



Frigo DebtCo PLC

1) Interim Consolidated Financial Statements 6 March – 30 September 2023

Frigo DebtCo PLC consolidates Frigoinvest Holdings B.V. (and each of its subsidiaries) from 27 April 2023, when the ownership was transferred to Frigo DebtCo PLC through an enforcement of the pledge over the shares of Frigoinvest Holdings B.V.

2) Special Purpose Financial Information 01 January - 30 September 2023

The special purpose financial information is delivered under each of the Senior Secured Notes Indenture and the Reinstated Notes Indenture relating to the Senior Secured Notes and the Reinstated Notes, respectively, issued by Frigo DebtCo PLC on 27 April 2023 (the "Implementation Date") as a result of the Restructuring. Comparative periods and the period 01.01-27.04.2023 (included in the current year period) reflect the financial performance of the Frigoglass Group based on the pre-Restructuring consolidation perimeter.



Frigo DebtCo PLC

*Interim Consolidated Financial Statements
(unaudited and unreviewed)*

6 March 2023 - 30 September 2023

Frigo DebtCo PLC
One Angel Court, 13th Floor
EC2R 7HJ, London, United Kingdom

Date of Incorporation: 06.03.2023
Company Number: 14707701

Friigo DebtCo PLC
Interim Consolidated Financial Statements **6 March – 30 September 2023**

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Interim Consolidated Income Statement

€' 000	Notes	Consolidated Unaudited/Unreviewed Period 6 March* - 30 September 2023
Revenue from contracts with customers	5	176,394
Cost of goods sold		<u>(151,084)</u>
Gross profit		25,310
Administrative expenses		(8,344)
Selling, distribution and marketing expenses		(7,079)
Development expenses		(900)
Other operating income		122
Other gains / (losses) - net		(268)
Operating Profit / (Loss)		8,842
Finance costs	6	(16,590)
Finance income	6	<u>21,288</u>
Finance income / (costs) - net		4,697
Profit / (Loss) before income tax		13,540
Income tax expense	7	<u>(10,483)</u>
Profit / (Loss) for the period		3,057
Profit / (Loss) is attributable to:		
Owners of Frigo DebtCo Plc		(2,197)
Non-controlling interests		<u>5,254</u>
		<u>3,057</u>
Adjusted EBITDA	5	<u>15,639</u>
Earnings/(loss) per share for profit / (loss) attributable to the ordinary equity holders of the company:		
Basic earnings/(losses) per share in €	8	(32.71)
Diluted earnings/(losses) per share in €	8	(32.71)

The above interim consolidated income statement should be read in conjunction with the accompanying notes.

*Frigo DebtCo PLC was incorporated on 6 March 2023. Frigo DebtCo PLC consolidates Frigoinvest Holdings B.V. (and each of its subsidiaries) from 27 April 2023, when the ownership was transferred to Frigo DebtCo PLC through an enforcement of the pledge over the shares of Frigoinvest Holdings B.V.

Interim Consolidated Statement of Comprehensive Income

€' 000	Notes	Consolidated Unaudited/Unreviewed Period 6 March* - 30 September 2023
Profit / (Loss) for the period		3,057
Other comprehensive income / (expense)		
<i>Items that may be reclassified to income statement</i>		
Foreign currency translation gains / (losses) shareholders	19	(25,957)
Foreign currency translation gains / (losses) non-controlling interest		(18,772)
Other comprehensive income / (expense) for the period, net of tax		(44,729)
Total comprehensive income / (expense) for the period		(41,672)
Total comprehensive income / (expense) for the period is attributable to:		
Owners of Frigo DebtCo Plc		(28,154)
Non-controlling interests		(13,518)
		(41,672)

Exchange differences result mainly from the significant devaluation of the Naira versus the Euro (813.05 for September 2023 versus 508.1 for April 2023).

The above interim consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

*Frigo DebtCo PLC was incorporated on 6 March 2023. Frigo DebtCo PLC consolidates Frigoinvest Holdings B.V. (and each of its subsidiaries) from 27 April 2023, when the ownership was transferred to Frigo DebtCo PLC through an enforcement of the pledge over the shares of Frigoinvest Holdings B.V.

Interim Consolidated Statement of Financial Position

€' 000	Notes	Consolidated Unaudited/Unreviewed 30.09.2023
Assets:		
Non-current assets		
Property, plant and equipment	9	110,732
Right-of-use assets	10	2,008
Intangible assets	11	9,239
Goodwill	11, 25	205,350
Deferred tax assets	12	2,226
Other non-current assets		325
Total non-current assets		329,881
Current assets		
Inventories	13	80,705
Trade receivables	14	81,448
Other current assets	15	16,345
Current tax assets		2,774
Cash and cash equivalents		59,065
Total current assets		240,337
Total Assets		570,218
Liabilities:		
Non-current liabilities		
Borrowings	16	222,367
Lease liabilities	10	1,296
Deferred tax liabilities	12	16,387
Retirement benefit obligations		3,711
Provisions		4,682
Total non-current liabilities		248,444
Current liabilities		
Trade payables		51,965
Other payables	17	48,357
Current tax liabilities		7,803
Borrowings	16	82,386
Lease liabilities	10	1,211
Total current liabilities		191,722
Total Liabilities		440,166
Equity:		
Share capital	18	67
Share premium	18	123,677
Other reserves	19	(25,957)
Retained earnings / Accumulated losses		(2,197)
Capital and reserves attributable to owners		95,589
Non-controlling interests		34,463
Total Equity		130,052
Total Liabilities and Equity		570,218

The above interim consolidated statement of financial position should be read in conjunction with the accompanying notes.

