

These are only a few examples of our progress. Frigoglass approach, policies and targets, as well as Key Performance Indicators (KPI) associated with each of the above focus areas are presented in detail in the upcoming 2019 Sustainability Report.

Awards & recognitions

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

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

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

Business Review

ICM Europe

Improving our Customer-centricity remained a key priority for 2019. Our recently renewed commercial strategy focuses on growing our market share with Coca-Cola bottlers and, in parallel, expanding our customer base with the International and Local Accounts. In Europe, commercial refrigeration grew 24% in 2019, driven by strong investments from key customers and increased demand for Frigoserve's broad service offering. The successful range extension of Islim, Smart, Plus & Flex range in Europe helped us enhance our penetration with existing and new customers. The Internet of Things (IoT) continues to play an important role for our customers, were we have now placed more that ½ million connected coolers in the market.

Eastern Europe
In Eastern Europe, sales grew 32% compared to previous year, mainly reflecting demand from the International Accounts, while maintaining our high market share with Coca-Cola System. We benefited from increased customer coolers investments mainly in Russia, Romania, and Poland.

Western Europe
In Western Europe, sales increased by 11% with significant growth in Germany, France and Spain, reflecting our strong partnership with Coca Cola bottlers and customer base expansion.

Sales (€m) Eastern Europe

187.3

2018: 142

Sales (€m) Western Europe

92.9

2018: 83.7

Business Review

ICM Africa and Middle East

Our Sales in Africa & the Middle East declined by 15% year-on-year, after a very successful 2018. The strong customer focus in the region resulted in increased demand from Coca-Cola bottlers and International Accounts in most of the region; this, anyhow, could not offset the lower demand from Nigeria and the Middle East. Lower demand in Nigeria mainly reflects increased orders in the last quarter of 2018.

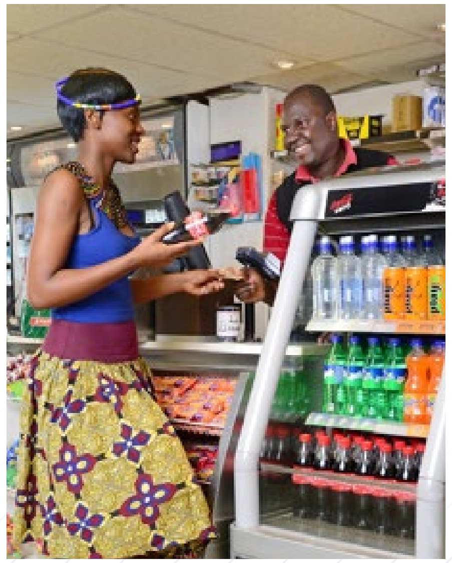
Notably, our plans to replace all our existing non-HFC related products has been accepted well by our all customers and we are now 100% evolved into Hydro Carbon (environmental friendlier) based models providing our customers with a wide choice in aesthetics and cooling options.

Demand for our Hybrid and Solar coolers keep increasing in countries with less stable electricity supply.

Sales (€m)

52.2

2018: 61.5



Business Review

ICM Asia

In Asia our sales grew 28% compared to previous year, despite the ongoing market challenges. Sales growth mainly reflects increased investments on beverage coolers from Coca-Cola bottlers and International Accounts in India and Southeast Asia.

In India, we successfully enhanced our customer base following our newly launched Norcool brand which offers a complete product range of chest coolers and freezers to the White market. We also launched a new range of countertop coolers for the chocolate segment.

Sales (€m)

36.0

2018: 28.2

Business Review

Glass

Sales in our Glass operations increased by 12% year-on-year, driven by volume growth and pricing. Customer demand was particularly strong in the first half of the year which coincided with the Presidential elections. The second half was slower, but overall 2019 was another year of solid growth, despite Nigeria's lukewarm macro performance.

The beer segment delivered continued growth and the Spirits segment grew by more than 33% continuing an impressive trajectory over the past few years. The Soft Drinks segment also grew by 20% driven by Coca-Cola's glass float expansion strategy.

