Press Release

Results for the Second Quarter ended 30 June 2022

Athens, Greece, 30 September 2022 – Frigoglass SAIC announces results for the second quarter and six months ended 30 June 2022

Second quarter 2022 highlights

- Sales up by 22% y-o-y driven by continued growth momentum in Glass and increased demand in India, South Africa and central Asia
- Commercial Refrigeration sales impacted by order withdrawals in Russia and persistent logistic disruptions
- Strong Glass business performance with sales and Adjusted EBITDA up by 74% y-o-y and 78% y-o-y, respectively, led by increased demand and price adjustments
- Adjusted EBITDA margin enhancement by 500bps y-o-y to 19.1% supported by pricing and improved cost absorption in Glass as well as insurance reimbursement related to business interruption following the fire incident in our plant in Romania
- Raw materials and transportation costs inflation and ongoing production disruptions in Romania and Russia impacted Adjusted EBITDA
- June-end Adjusted FCF was impacted by an outflow related to higher trade debtors following sales recovery in Q2 and increased inventories in Glass business to support demand
- June-end cash balance of €66.9 million assisted by insurance proceeds
- Romanian facility re-construction plan on track reaffirms expectation for being operational in Q1 2023
- A Support Agreement between Frigoglass and a committee of the majority holders of the €260 million senior secured notes due 2025 (the "2025 Notes") is expected to be agreed as promptly as reasonably possible and includes a €30 million interim super senior financing commitment (the "Interim Financing") and a standstill of interest payments on the 2025 Notes due in 2023 to bridge short-term funding needs and stabilize business, subject to the satisfaction of certain conditions precedent
- Frigoglass is committed to negotiate a broader capital restructuring transaction in good faith and enter into a lock-up agreement with the committee of the holders of the 2025 Notes and its majority shareholder that will improve its capital structure and enhance liquidity

Financial Results

€ 000's	Q2 2022	Q2 2021	Change, %	H1 2022	H1 2021	Change, %
Sales	128,775	105,713	21.8%	248,222	201,596	23.1%
Adjusted EBITDA[1]	24,553	14,951	64.2%	34,751	29,392	18.2%
Adjusted EBITDA Margin, %[1]	19.1%	14.1%	5.0pp	14.0%	14.6%	-0.6pp
Operating Profit (EBIT)	19,796	10,449	89.5%	25,459	20,351	25.1%
Net Profit	6,770	-12,247	n.m.	4,699	-11,038	n.m.
Capital Expenditure[1]	6,012	2,946	>100%	10,831	4,339	>100%

[1]. *For details refer to Alternative Performance Measures (APMs) section in this report*

Nikos Mamoulis, Chief Executive Officer of Frigoglass, commented:

"Our results continue to demonstrate the material disruptions we are facing following the Russia-Ukraine conflict and the production limitations in Romania. Despite these challenges, we are encouraged by the good progress in Asia and Africa and the resilient performance of our Glass business.

Looking ahead, macroeconomic uncertainty remains high, with mounting concerns over significant inflationary pressures. Against this backdrop, we are taking far-reaching steps to improve our capital structure, enhance our liquidity and stabilize our business."

Frigoglass management will host an analysts and investors conference call today. See dial-in details on page 9.

Financial Overview

The continued Russia-Ukraine conflict has materially impacted our second quarter results in the Commercial Refrigeration business. We saw order cancellations, primarily from customers in the directly affected countries of Russia and Ukraine. Furthermore, we faced significant challenges in catering demand in West Europe following material disruptions to our logistics activities for transporting finished and semi-finished goods out of Russia as well as difficulties sourcing raw materials for our plant in Russia. To mitigate this impact, we implemented several actions and executed contingency plans, including but not limited to alternative logistics routes, production planning improvement initiatives and enhancement of the temporary assembly line in Romania. Despite the challenges, sales in the Commercial Refrigeration business grew by 8.8%, driven by pricing, increased demand and market share gains in Asia and Africa. Sales growth momentum remained strong in the Glass business, led by increased demand and price adjustments. Overall, the group's sales we up 21.8% y-o-y to €128.8 million.