Interim Consolidated Statement of Changes in Equity

Consolidated - Unaudited/Unreviewed €' 000	Attributable to owners of Frigo DebtCo Plc						Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings / Accumulated losses	Total			
Balance at 6 March 2023	-	-	-	-	-	-	-	-
Acquired through business combinations (Note 25)	-	-	-	-	-	48,315	48,315	
Profit / (Loss) for the period	-	-	-	(2,197)	(2,197)	5,254	3,057	
Other comprehensive income / (expense)	-	-	(25,957)	-	(25,957)	(18,772)	(44,729)	
Total comprehensive income / (expense) for the period	-	-	(25,957)	(2,197)	(28,154)	34,797	6,643	
Transactions with owners in their capacity as owners:								
Contributions of equity net of transaction costs	67	-	-	-	67	-	67	
Dividends provided for or paid	-	-	-	-	-	(334)	(334)	
Loan contribution	-	123,677	-	-	123,677	-	123,677	
Balance at 30 September 2023	67	123,677	(25,957)	(2,197)	95,589	34,463	130,052	

Exchange differences result mainly from the significant devaluation of the Naira versus the Euro (813.05 for September 2023 versus 508.1 for April 2023).

The above interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim Consolidated Cash flow statement

€' 000	Notes	Consolidated Unaudited/Unreviewed Period 6 March* - 30 September 2023
Cash flows from operating activities		
Profit / (Loss) before income tax		13,540
Adjustments for:		
Depreciation and amortisation		6,797
Finance income / (costs) - net	6	(4,697)
Provisions		(290)
Change in operating assets and liabilities:		
Decrease / (increase) in trade receivables		16,916
Decrease / (increase) in inventories		7,926
Decrease / (increase) in other current and non-current assets		7,994
Increase/(decrease) in trade payables		(31,485)
Increase/(decrease) in other current and non-current liabilities		(5,977)
Less: Income taxes paid		(7,144)
Net cash inflow from operating activities		<u>3,579</u>
Cash flows from investing activities		
Cash acquired from business combinations; net of cash paid	25	62,013
Payments for property, plant and equipment	9	(10,029)
Payments for intangible assets	11	(27)
Proceeds from disposal of subsidiary		186
Net cash (outflow) from investing activities		<u>52,143</u>
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities		
Repayment of borrowings	24	(96,946)
Proceeds from borrowings	24	129,445
Payment of interest and bank charges		(7,965)
Principal elements of lease payments	24	(1,376)
Dividends paid to non-controlling interests in subsidiaries	20	(2,315)
Net cash (outflow) from financing activities		<u>20,843</u>
Net increase in cash and cash equivalents		76,565
Cash and cash equivalents at the beginning of the financial year		-
Effects of exchange rate changes on cash and cash equivalents		(17,501)
Cash and cash equivalents at end of the period		<u>59,065</u>

The above interim consolidated statement of cash flows should be read in conjunction with the accompanying notes.

*Frigo DebtCo PLC was incorporated on 6 March 2023. Frigo DebtCo PLC consolidates Frigoinvest Holdings B.V. (and each of its subsidiaries) from 27 April 2023, when the ownership was transferred to Frigo DebtCo PLC through an enforcement of the pledge over the shares of Frigoinvest Holdings B.V.

Notes to the interim consolidated financial statements

Note 1 – General information

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

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

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

Friigo DebtCo PLC (the “Company”) was incorporated on 6 March 2023. The Company is registered in England and Wales (registered number 14707701) whose registered office is at One Angel Court, 13th Floor, EC2R 7HJ, London, United Kingdom.

As a result of the Restructuring (defined below), 85% of the share capital of the Company is held by Friigo NewCo 1 Limited, a private liability company incorporated in England and Wales. 95% of the share capital of Friigo NewCo 1 Limited has been distributed pro rata to the 2025 Noteholders with the remaining 5% of the share capital distributed to the 2025 Noteholders who elected to purchase New Super Senior Notes.

The remaining 15% of the share capital of the Company is held by Frigoglass S.A.I.C., a company incorporated in Greece and listed on the Athens Stock Exchange. The shares of the Company have been pledged in favor of the Security Agent for both the Senior Secured Notes and the Reinstated Notes (as defined in Note 16), under a share charge governed by English law.

The interim consolidated financial statements have been prepared for the period from 6 March – 30 September 2023. No comparative information is presented since this is the first year of operations for the Company.

On 27 April 2023 ownership of Frigoinvest Holdings B.V. (and each of its subsidiaries) was transferred to Friigo DebtCo PLC through an enforcement of the pledge over the shares of Frigoinvest Holdings B.V. As a result, Frigoinvest Holdings B.V. and its subsidiaries, with effect from 27 April 2023 (the “Implementation Date”), are controlled by Friigo DebtCo PLC (together with the related actions completed on the Implementation Date, the “Restructuring”). Therefore, the Company consolidates Frigoinvest Holdings B.V. and its subsidiaries from 27 April 2023.

On 31 August 2023, Nikos Mamoulis, Group CEO and member of the Board of Directors of Friigo DebtCo PLC, resigned. The Group’s Board of Directors has initiated a formal search process for his replacement, with the support of an international executive search consulting firm. On 5 September 2023, Manos Metaxakis, the current Group CFO, undertook an additional role as the Group’s Interim General Manager, until the formal search for a permanent replacement concludes.

The website of the Frigoglass Group is: www.frigoglass.com.

Note 2 – Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these interim consolidated financial statements to the extent they have not already been disclosed in the other notes. These policies have been consistently applied to all the years presented, unless otherwise stated. The interim consolidated financial statements are for the Company and its subsidiaries (together the “Group”).

2(a) – Basis of preparation

The interim consolidated financial statements of the Group have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting, in the format of a complete set of financial statements (as per IAS 1) and are in compliance with the IFRS.

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

The interim consolidated financial statements have been prepared on a going concern basis. In adopting the going concern basis for the preparation of these interim consolidated financial statements, management has considered the Group’s financial performance in the year, the expected result of the Group beyond 30 September 2023, as well as the assessment of the Group’s principal risks, including those relating to climate change and the geopolitical events involving in Russia and Ukraine.

2(b) – Consolidation principles

(i) Subsidiaries

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

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

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

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

(ii) Changes in ownership percentages

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

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

2(c) - Segment reporting

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

2(d) - Foreign currency translation

(i) Functional and presentation currency

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

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the income statement, within finance income/(cost).