The trend of local production of international brands continued with South Africa's Distell launching local production of their non-alcoholic wine brand Chamdor, whilst volumes continued to grow for Diageo's international brands packaged locally such as Smirnoff, Baileys and Gordon's Gin. Furthermore, exports to neighboring countries grew by more than 50% despite the ongoing operational logistics challenges caused by port congestion at Apapa port in Lagos.

The Food segment grew by more than 45%, from a small base, driven by the introduction of a standard range of Food jars which opened up glass packaging to a new segment of SME customers, filling jams and food sauces, in addition to the more established mayonnaise producers. The Pharmaceuticals and Cosmetics segments contracted as increasingly cost conscious consumers reined in spending.

Sales in our Metal Crowns business grew by almost 30% as our product and customer development strategy started to deliver tangible results. New product development delivered the largest part of the growth. Plastic Crates volumes were lower as Beer customers throttled back spending on new crates following significant crate float injections in previous years.

During 2019 we prepared the Agbara plant for the furnace capacity expansion project, carrying out a significant amount of pre-work. We continued our Technical Trainee Program in our glass plants building future talent capability and started to see the early fruits of our growth strategy for West Africa. This strategy was supported by participation in several exhibitions and fairs across the region, expanding brand recognition into new markets.

We introduced a Safety Awareness Month with additional safety training, personnel health checks, and active fire drills in addition to the launch of a new employee newsletter, Frigosphere. We also carried out a comprehensive upgrade of our ERP system across our four locations.

In 2020, we expect to complete our €28.5 million Agbara furnace capacity expansion project that will pioneer NNPB technology for the first time in West Africa, enabling lightweight glass container production to support our customer's growing needs for packaging suited for modern trade. This project will enhance both glass container capacity and capability in West Africa and taps into the growing global awareness of the environmental hazards of plastic packaging.

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

Sales (€m)

113.9

2018: 101.8

Corporate Governance

Governance framework

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

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

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

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

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

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

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

Audit Committee

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

- the update of the Board regarding the outcome of the mandatory audit and the contribution of the latter in the integrity of the financial information, and for the role of the Audit Committee during the process;
- monitoring the process for provision of financial information and the submission of proposals or recommendations in order to ensure the integrity of the process;
- monitoring the effective operation of the internal audit, quality insurance and risk management systems, and in some cases the department of internal audit of the Company regarding the financial information, without, however, violating the independence of the Company;
- monitoring the course of the statutory audit of the annual and consolidated financial statements and, in particular, their performance, taking into account the findings of the competent authorities and being informed by management and the statutory auditor during the preparation and audit of the financial statements;
- Discuss with statutory auditors (prior to commencement of audit) the nature, scope and planning of the audit and make recommendations as appropriate;
- Discuss issues and reservations arising from interim and final audits and any issues that the statutory auditor may intend to discuss;
- reviewing the annual financial statements, before their submission to the Board;
- overviewing the statutory auditor's compliance with the reporting requirements specified in Articles 10 and 11 of Regulation (EU) 537/2014;
- ensure the proper functioning of the Internal Audit Department;
- reviewing and monitoring of matters relating to the existence and safeguarding of the impartiality and independence of the legal statutory auditor or audit firm, particularly in relation to the provision to the Company of other services by the statutory auditors or audit firms;
- examines the quarterly reports of the Internal Audit Department;
- developing an appropriate policy regarding the provision of permissible non-audit services to the Company, including a monitoring mechanism concerning the aggregate fees for non-audit services in accordance with Regulation (EU) 537/2014;
- pre-approving all permissible non-audit services to the Company, after having properly assessed the threats to independence and the safeguards applied of the statutory auditor or the audit firm;
- Hold discussions with the statutory auditors or the audit firm concerning threats to its independence and applicable safeguards, if the total fees received from the Company, for each of the three consecutive financial years, represent more than fifteen percent (15%) of the total audit firm's fees;
- Monitor compliance with the requirements for the suspension period prior to hiring previous auditors within the management or management bodies of the Company;
- the selection process of statutory auditors or audit firms;
- discusses with the statutory auditor the significant audit differences that have arisen during the audit and the weaknesses of the internal control system, in particular those relating to financial reporting procedures;
- recommends to the Board of Directors the person to be appointed Head of the Internal Audit Department;
- submits proposals to the Board of Directors regarding its recommendation to the General Meeting of shareholders regarding the appointment, reappointment and dismissal of the statutory auditor and audit firm, as well as the approval of the remuneration and the terms of their recruitment;
- Have frequent meetings with the Head of Internal Audit Department and discuss any challenges identified during internal audits;
- assesses the personnel, structure and independence of the Internal Audit Department and, if necessary, provide recommendations to the Board;
- reviewing the annual internal audit plan, receiving summaries of internal audit reports and management's response;
- reviewing the effectiveness of the Company's corporate governance and internal control systems;
- reviewing the Company's Internal Regulation of Operation;