Gross profit (excluding depreciation) declined by 11.8% y-o-y to €19.7 million, with the respective margin decreasing by 580 basis points to 15.3%. The margin contraction reflects increased raw materials cost, significantly higher logistic costs due to the supply chain constraints, worsening of productivity in Romania and Russia plants and the less favorable energy sourcing mix in Nigeria. These factors outpaced the benefits of higher sales, price adjustments and lower discounts.

Operating expenses (excluding depreciation) increased by 21.1% y-o-y to €10.0 million, broadly in-line with sales growth. Operating expenses in the Commercial Refrigeration business came in 21.7% higher y-o-y, led by warranty related expenses.

Adjusted EBITDA increased by 64.2% y-o-y to €24.6 million, with the respective margin improving by 500 basis points to 19.1%. Adjusted EBITDA was supported by €13.9 million insurance reimbursement related to our business interruption claim following the fire incident in Romania. Operating Profit (EBIT) increased by 89.5% y-o-y to €19.8 million, driven by the improved Adjusted EBITDA. Financing costs amounted to €17.9 million, compared to €5.2 million in Q2 2021, primarily reflecting significant foreign exchange losses following the appreciation of Naira and Rubble. Income tax expense amounted to €4.6 million, compared to €2.3 million in Q2 2021, primarily reflecting higher taxable profits. We reported a net profit of €6.8 million, compared to a net loss of €12.2 million in the second quarter of 2021.

Adjusted free cash flow was an outflow of €36.1 million as of June 30, 2022, compared to an inflow of €5.4 million as of June 30, 2021. Despite the improved operating profitability, adjusted free cash flow was impacted by a material trade working capital outflow following increased business activity. Adjusted net debt was €287.1 million as of June 30, 2022, compared to €261.2 million as of June 30, 2021. As of June 30, 2022, our cash position was €66.9 million, compared to €61.2 million as of June 30, 2021, assisted by the insurance proceeds. As of August 31, 2022, our consolidated cash position was €63.7 million, of which €45.9 million was held in Nigeria.

Segmental Review

Commercial Refrigeration Operations

€ 000's	Q2 2022	Q2 2021	Change, %	H1 2022	H1 2021	Change, %
Sales	91,870	84,470	8.8%	176,932	158,294	11.8%
Adjusted EBITDA	15,276	9,742	56.8%	17,047	17,308	-1.5%
Adjusted EBITDA Margin, %	16.6%	11.5%	5.1pp	9.6%	10.9%	-1.3pp
Operating Profit (EBIT)	13,144	7,020	87.2%	12,872	11,545	11.5%
Net Profit[1]	5,998	-13,826	n.m.	2,332	-15,606	n.m.
Capital Expenditure	3,438	829	>100%	6,357	1,426	>100%

[1.] *Net Profit after minority interest*

Europe

Eastern European sales declined by 21.5% y-o-y as we were severely impacted by the cancellation of orders in Russia and Ukraine as well as delays in customer deliveries due to the intensified transportation challenges caused by the Russia-Ukraine conflict. Sales in Russia and Ukraine declined jointly by 51% y-o-y, whereas excluding those two countries we experienced sales growth of 19% y-o-y primarily driven by increased orders in Romania, Poland and Bulgaria. Growth was supported by Frigoserve's enhanced activities and price adjustments.

Sales in West Europe were unchanged compared to last year. Notable incremental cooler placements in Italy and Greece were offset by lower orders in Sweden, France and Germany. In Q2 2022, we continued to face extended lead-times in customer deliveries following the production constraints created by the fire incident at our plant in Romania as well as significant disruption to our logistic activities for transporting finished and semi-finished goods.

Africa and Middle East

Growth momentum accelerated in Africa in Q2 2022, with sales growing by 79.1% y-o-y. This great performance reflects continued demand recovery and pricing initiatives. Sales in South Africa grew by mid-eighties following increased demand from soft drink customers and breweries, price adjustments and Frigoserve's expansion with a key brewery customer. We also experienced sales growth in Nigeria, driven by higher orders from a soft drink customer.

Asia

Sales in Asia more than doubled following strong demand in India and market share gains in central Asia. In India, the execution of our commercial initiatives has started delivering results, evidenced by the strong orders from soft drink customers, the recently expanded base of distributors and our penetration in the white market. Pricing initiatives supported sales growth in the quarter. We further increased our penetration in central Asia through market share gains with key customers.