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

(iii) Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

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

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

2(e)- Revenue recognition

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

The Group recognises revenue, other than interest and dividend income and other such income from financial instruments recognised in accordance with IFRS 9, upon transfer of promised goods or services

to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services based on the following five step approach:

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

Sales of goods

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

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

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

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

Sales of services

The ICM segment provides also logistic services, extended warranty services and refurbishment services under fixed price contracts. Revenue from providing services is recognised over time in the accounting period in which the services are rendered. Extended warranty revenue is recognised based on actual service provided at the end of the reporting periods a proportion of the total services to be provided because the customer receives and uses benefits simultaneously.

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

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

2(f)- Government grants

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

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

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

2(g) - Current and Deferred income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

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

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

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

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

2(h) - Leases

Information for leases where the Group is a lessee.

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

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

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

Lease payments are allocated between principal and finance cost. The finance cost is charged the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

- the amount of the initial measurement of lease liability

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

The Group's leasing activities and how these are accounted for:

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

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

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

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

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

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

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

Information for leases where the Group is a lessor

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

2(i) - Business combinations

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

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

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

Acquisition-related costs are expensed as incurred.

The excess of the

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

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

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

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

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

For the business combinations refer to Note 25.

2(j) - Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2(k) - Cash and cash equivalents

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

2(l) - Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60- 180 days and therefore are all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. For a description of the Group's impairment policies refer to Note 3 under credit risk.

2(m) - Inventories

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

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

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

2(n) - Financial assets

Classification

The group classifies its financial assets in the following measurement categories:

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in income statement or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

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

Recognition and derecognition

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

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. The Group's debt instruments are measured at amortised cost given that they are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any

gain or loss arising on derecognition is recognised directly in the income statement and presented in other gains/(losses). Impairment losses are presented as separate line item in the income statement.

Impairment

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

The Group currently does not hold any debt instruments. For the accounting policy related to trade receivables and cash and cash equivalents, refer to notes 2(l) and 2(k) respectively. For a description of the Group's impairment policies refer to Note 3 under credit risk.

2(o) - Property, plant and equipment

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

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

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

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

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

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

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

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

Assets under construction are recorded as part of property, plant and equipment at cost. Depreciation on these assets commences when the assets are available for use.

2(p) - Intangible assets

(i) Goodwill

Goodwill is measured as described in note 2(i). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments. For the goodwill calculation of the period refer to Note 25.

(ii) Patterns and Trademarks

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

(iii) Research and development

Research expenditure is recognised as an expense as incurred.

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

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

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

(iv) Computer software

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

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognized as intangible assets when the criteria specified in 2p(iii) are met. Directly attributable costs that are capitalized as part of the software include employee costs.

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

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

These costs may be acquired externally.

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

2(q) -Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2(r) - Borrowings

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

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

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

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

2(s) - Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

2(t) - Employee benefits

(i) Post-employment obligations

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

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

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

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

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

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

(ii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(iii) Profit-sharing and bonus plans

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

2(u) - Share capital

Ordinary shares are classified as equity.

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

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

2(v) - Dividend distribution

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

2(w) - Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

2(x) - New standards, amendments to standards and interpretations:

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2023. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Standards and Interpretations effective for the current financial year

IFRS 17 'Insurance contracts' and Amendments to IFRS 17

IFRS 17 has been issued in May 2017 and, along with the Amendments to IFRS 17 issued in June 2020, supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost.

The Group does not issue contracts in scope of IFRS 17; therefore its application does not have an impact on the Group's financial performance, financial position or cash flows.

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

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group will adjust the accounting policies accordingly in the annual financial statements.

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

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments had no impact on the financial statements of the Group.

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

The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations. The amendments had no material impact on the financial statements of the Group.

IFRS 17 (Amendment) 'Initial Application of IFRS 17 and IFRS 9 – Comparative Information'

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. The amendments had no impact on the financial statements of the Group.

IAS 12 'Income taxes' (Amendments): International Tax Reform – Pillar Two Model Rules

The amendments introduce a mandatory temporary exception from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements. The temporary exception applies immediately and retrospectively in accordance with IAS 8, whereas the targeted disclosure requirements will be applicable for annual reporting periods beginning on or after 1 January 2023. The amendments have not yet been endorsed by the EU. Management has assessed that there is no expected impact from the amendments in the Group financial statements.

Standards and Interpretations effective for subsequent periods

IAS 1 'Presentation of Financial Statements' (Amendments) (effective for annual periods beginning on or after 1 January 2024)

- 2020 Amendment 'Classification of liabilities as current or non-current'

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the

entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

- 2022 Amendments 'Non-current liabilities with covenants'

The new amendments clarify that if the right to defer settlement is subject to the entity complying with specified conditions (covenants), this amendment will only apply to conditions that exist when compliance is measured on or before the reporting date. Additionally, the amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.

The 2022 amendments changed the effective date of the 2020 amendments. As a result, the 2020 and 2022 amendments are effective for annual reporting periods beginning on or after 1 January 2024 and should be applied retrospectively in accordance with IAS 8. As a result of aligning the effective dates, the 2022 amendments override the 2020 amendments when they both become effective in 2024. The amendments have not yet been endorsed by the EU. Management has assessed that there is no expected impact from the amendments in the Group financial statements.

IFRS 16 (Amendment) 'Lease Liability in a Sale and Leaseback'

The amendment clarifies how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. An entity applies the requirements retrospectively back to sale and leaseback transactions that were entered into after the date when the entity initially applied IFRS 16. The amendment has not yet been endorsed by the EU. Management has assessed that there is no expected impact from the amendments in the Group financial statements.

IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments)

The amendments require companies to disclose information about their Supplier Finance Arrangements such as terms and conditions, carrying amount of financial liabilities that are part of such arrangements, ranges of payment due dates and liquidity risk information. The amendments have not yet been endorsed by the EU. Management will assess the potential impact in the group financial statements.