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

The members of the Audit Committee have been appointed by the Extraordinary General Meeting of the Company that took place on 14.12.2017 and the Ordinary General Meeting of the Company that took place on 24.6.2019, as per the provisions of Law 4449/2017 and are the following:

Chairman
Kyriakos Riris
Independent non-member of the Board of Directors

Members
Loucas Komis
Non-executive Board member

Stephen Bentley[1]
Independent/Non-executive Board member

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

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

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

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

The Audit Committee meets validly when at least two of its members are present, of whom one must be its Chairman.

The Audit Committee considered a wide range of financial reporting and related matters in respect of the 2018 annual financial statements and the 2019 half-year financial information.

In this respect the Audit Committee reviewed any significant areas of judgment that materially impacted reported results, key points of disclosure and presentation to ensure the adequacy, clarity and completeness of the financial statements and the financial information, and the content of results announcements prior to their submission to the Board. The Audit Committee also considered reports from PwC on their annual audit of 2018 and their review of the 2019 half year Board of Directors report that forms part of the statutory reporting obligations of the Company.

Moreover, in 2019, the Audit Committee has:

- reviewed the results of the audits undertaken by Internal Audit and considered the adequacy of management's response to the matters raised, including the implementation of any recommendations made;
- reviewed the effectiveness of Internal Audit, taking into account the views of the Board and senior management on matters such as independence, proficiency, resourcing, and audit strategy, planning and methodology;
- reviewed regular reports on control issues of major level significance, as well as details of any remedial action being taken. It considered reports from Internal Audit and PwC (for 2018) on the Company's systems of internal control and reported to the Board on the results of its review.

The Audit Committee held a total of four (4) meetings in 2019.

Internal Audit Department

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

- monitoring the accurate implementation of and compliance with the Company's Articles of Association, Internal Regulation of Operation, directives, and local legislation;

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

Corporate Governance

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

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

Human Resources and Remuneration Committee

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

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

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

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

Chairman

George- Pavlos Leventis[2]
Non-executive member (Chairman since 12/11/2019)

Members

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

Jeremy Jensen[3]
Independent/Non-executive member

Evaggelos Kaloussis
Independent/Non-executive member

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

The Human Resources and Remuneration Committee held three (3) meetings in 2019

Investment Committee

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

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

The Investment Committee, which is appointed by the Board, is comprised of five members, three of which are non-executive, and is formed as follows.

Chairman

Haralambos (Harry) G. David
Non-executive member

Members

Nikos Mamoulis
Executive member

Loucas Komis
Non-executive member

Iordanis Aivazis[4]
Independent/ Non-executive member

Charalampos Gkoritsas
Chief Financial Officer

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

[2] Mr. George –Pavlos Leventis was elected a member of the Human Resources and Remuneration Committee pursuant to the decision of the Board of Directors dated 22.3.2019. The same decision of the Board of Directors of the Company (22.3.2019) approved the resignation of Mr. Charalambos David as a member of the Human Resources and Remuneration Committee.
[3] Mr. Jeremy Jensen was elected a member of the Human Resources and Remuneration Committee pursuant to the decision of the Board of Directors dated 30.5.2019.
[4] Mr. Iordanis Aivazis was elected a member of the Investment Committee pursuant to the decision of the Board of Directors dated 30.5.2019.