Adjusted EBITDA increased by 56.8% y-o-y to €15.3 million, supported by €13.9 million insurance reimbursement related to our business interruption claim following the fire incident in Romania. Adjusted EBITDA margin improved by 510 basis points to 16.6%, driven by the insurance reimbursement, the benefits of higher volume, price adjustments, lower discounts and cost reduction initiatives. These factors more than offset the impact from the increased raw materials cost, significantly higher transportation costs, lower productivity in Romania and Russia following production disruptions and lower cost absorption in Romania following the establishment of the temporary assembly line. EBIT was up 87.2% to €13.1 million, primarily driven by the increased Adjusted EBITDA. We reported a net profit of €6.0 million in Q2 2022, compared to a net loss of €13.8 million in Q2 2021 which included non-recurring costs of €13.8 million related to the fire incident.

Glass Operations

€ 000's	Q2 2022	Q2 2021	Change, %	H1 2022	H1 2021	Change, %
Sales	36,905	21,243	73.7%	71,290	43,302	64.6%
Adjusted EBITDA	9,276	5,209	78.1%	17,703	12,083	46.5%
Adjusted EBITDA Margin, %	25.1%	24.5%	0.6pp	24.8%	27.9%	-3.1pp
Operating Profit (EBIT)	6,652	3,429	94.0%	12,586	8,806	42.9%
Net Profit[1]	772	1,579	-51.1%	2,367	4,568	-48.2%
Capital Expenditure	2,574	2,117	21.6%	4,474	2,913	53.6%

1. *Net Profit after minority interest*

Our West African container glass operations offers substantial growth opportunities derived from the growing population and urbanization trends. We are the market leaders offering a multiple color glass furnaces platform and complementary products, which together with the existing multifaceted barriers to entry, ensures we deliver profitable growth. The furnace capacity enhancement project implemented in 2021, the upcoming modernization investments and our team's strong commerciality and customer-centricity supports a strong growth outlook of our business.

We delivered a great performance in Q2 2022 following strong demand for glass containers and increased orders for crowns. Our planned pricing initiatives across all operations and other commercial-oriented actions, focusing on successfully absorbing cost inflationary pressures, also supported our performance in the quarter. This exemplifies our strong execution capabilities. Glass Operation's sales increased by 73.7% y-o-y to €36.9 million. On a currency neutral basis, sales grew 57.1% y-o-y.

Volume sold in the glass container business grew by mid-forties. Key to this was the strong demand from breweries and spirits following the continued recovery of the on-trade channels. Sales increased by 85.5% y-o-y, driven by volume growth and price adjustments reflecting the pass-through of cost inflation. Growth was also driven by increased export activity, primarily towards breweries in Ghana. Sales were also supported by a favorable currency translation effect following the appreciation of Naira. Sales in plastic crates' business grew by 16.9% y-o-y, reflecting our continued pricing initiatives and the favorable effect of a stronger Naira. Metal crowns' performance remained strong, with sales growing in mid-eighties. Growth was assisted by strong orders from soft drink and brewery customers as well as pricing adjustments.

Adjusted EBITDA increased by 78.1% y-o-y to €9.3 million, with the respective margin improving by 60 basis points to 25.1%. The margin expansion reflects assertive pricing and improved manufacturing cost absorption, more than offsetting increased production cost and a less favorable energy sourcing mix due to gas outages in one of our plants. EBIT increased by 94% y-o-y to €6.7 million, reflecting operating leverage despite the higher depreciation charges after the completion of the furnace rebuild in July 2021. Net profit decreased by 51.1% y-o-y at €0.8 million, impacted by foreign exchange losses from the appreciation of Naira compared to gains in the second quarter of 2021.

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

Frigoglass

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

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

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

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

For more information, please visit http://www.frigoglass.com.

Conference call details

Frigoglass will host an analysts and investors conference call to discuss its second quarter 2022 results on Monday, October 3, 2022 at 4:00 pm, Athens Time (2:00 pm London time). Callers should dial +30 211 211 1511 from Greece, +44 207 194 3759 from the UK (also other international callers) and +1 844 286 0643 from the US. The access code to the conference call is 93290389#.

The conference call, which will include management's remarks and a question and answer session, will last approximately one hour. A slide presentation will be available as of that time on the Frigoglass website: http://www.frigoglass.com.