IAS 21 'The Effects of Changes in Foreign Exchange Rates' (Amendments) - Lack of exchangeability

These amendments require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide. The amendments have not yet been endorsed by the EU. Management will assess the potential impact in the group financial statements.

Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management has assessed that there is no expected impact from the amendments in the Group financial statements.

Note 3 – Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and capital risk. The Group's risk management program focuses on the volatility of financial markets and seeks to minimize potential adverse effects on the Group's cash flows. The Group's risk management is predominantly controlled by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's subsidiaries. The Group Treasury does not perform speculative transactions or transactions that are not related to the Group's operations.

3(a) – Market risk

(i) Foreign exchange risk

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

To mitigate the exposure of the Group's subsidiaries with functional currencies other than the euro to foreign currency risk management uses 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, management might 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, management may decide to allow the 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.

(ii) 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.

3(b) – Credit risk

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

(i) Risk management

Regarding banks and financial institutions, mainly independently rated parties with high quality credit credentials are accepted.

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.

(ii) Security

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

(iii) Impairment

The Group has only one type of financial assets that are subject to the expected credit loss model that is trade receivables for sales of goods and from the provision of services. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there was no identified impairment loss.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9. Based on this approach, the Group recognizes expected life losses on expected receivables. The calculation is done on an individual basis. Expected loss rates are based on the sales payment profile and the corresponding historical credit losses. Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. The failure of the customer to pay after 180 days from the invoice due date is considered a default, except in specific cases. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3(c) - Liquidity risk

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

Group Treasury also manages liquidity risk by maintaining access to the debt capital markets, and by continuously monitoring working capital as well as actual and forecasted cash flows.

3(d) - 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.

Note 4 - Critical accounting estimates and judgements

The preparation of the interim consolidated financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies.

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

Although these estimates and judgements are based on management's knowledge of current events and actions that may be undertaken in the future, actual results may ultimately differ from estimates.

4(a) - Critical accounting estimates and assumptions

The key items concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

(i) Income taxes

The Group is subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination cannot be assessed with certainty in the ordinary course of business. Significant judgement is required by the Group Management in determining the group provision for income taxes, based on assessment of the probabilities as to whether additional taxes will be due. If the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax.

(ii) Estimation of useful lives of fixed assets

The Group assesses on an annual basis, the useful lives of its property, plant and equipment and intangible assets. These estimates take into account the relevant operational facts and circumstances, the future plans of Management and the market conditions that exist as at the date of the assessment.

(iii) Estimated impairment of property, plant and equipment and right of use assets

The Group's property, plant and equipment is tested for impairment when indications exist that its carrying value may not be recoverable. The recoverable amount of property, plant & equipment is determined under IAS 36 at the higher of its value in use and fair value less costs of disposal. When the recoverable amount is determined on a value in use basis, the use of assumptions is required. The value in use calculation used to determine the recoverable amount is based on financial budget approved by management covering a one-year period and cash projections for four additional years, taking into account management's estimates and judgments regarding the future results of the cash-generating unit. These estimates and judgments include assumptions about revenue growth rates, direct costs, and discount rates.

(iv) Estimated impairment of goodwill

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. When the recoverable amount is determined on a value in use basis, the use of assumptions is required. The value in use calculation used to determine the recoverable amount is based on financial budget approved by management covering a one-year period and cash projections for four additional years, taking into account management's estimates and judgments regarding the future results of the cash-generating unit. These estimates and judgments include assumptions about revenue growth rates, direct costs, and discount rates. The Group has 12 months since the date of acquisition to assess the fair value of the acquired assets and liabilities and allocate the calculated goodwill to each segment. For the interim consolidated financial statements, no impairment test has been performed. Refer to Note 11 for more information.

Note 5 – Segment and revenue information

5(a) Description of segments and principal activities

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

- ICM: The Group manufactures and sells Ice-Cold Merchandises (ICMs) and provides integrated after-sales customer service for its products and a range of cold-drink equipment through Frigoserve
- Glass: The Group manufactures and sells glass containers, plastic crates and metal crowns.

The Group's finance department is organized by segment for effective financial control and performance monitoring. The executive committee primarily uses a measure of adjusted earnings before interest, tax, depreciation, and amortization, and restructuring cost (Adjusted EBITDA) to assess the performance of the operating segments. However, the executive committee also receives information about the segments' revenue and assets monthly. Information about segment revenue is disclosed below.

5(b) Adjusted EBITDA

Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs and impairments where the impairment is the result of an isolated, non-recurring event. Adjusted EBITDA reconciles to operating profit before income tax as follows:

€' 000	Notes	Consolidated Period 6 March - 30 September 2023
Total adjusted EBITDA		15,639
Finance income / (costs) - net	6	4,697
Depreciation and amortisation		(6,797)
Profit / (Loss) before income tax		13,540

5(c) Segment assets, liabilities and capital expenditure

As described in Notes 1 and 25, on 27 April 2023 ownership of Frigoinvest Holdings B.V. (and each of its subsidiaries) was transferred to the Company through an enforcement of the pledge over the shares of Frigoinvest Holdings B.V. As a result, Frigoinvest Holdings B.V. and its subsidiaries, with effect from 27 April 2023, are controlled by the Company. As such the segmental information cover the period of 27 April – 30 September 2023.

€' 000	Notes	ICM 30.09.2023	Glass 30.09.2023	Consolidated 30.09.2023
Total assets*		242,362	122,506	364,868
Total liabilities		409,509	30,657	440,166
Capital expenditure 6 March - 30 September 2023	9 & 11	3,484	6,572	10,056

*From the total assets, goodwill of €205.4 million is excluded, as it will be assessed and allocated to each segment in the annual financial statements (Notes 11, 25).