Board of Directors

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

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

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

Mr. Leventis was appointed to the Board of Directors of Frigoglass as a non-executive member in April 2014 and currently holds the position of the Vice Chairman. Mr. Leventis is a member of the executive committee of a family office with the responsibility of overseeing investments in real estate. He has previously worked in the fund management business as an equities analyst. He graduated with a degree in Modern History from Oxford University and holds a postgraduate Law degree from City University. He is an Investment Management Certificate holder. He is also a member of the Board of Directors for HD Insurance Ltd. and Aristeus Financial Services.

Nikos Mamoulis
Chief Executive Officer (executive member)

Mr. Mamoulis joined Frigoglass as Chief Financial Officer in October 2013 and was appointed Chief executive officer of Frigoglass in July 2015. He has more than 25 years of experience in senior financial positions within different business sectors. Before joining Frigoglass, Mr. Mamoulis was with CCH for 12 years with his last position being that of Group Financial controller. Previous to that he also held the CFO position in Lafarge Heracles Group and the Boutaris Group. Mr. Mamoulis is a graduate of the Athens University of Economics and Business.

Board of Directors

Loukas D. Komis
Member (non-executive)

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

Evangelos Kaloussis
Member (independent non-executive)

Mr. Kaloussis was appointed to the Board of Directors in June 2006. He is Chairman of the Board of Directors of the Federation of the Hellenic Food Industries (SEVT—since 2006) and Chairman of Terra Creta SA. He is also member of the Board of the European Federation of Food & Drink Industries (FoodDrinkEurope) in Brussels since June 2015. Mr. Kaloussis is also a member of the Board of Directors of Food Bank and vice president of the Foundation for Economic & Industrial Research (IOBE), while he is a member of the Board of Directors of Alpha Bank. During his professional career, he has held top management positions at Nestlé Headquarters in Switzerland, France, Nigeria, South Africa and Greece. He holds a master's degree in electrical engineering from the Federal Institute of Technology in Lausanne and in business administration from the University of Lausanne as well as a graduate degree from IMD.

Ioannis Costopoulos
Member (independent non-executive)

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

Mr. Costopoulos is currently working for the company Société d'Etudes Techniques et Economiques S.A. (SETE S.A.) in London. He is a member of the Board of Directors of Fourlis Holdings S.A. and Austriacard A.G. in Vienna. From 2004 to 2015, he worked for the Hellenic Petroleum Group. From 2004 to 2006, he was an executive member of the Board of Directors of Hellenic Petroleum Group with responsibility for the areas of international business activities and strategic development. From 2007 to 2015, he served as Chief Executive Officer of the Hellenic Petroleum Group and president of several of their subsidiaries. From 1992 to 2003, he held senior management positions, namely: Chief Executive Officer of Petrola SA, Regional Director of Johnson & Johnson Consumer for Central and Eastern Europe and Chief Executive Officer of Diageo-Metaxa in Athens. From 1980 to 1992, he served in the senior management of Booz Allen & Hamilton business consultants in London and Chase Bank in New York and London. He has also been a member of the Board of Directors of the Hellenic Federation of Enterprises (SEV) and the Foundation for Economic & Industrial Research (IOBE) in Athens. He holds a bachelor's degree in economics from the University of Southampton, U.K. and a master's degree in Business Administration from the University of Chicago.

Jeremy Jensen
Member (independent non-executive)

Mr. Jensen was appointed to the Board of Directors in November 2017. Mr. Jensen is a financial and managerial consultant. He has comprehensive experience in both managerial and financial

roles as a nonexecutive Director in Board of Directors of a wide range of industries and has chaired several Board committees. Mr. Jensen was Chief Financial officer of Cable and Wireless Worldwide, a British telecommunications company, and also held a number of senior financial and general management roles at Reuters, in Europe, Middle East, Far East and Africa. He is currently a non-executive member of the Board of Directors of Stemcor Group, the world's largest steel logistics trading company, a non-executive member of the Board of Hospital Top Co (Holding Company of BMI Healthcare Group) and vice Chairman of the Chelsea and Westminster Hospital. Mr. Jensen is a qualified chartered accountant in the United Kingdom and holds a degree in Economics (Bsc) from the London School of Economics.