Please dial in approximately 10 minutes ahead of the scheduled start time to ensure your participation. A replay of the conference call will be available until Thursday, 27 October 2022.

The second quarter results press release is available from 30 September 2022 on the Frigoglass News section at www.frigoglass.com/press-releases and on the IR homepage at www.frigoglass.com/investors.

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This press release constitutes a public disclosure of inside information by Frigoglass S.A.I.C. under Regulation (EU) 596/2014 (16 April 2014). This notification was made by Mr. Nikos Mamoulis, Chief Executive Officer of Frigoglass S.A.I.C. at 17:30 pm on September 30, 2022.

Important note regarding forward-looking statements

This announcement contains 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, the execution and implementation of the Support Agreement and Lock-Up Agreement may be forward-looking statements. These forward-looking statements are subject, among other things, to business, economic and competitive uncertainties and contingencies, including actions of third parties, 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. See also note 4.1.6 of the H1 Interim Condensed Financial Statements.

Appendices

1. Alternative Performance Measures ("APMs")
2. ICM Operations Sales by Geography and Customer Group
3. Consolidated Income Statement
4. Consolidated Statement of Financial Position
5. Consolidated Cash Flow Statement

The attached condensed financial statements should be read in conjunction with the relevant notes to the full financial statements for the period, which can be found on the company’s website at www.frigoglass.com.

Appendix 1: 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 and 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)	Q2 2022	Q2 2021	H1 2022	H1 2021
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)	**H1 2022**	**H1 2021**
Net cash flow from/(used in) operating activities	-25,039	8,670
Net cash flow (used in)/from 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)	**H1 2022**	**H1 2021**
Free Cash Flow	**-19,669**	**4,908**
Fire cost/(income)	-5,200	1,043
Capex related to fire incident in Romania	4,980	—
Proceeds from insurance compensation (Property Damage)	-15,400	—
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 long-term borrowings plus short-term borrowings (including accrued interest) less cash and cash equivalents as illustrated below.

(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 unamortized 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)	Q2 2022	Q2 2021	H1 2022	H1 2021
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**

Appendix 2: ICM Operations Sales by Geography and Customer Group

ICM Operations Sales by Geography

(in € 000's)	Q2 2022	Q2 2021	Change, %	H1 2022	H2 2021	Change, %
East Europe	37,206	47,387	-21.5%	71,418	82,867	-13.8%
West Europe	20,137	20,055	0.4%	44,164	35,322	25.0%
Africa & Middle East	14,757	8,239	79.1%	25,655	17,163	49.5%
Asia	19,770	8,789	>100%	35,695	22,942	55.6%
Total	**91,870**	**84,470**	**8.8%**	**176,932**	**158,294**	**11.8%**

ICM Operations Sales by Customer Group

(in € 000's)	Q2 2022	Q2 2021	Change, %	H1 2022	H2 2021	Change, %
Coca-Cola Bottlers	50,560	42,632	18.6%	102,425	86,960	17.8%
Breweries	20,310	18,978	7.0%	34,640	35,239	-1.7%
Other	21,000	22,860	-8.1%	39,867	36,095	10.5%
Total	**91,870**	**84,470**	**8.8%**	**176,932**	**158,294**	**11.8%**

Appendix 3: Consolidated Income Statement

(in € 000's, unless otherwise indicated)	Q2 2022	Q1 2021	H1 2022	H2 2021
Sales from contracts with customers	128,775	105,712	248,222	201,596
Cost of goods sold	-112,669	-86,770	-215,887	-163,195
Gross profit	**16,106**	**18,942**	**32,335**	**38,401**
Operating expenses	-11,128	-9,323	-21,582	-19,277
Other income/(loss)	14,819	829	14,706	1,227
Operating profit/(Loss)	**19,797**	**10,448**	**25,459**	**20,351**
Finance costs	-18,062	-5,297	-24,082	-8,718
Finance income	140	101	450	106
Net Finance (costs)/income	-17,922	-5,196	-23,632	-8,612
Profit before tax and fire costs	**1,875**	**5,252**	**1,827**	**11,739**
Gains/(losses) from fire	10,600	-13,833	10,600	-13,833
Profit/(Loss) before tax	**12,475**	**-8,581**	**12,427**	**-2,094**
Income tax expense	-4,588	-2,294	-5,482	-5,699
Profit/(Loss) for the period	**7,887**	**-10,875**	**6,945**	**-7,793**
Attributable to:				
Non-controlling Interests	1,117	1,372	2,246	3,245
Shareholders	6,770	-12,247	4,699	-11,038
Profit/(Loss) for the period	**7,887**	**-10,875**	**6,945**	**-7,793**
Depreciation	4,756	4,503	9,292	9,041
Adjusted EBITDA	**24,553**	**14,951**	**34,751**	**29,392**
Basic EPS (€)	**0.02**	**-0.03**	**0.01**	**-0.03**
Diluted EPS (€)	**0.02**	**-0.03**	**0.01**	**-0.03**