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

5(d) Profit and loss disclosures

€' 000	ICM Period 27 April - 30 September 2023	GLASS Period 27 April - 30 September 2023	Consolidated Period 27 April - 30 September 2023
Timing of revenue recognition			
At a point in time	103,874	43,267	147,141
Over time	29,253	-	29,253
Revenue from contracts with customers	133,127	43,267	176,394
Cost of goods sold	(115,198)	(35,886)	(151,084)
Gross profit	17,929	7,381	25,310
Operating Profit / (Loss)	3,633	5,210	8,842
Finance costs - net	(21,803)	26,500	4,697
Profit / (Loss) before income tax	(18,170)	31,710	13,540
Income tax expense	(3)	(10,479)	(10,483)
Profit / (Loss) for the period	(18,174)	21,231	3,057
Depreciation	4,375	2,422	6,797
Adjusted EBITDA	8,008	7,632	15,639

There are no sales between the segments.

5(e) Revenue information

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major geographical regions:

€' 000	ICM Period 27 April - 30 September 2023	GLASS Period 27 April - 30 September 2023	Consolidated Period 27 April - 30 September 2023
East Europe	59,972	-	59,972
West Europe	38,101	-	38,101
Africa / Middle East	12,781	43,267	56,048
Asia	22,272	-	22,272
Total	133,127	43,267	176,394

The demand for Ice-Cold Merchandisers is seasonal. Therefore, the Group generally records higher revenues during the first and second quarters of the year.

5(f) Capital expenditure information

€' 000	ICM 27 April - 30 September 2023	GLASS 27 April - 30 September 2023	Consolidated 27 April - 30 September 2023
East Europe	3,185	-	3,185
West Europe	17	-	17
Africa	98	6,572	6,670
Asia	184	-	184
Total	3,484	6,572	10,056

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

5(g) Average personnel number

	ICM 30.09.2023	GLASS 30.09.2023
Average number of employees	3,185	1,697

Note 6- Finance income and cost

€' 000	Consolidated Period 6 March - 30 September 2023
<i>Finance income</i>	
Interest income	500
Net exchange gains	20,788
Finance income	21,288
<i>Finance costs</i>	
Interest expense and bank charges	(15,811)
Leases - Finance Cost	(150)
Other items	(629)
Finance costs expensed	(16,590)
Net finance income / (cost)	4,697

Note 7- Income tax expense

7(a)- Unaudited Tax Years

The tax returns of the Group's subsidiaries have not been assessed by the tax authorities for different periods, which are presented in the table below.

Until such time the special tax audit of the companies in the below table is completed, the tax burden for the Group relating to those years cannot be accurately determined. The Group is raising provisions for any additional taxes that may result from future tax audits to the extent that the relevant liability is probable and may be reliably measured.

The Group Management is not expecting significant tax liabilities to arise from the specific tax audit of the open tax years of the Group entities in addition to the ones already disclosed in the consolidated financial statements and estimates that the results of the tax audit of the unaudited tax years will not significantly affect the financial position, the asset structure, the profitability and the cash flows of the Group.

Company	Country	Unaudited tax years	Line of Business
Frigo DebtCo PLC	UK		Parent Company
Frigoinvest Holdings B.V	Netherlands	2017 - 2022	Holding Company
Frigoglass Finance B.V	Netherlands	2017 - 2022	Financial Services
3P Frigoglass SRL	Romania	2017 - 2022	Plastics
Frigoglass Cyprus Ltd.	Cyprus	2017 - 2022	Holding Company
Frigoglass Romania SRL	Romania	2017 - 2022	Ice Cold Merchandisers
Frigoglass Eurasia LLC	Russia	2020 - 2022	Ice Cold Merchandisers
Frigoglass Indonesia PT	Indonesia	2018 - 2022	Ice Cold Merchandisers
Frigoglass South Africa Ltd.	S. Africa	2017 - 2022	Ice Cold Merchandisers
Frigoglass India PVT.Ltd.	India	2017 - 2022	Ice Cold Merchandisers
Frigoglass Services Single Member S.A.	Greece		Service and Repair of ICM's
Frigoglass Spzoo	Poland	2017 - 2022	Service & Repair of ICM's
Frigoglass GmbH	Germany	2017 - 2022	Sales Office
Frigoglass Hungary Kft	Hungary	2017 - 2022	Service & Repair of ICM's
Frigoglass Switzerland AG	Switzerland	2021 - 2022	Service & Repair of ICM's
Frigoglass East Africa Ltd.	Kenya	2018 - 2022	Sales Office
Norcool Holding A.S	Norway	2016 - 2022	Holding Company
Scandinavian Appliances A.S	Norway	2016 - 2022	Sales Office
Frigoglass Nordic AS	Norway	2016 - 2022	Sales Office
Frigoinvest Nigeria Holdings B.V.	Netherlands		Holding Company
Frigoglass Global Ltd.	Cyprus	2016 - 2022	Holding Company
Frigoglass Industries (NIG.) Ltd.	Nigeria	2019 - 2022	Crowns & Plastics
Beta Glass Plc.	Nigeria	2020 - 2022	Glass Operation

7(b)- Income tax expense

	Consolidated Period
€' 000	6 March - 30 September 2023
<i>Current tax</i>	
Current tax on profits for the year	3,353
Withholding taxes	407
Adjustments for current tax of prior periods	(111)
Total current tax expense	3,649
<i>Deferred income tax (Note 12)</i>	
Decrease/(increase) in deferred tax assets	6,833
(Decrease)/increase in deferred tax liabilities	-
Total deferred tax expense/(benefit)	6,833
Income tax expense	10,483

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

Note 8- Earnings/(losses) per share

	Consolidated Period 6 March - 30 September 2023
€' 000	
Profit/(Loss) as presented in the income statement	3,057
Less: Profit/(Loss) attributable to non-controlling interests	<u>(5,254)</u>
Profit/(Loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share	<u>(2,197)</u>
	Consolidated Period 6 March - 30 September 2023
Number	
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings/(losses) per share	67,180
	Consolidated Period 6 March - 30 September 2023
Cents	
Basic and diluted earnings/(losses) per share	(32.71)