Iordanis Aivazis
Member (independent non-executive)

Mr. Aivazis was appointed to the Board of Directors in November 2017. He was born on 24th February 1950 in Cairo. He is a graduate from the University of Athens with a degree in Economics (Political and Economics Science Department). He completed his postgraduate studies at the University of Lancaster (Postgraduate Diploma in Economics) and holds a master of arts (M.A.) in Marketing and Finance. He worked at senior positions with national and foreign banks in Greece and he was Chief Financial officer and Chief Operating Officer of OTE S.A. (Hellenic Telecommunications Organization S.A.). After the Deutsche Telekom's ("DT") acquisition of OTE he was a member of OTE's Board of Directors and DT's European Management Board. Moreover, he has served on the Board of Directors of several Greek publicly quoted companies. Currently, he is Chairman of the Board of Directors of HCL, a subsidiary of Davidson & Kempner and Bain Capital Credit, being at the same time a special adviser of Bain for investment in Greece, as well as a non-executive Director of ELLAKTOR S.A. and an independent non-executive Director of Hellenic Petroleum S.A. He is also chair of the special liquidations committee of the Bank of Greece.

Stephen Bentley
Member (independent non-executive)

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

Board of Directors

Board of Directors
(three-year term ending in 2020)

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

George - Pavlos Leventis
Vice Chairman, non-executive member

Nikos Mamoulis
Chief Executive Officer, executive member

Loukas D. Komis
Non-executive member

Evangelos Kaloussis
Non-executive member / independent

Ioannis Costopoulos
Non-executive member / independent

Jeremy Jensen
Non-executive member / independent

Iordanis Aivazis
Non-executive member / independent

Stephen Graham Bentley
Non-executive member / independent

Management Committee

Nikos Mamoulis
Chief Executive Officer

Nick Evangelou
ICM Division Director

Darren Bennett-Voci
Glass Division Director

Costas Dintsios
Frigoserve Director

Charalambos Gkoritsas
Chief Financial Officer

Manolis Souliotis
Group Human Resources Director

Vassilis Soulis
Group Digital Transformation Director

Certified auditors

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

Legal advisors

Theodore Rakintzis
Kyriakides-Georgopoulos, Law Firm

Remuneration

Salary

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

Management Incentive Plan (short-term incentive)

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

Long-Term Incentive Plan

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

Stock options

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

Pension scheme

Employees participate in the Company's pension scheme in countries where it is applicable, thereby providing a savings and incentive tool.

Other benefits

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

Financial Risk Management

Financial risk factors

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

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

Market risk

a. Foreign exchange risk

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

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

b. Commodity price risk

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

c. Interest rate risk

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

Credit risk

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

a. Risk management

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

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

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

b. Security

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

c. Impairment

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

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

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

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

Liquidity risk

The Group actively manages liquidity risk to ensure there is adequate cash reserves and available funding, through committed and uncommitted banking facilities, to meet its obligations when due.

Due to the dynamic nature of the underlying businesses, Group Treasury aims at maintaining flexibility in funding primarily by maintaining committed credit lines. Group Treasury manages liquidity risk also by maintaining access to the debt and equity capital markets, and by continuously monitoring working capital and forecasted and actual cash flows.

Capital risk

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

Shareholder Information

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

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

Listing

Athens Exchange

Ticker symbol:	FRIGO
ISIN:	GRS346003007
Reuters:	FRIr.AT
Bloomberg:	FRIGO GA

Credit rating

S&P Global Ratings: B-, Stable Outlook
Moody's: B3, Stable Outlook

2019 Share price performance

(€ per share)

Athens Exchange: FRIGO	2019
Close	0.2
High	0.2
Low	0.1
Market Capitalisation (€ million)	69.3

Share Capital

On 31 December 2019, the share capital of the Group amounted to €35.5 million and comprised 355,437,751 fully paid up ordinary shares with a nominal value of €0.10 each.

Major shareholders

On 31 December 2019, the following shareholders possessed more than 5% of the share capital of the Company:

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

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

Shareholder and analyst information

Shareholders and financial analysts can obtain further information by contacting:

John Stamatakos
Group Treasury & Investor Relations Manager
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E jstamatakos@frigoglass.com

IR website
www.frigoglass.com/investor-relations

Notes

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www.frigoglass.com

Important note regarding forward-looking statements

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

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