Appendix 4: Consolidated Statement of Financial Position

(in € 000's)	**30 June 2022**	**31 December 2021**
Assets		
Property, plant and equipment	102,346	93,861
Right-of-use assets	4,012	3,710
Intangible assets	10,795	11,196
Deferred tax assets	260	220
Other long-term assets	172	171
Total non-current assets	**117,585**	**109,158**
Inventories	114,145	104,317
Trade receivables	107,712	66,078
Other receivables	52,222	42,508
Current tax assets	4,726	3,193
Cash and cash equivalents	66,875	79,207
Total current assets	**345,680**	**295,303**
Total Assets	**463,265**	**404,461**
Liabilities		
Borrowings	268,472	258,237
Lease liabilities	3,896	3,745
Deferred tax liabilities	18,753	17,733
Retirement benefit obligations	4,468	4,366
Provisions	4,631	4,948
Total non-current liabilities	**300,221**	**289,029**
Trade payables	78,541	70,102
Other payables	66,073	54,576
Current tax liabilities	10,462	8,258
Borrowings	75,502	66,985
Lease liabilities	1,172	1,274
Total current liabilities	**231,750**	**201,195**
Total Liabilities	**531,971**	**490,224**
Equity		
Share capital	21,379	21,379
Share premium	-33,744	-33,744
Other reserves	-28,330	-35,332
Retained earnings	-83,121	-87,820
Capital and reserves attributable to equity holders	**-123,816**	**-135,517**
Non-controlling interest	55,111	49,754
Total equity	**-68,705**	**-85,763**
Total liabilities and equity	**463,265**	**404,461**

Appendix 5: Consolidated Cash Flow Statement

(in € 000's)	H1 2022	H1 2021
Operating activities		
Profit/(Loss) for the period	**6,945**	**-7,793**
Adjustments for:		
Income tax expense	5,482	5,699
Depreciation	9,292	9,041
Provisions	-181	444
Non-cash employee benefits expense - share based payments	0	24
Fire related income/cost	-5,400	12,790
Finance costs, net	23,632	8,612
Net (gain)/loss from disposal of property, plant and equipment	-155	-239
Decrease/(increase) in inventories	-5,845	-5,193
Decrease/(increase) in trade receivables	-38,110	-45,801
Decrease/(increase) in other receivables	-22,256	-3,458
Decrease/(increase) in other non-current assets	-1	10
Decrease)/increase in trade payables	6,304	32,290
(Decrease)/increase in other current, non-current liabilities and provisions	-521	7,275
Less:		
Income tax paid	-4,224	-5,031
Net Cash flows from/(used in) operating activities	**-25,039**	**8,670**
Investing activities		
Purchase of property, plant and equipment	-10,238	-3,830
Purchase of intangible assets	-593	-509
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
Net cash flows from/(used in) investing activities	**5,370**	**-3,762**
Net cash generated from operating and investing activities	**-19,669**	**4,908**
Financing activities		
Proceeds from borrowings	90,307	55,885
(Repayments) of borrowings	-75,126	-58,133
Interest paid	-10,192	-9,568
Principal elements of lease payments	-1,557	-1,052
Net cash flows from/(used in) financing activities	**3,431**	**-12,868**
Net increase/(decrease) in cash and cash equivalents	**-16,238**	**-7,960**
Cash and cash equivalents at the beginning of the period	**79,207**	**70,243**
Effects of changes in exchange rate changes on cash and cash equivalents	3,906	-1,105
Cash and cash equivalents at the end of the period	**66,875**	**61,178**