Note 9- Property, plant and equipment

Consolidated

€' 000	Land	Buildings and technical works	Machinery and technical installations	Vehicles	Furnitures and Fixtures	Assets under construction	Total
Opening net book amount	-	-	-	-	-	-	-
Cost acquired through business combinations	4,237	48,709	162,556	5,091	9,124	45,084	274,802
Accumulated depreciation acquired through business combinations	-	(24,152)	(113,414)	(3,720)	(7,062)	-	(148,347)
Net book amount acquired through business combinations	4,237	24,558	49,142	1,372	2,062	45,084	126,455
Exchange differences	(38)	(2,318)	(14,151)	(446)	(222)	(3,258)	(20,432)
Additions	-	10,995	17,294	95	241	(18,596)	10,029
Write-off	-	-	(6)	-	(22)	-	(28)
Reclasses	-	8,705	5,792	36	207	(14,740)	-
Disposals	-	-	(19)	(9)	(2)	-	(30)
Depreciation charge	-	(1,039)	(3,622)	(144)	(457)	-	(5,262)
Closing net book amount	4,199	40,901	54,430	904	1,807	8,490	110,732
At 30 September 2023							
Cost	4,199	65,247	149,564	3,683	8,558	8,490	239,742
Accumulated depreciation	-	(24,346)	(95,133)	(2,779)	(6,751)	-	(129,010)
Net book amount	4,199	40,901	54,430	904	1,807	8,490	110,732

9(a) - Non-current assets pledged as security

Refer to Note 16 for information on non-current assets pledged as security by the group.

9(b) - Under construction

Assets under construction mainly relates to the purchases of machinery and equipment in the Group's subsidiaries in Nigeria and Romania.

9(c) - Material movement elements

Exchange differences result mainly from the significant devaluation of the Naira versus the Euro (813.05 for September 2023 versus 508.1 for April 2023).

The acquisition of assets that resulted from business combinations is described in detail in Note 25.

Note 10- Right-of-use assets and lease liabilities

10(a) - Amounts recognised in the statement of financial position

€' 000	Consolidated 30.09.2023
<i>Right-of-use assets</i>	
Buildings	1,740
Vehicles	254
Others	14
	<hr/>
	2,008
	<hr/>
<i>Lease liabilities</i>	
Current	1,211
Non-current	1,296
	<hr/>
	2,507
	<hr/>

Additions to the right-of-use assets during the period 6 March 2023 to 30 September 2023 were €0.9 million.

10(b) - Amounts recognised in the income statement

€' 000	Consolidated Period 6 March - 30 September 2023
<i>Depreciation charge of right-of-use assets</i>	
Buildings	781
Vehicles	172
Others	5
	<hr/>
	958
	<hr/>
Interest expense (included in finance cost)	150
	<hr/>
	150
	<hr/>

Note 11- Intangible assets and goodwill

Consolidated					
€' 000	Goodwill	Product Development	Software	Assets under construction	Total
Opening net book amount	-	-	-	-	-
Cost acquired through business combinations	-	18,360	9,951	6,897	35,208
Accumulated depreciation acquired through business combinations	-	(16,324)	(8,894)	-	(25,218)
Result of business combinations	205,350	-	-	-	205,350
Net book amount acquired through business combinations	205,350	2,035	1,057	6,897	215,340
Exchange differences	-	0	(10)	-	(9)
Additions	-	-	26	1	27
Reclasses	-	25	-	(25)	-
Write off	-	-	(17)	(88)	(105)
Amortisation charge	-	(471)	(193)	-	(664)
Closing net book amount	205,350	1,590	864	6,785	214,589
At 30 September 2023					
Cost	205,350	18,445	9,905	6,785	240,485
Accumulated amortisation	-	(16,855)	(9,041)	-	(25,896)
Net book amount	205,350	1,590	864	6,785	214,589

11(a) - Under construction

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

11(b) - Goodwill

For 30 September 2023, the Group has calculated provisional goodwill, as described in detail in Note 25. The Group has to assess the fair value of the acquired assets and liabilities in 12-months from the acquisition. The calculated amount will be altered retrospectively.

11(c) - Material movement elements

The acquisition of assets that resulted from business combinations is described in detail in Note 25.

Note 12- Deferred taxes

12(a) - Deferred tax assets

Consolidated					
€' 000	Tax losses	Provisions	Unrealised exchange differences	Other	Total
At 6 March 2023	-	-	-	-	-
Acquired through business combinations (Note 25) (Charged)/credited	1,690	2,228	677	761	5,356
- to income statement	1,482	-	(8,315)	-	(6,833)
- to other comprehensive income	-	-	-	-	-
Exchange differences	(255)	(259)	1,491	-	977
At 30 September 2023	2,917	1,969	(6,147)	761	(500)

12(b) - Deferred tax liabilities

Consolidated					
€' 000	Tax losses	Provisions	Unrealised exchange differences	Other	Total
At 6 March 2023	-	-	-	-	-
Acquired through business combinations (Note 25) (Charged)/credited	-	-	8,173	11,936	20,109
- to income statement	-	-	-	-	-
- to other comprehensive income	-	-	-	-	-
Exchange differences	-	-	(3,065)	(3,383)	(6,448)
At 30 September 2023	-	-	5,108	8,553	13,661

Other deferred tax liabilities mainly comprise the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

12(c) - Net deferred tax amount

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The majority portion of deferred tax asset/liability is to be recovered after more than 12 months.

Net amount results in €2.2 million deferred tax asset and €16.4 million deferred tax liabilities.

Note 13- Inventories

€' 000	Consolidated 30.09.2023
Current assets	
Raw materials	39,220
Work in progress	1,918
Finished goods	29,843
Spare parts	12,316
Inventories in transit	4,088
Less provision	(6,679)
	80,705

€' 000	Consolidated Period 6 March - 30 September 2023
Opening provision at 6 March	-
Acquired through business combinations	7,817
Increase recognised in income statement	3,431
Unused amount reversed	(3,721)
Inventories written off during the year	(546)
Foreign exchange differences	(302)
Closing provision at 30 September	6,679

Note 14 – Trade receivables

€' 000	Consolidated 30.09.2023
Current assets	
Trade receivables from contracts with customers	82,560
Loss allowance	(1,113)
	81,448

Due to the short-term nature of the trade receivables, their carrying amount is considered to be the same as their fair value.

Information about the impairment of trade receivables and the group's exposure to credit risk and foreign currency risk can be found in Note 3.

€' 000	Consolidated Period 6 March - 30 September 2023
Opening provision at 6 March	-
Acquired through business combinations	1,217
Increase in loss allowance recognised in income statement	-
Unused amount reversed	-
Receivables written off during the year	(51)
Foreign exchange differences	(53)
Closing provision at 30 September	1,113

Note 15 – Other current assets

€' 000	Consolidated 30.09.2023
Current assets	
VAT receivable	8,937
Insurance prepayments	850
Export grants	1,391
Advances to employees	658
Other receivables	1,132
Advances and prepayments	3,377
	<hr/>
	16,345

Due to the short-term nature of the other current assets, their carrying amount is considered to be the same as their fair value.

VAT receivable is recoverable through the operating activity of the Group. The balance consists of refundable VAT in both segments of the Group.

Note 16 – Borrowings

€' 000	Consolidated 30.09.2023
Current	
Bank overdrafts	3,104
Bank loans	64,787
Accrued interest	14,496
	<hr/>
	82,386

€' 000	Consolidated 30.09.2023
Non-current	
Bond loans	226,242
Unamortised issuance costs	(3,875)
	<hr/>
	222,367

16(a) Current borrowings

The Group's outstanding balance of current borrowings amounts to €82.4 million, including the accrued interest of loans in the period. Current borrowings represent bank overdraft facilities and short-term loans from various banks in India, Romania, Russia and Nigeria, and part of them are secured through inventories, trade receivables and/or property.

16(b) Non-current borrowings

On April 27, 2023, Frigo DebtCo PLC (the "Issuer") issued €75 million Senior Secured Notes due 2026 (the "Senior Secured Notes") and €150 million (excluding consent fee) Senior Secured Second Lien Notes due 2028 (the "Reinstated Notes"). The Senior Secured Notes and the Reinstated Notes are listed in the Vienna Stock Exchange.

The Senior Secured Notes are guaranteed on a senior basis and the Reinstated Notes are guaranteed and secured on a junior secured basis by certain of our subsidiaries (the "Guarantors") and secured by certain assets of the Issuer and the Guarantors.

The Senior Secured Notes mature on 27 April 2026 and have an interest rate consisting of a margin of 4% cash plus 8% PIYC (1.0% less if fully paid in cash) which is paid or accrued semi-annually on November 1 and May 1 in each year.

The Reinstated Notes mature on 27 April 2028 and have an interest rate consisting of a margin of 2% cash plus 9% PIYC (1.0% less if fully paid in cash) prior to 31 December 2023 and a margin of 3% cash plus 8% PIYC (1.0% less if fully paid in cash) from 1 January 2024 onwards, which is paid or accrued semi-annually on November 1 and May 1 in each year.

The Reinstated Notes include an amount of €1.2 million as a consent fee, which was payable in additional Reinstated Notes.

The Original Issued Discount (O.I.D.) and the Backstop Fee related to the Senior Secured Notes have been amortised over the three-year duration of the Notes.

Guarantees

The companies that have granted guarantees in respect of the Senior Secured Notes and Reinstated Notes are: Frigoglass Finance B.V., Frigoinvest Holdings B.V., Frigoinvest Nigeria Holdings B.V., Frigoglass Cyprus Limited, Frigoglass Global Limited, Frigoglass Romania S.R.L, 3P Frigoglass S.R.L., Frigoglass Industries (Nigeria) Limited, Beta Glass plc, and, following the Sanctions Fallaway Date (if such occurs), Frigoglass Eurasia LLC.

Security

The security granted in favour of the creditors under the Senior Secured Notes and Reinstated Notes include the following:

(a) Security over shares in the following Group companies: Frigo DebtCo PLC, Frigoglass Finance B.V., Frigoinvest Holdings B.V., Frigoinvest Nigeria Holdings B.V., Frigoglass Romania S.R.L, 3P Frigoglass S.R.L., Frigoglass Cyprus Limited, Frigoglass Global Limited, and, pledges of participatory interest (shares) in the charter capital of Frigoglass Eurasia LLC dated as soon as reasonably practicable following the Sanctions Fallaway Date (if such occurs) and subject to receiving all necessary governmental approvals.

(b) Security over certain assets of the following Group companies: Frigo DebtCo PLC, Frigoglass Finance B.V., Frigoinvest Holdings B.V. and Frigoglass Romania S.R.L.

Note 17- Other payables

€' 000	Consolidated 30.09.2023
Current liabilities	
Taxes and duties payable	9,349
Customer advances	1,844
Social security insurance	2,696
Dividends payable - third party	214
Discount accruals	10,113
Warranty and epidemic accruals	4,759
Employee accruals	5,879
Supplier accruals	7,998
Other accruals	5,505
	48,357

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

The discount accruals include the accumulated balance of the revenue generated by the Group's subsidiaries also for the period before the Implementation Date.

Note 18– Share capital and share premium

€' 000	Consolidated 30.09.2023
Equity	
<i>Ordinary shares</i>	
Opening balance 6 March 2023	-
Share issue	67
Balance 30 September 2023	67
<i>Share premium</i>	
Opening balance 6 March 2023	-
Loan contribution	123,677
Balance 30 September 2023	123,677

18(a) – Share capital

Ordinary shares have a par value of €1. Total number of shares as at 30 September 2023 was 67,180.

18(b) – Share premium

On 27 April 2023, ownership of Frigoinvest Holdings B.V. (and each of its subsidiaries) was transferred to Frigo DebtCo PLC through an enforcement of the pledge over the shares of Frigoinvest Holdings B.V. As a result, Frigoinvest Holdings B.V. and its subsidiaries, with effect from 27 April 2023, are controlled by Frigo DebtCo PLC.

The Restructuring benefited Frigoinvest Holdings B.V. (and each of its subsidiaries), namely resulting in a deleveraging of the balance sheet.

This was achieved by undertaking a number of steps including the write down of €110 million of the €260 million Senior Secured Notes due 2025 (the “2025 Notes”) issued by Finance B.V. in 2020 and canceled on the Implementation Date, plus accrued but unpaid interest (€13.7 million) owing to the noteholders under the 2025 Notes (the “Residual SSN Claim”).

In accordance with clause 14.1(d) (*Facilitation of Distressed Disposals and Appropriation*) of the Security Trust and Subordination Deed, the Security Agent transferred the benefit of the Residual SSN Claim to Frigo NewCo 1 Limited.

In consideration for receiving the Residual SSN Claim, Frigo NewCo 1 Limited issued shares to (i) the Noteholders who executed the Restructuring Deed of Release and Account Holder Letters and (ii) the Holding Period Trustee for Noteholders who had not yet executed the Restructuring Deed of Release and Account Holder Letters. Shares were issued pro-rata by reference to each Noteholder’s holding of the 2025 Notes.

In turn, Frigo NewCo 1 Limited contributed the Residual SSN Claim to Frigo DebtCo PLC and in exchange Frigo DebtCo PLC issued to Frigo NewCo 1 Limited one ordinary share of €1.00 in the capital of Frigo DebtCo PLC, with a share premium in an amount equal to the Residual SSN Claim. Frigo DebtCo PLC in turn contributed the Residual SSN Claim to Frigoinvest Holdings B.V. and the basis of each transfer was by way of a capital contribution and were documented as contributions in exchange for issue of shares.

Following the contribution of the Residual SSN Claim by Frigo DebtCo PLC to Frigoinvest Holdings B.V., Frigoinvest Holdings B.V. and Frigoglass Finance B.V. agreed to set-off the intercompany balances, reducing the Intra-Group Liability owed by Frigoinvest Holdings B.V. to Frigoglass Finance B.V. by an amount equal to the Residual SSN Claim.

As such the contribution resulted in €1.00 of share capital and €123.7 million of share premium.

Note 19- Other reserves

Consolidated		
€' 000	Foreign currency translation	Total
At 6 March 2023	-	-
Period ended 30 September 2023		
Opening amount	-	-
Additions	-	-
Exchange differences	(25,957)	(25,957)
Closing amount	(25,957)	(25,957)

Exchange differences arising on translation of a foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the income statement when the net investment is disposed of.

Exchange differences for the current period result mainly from the significant devaluation of the Naira (813.05 for September 2023 versus 508.1 for April 2023).

Note 20- Interests in other entities

20(a) - Material subsidiaries

The Group's principal subsidiaries at 30 September 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Principal activities
Frigo DebtCo PLC	UK	Parent Company
Frigoinvest Holdings B.V	Netherlands	Holding Company
Frigoglass Finance B.V	Netherlands	Financial Services
3P Frigoglass SRL	Romania	Plastics
Frigoglass Cyprus Ltd.	Cyprus	Holding Company
Frigoglass Romania SRL	Romania	Ice Cold Merchandisers
Frigoglass Eurasia LLC	Russia	Ice Cold Merchandisers
Frigoglass Indonesia PT	Indonesia	Ice Cold Merchandisers
Frigoglass South Africa Ltd.	S. Africa	Ice Cold Merchandisers
Frigoglass India PVT.Ltd.	India	Ice Cold Merchandisers
Frigoglass Services Single Member S.A.	Greece	Service & Repair of ICM's
Frigoglass Spzoo	Poland	Service & Repair of ICM's
Frigoglass GmbH	Germany	Sales Office
Frigoglass Hungary Kft	Hungary	Service & Repair of ICM's
Frigoglass Switzerland AG	Switzerland	Service & Repair of ICM's
Frigoglass East Africa Ltd.	Kenya	Sales Office
Norcool Holding A.S	Norway	Holding Company
Scandinavian Appliances A.S	Norway	Sales Office
Frigoglass Nordic AS	Norway	Sales Office
Frigoinvest Nigeria Holdings B.V.	Netherlands	Holding Company
Frigoglass Global Ltd.	Cyprus	Holding Company
Frigoglass Industries (NIG.) Ltd.	Nigeria	Crowns & Plastics & ICM's
Beta Glass Plc.	Nigeria	Glass Operation

20(b) - Non-controlling interests (NCI)

Summarised statement of financial position	Frigo Glass Industries Ltd.	Beta Glass Plc.
	30.09.2023	30.09.2023
€' 000		
Current assets	117,727	86,283
Current liabilities	83,996	51,261
Current net assets	33,732	35,022
Non-current assets	5,957	31,845
Non-current liabilities	10,526	4,352
Non-current net assets/liabilities	(4,568)	27,493
Net assets	29,163	62,514
Accumulated NCI	6,465	27,998

Summarised income statement	Frigo Glass Industries Ltd.	Beta Glass Plc.
	Period 27 April - 30 September 2023	Period 27 April - 30 September 2023
€' 000		
Revenue	11,922	32,717
Profit for the period	16,043	3,514
Other comprehensive income	-	-
Total comprehensive income	16,043	3,514
Profit allocated to NCI	3,681	1,574
Dividends paid to NCI	(1,941)	(374)

Set out above are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

The NCI percentages are: Frigo Glass Industries (NIG.) Ltd.: 24% and Beta Glass Plc.: 45%

As described in Notes 1 and 25, on 27 April 2023 ownership of Frigo Invest Holdings B.V. (and each of its subsidiaries) was transferred to Frigo DebtCo PLC through an enforcement of the pledge over the shares of Frigo Invest Holdings B.V. As a result, Frigo Invest Holdings B.V. and its subsidiaries, with effect from 27 April 2023, are controlled by Frigo DebtCo PLC. As such, the summarized income statement for the subsidiaries with NCI cover the period of 27 April – 30 September 2023.

Note 21- Post-balance sheet events

Pursuant to paragraphs 1 and 3 of the Reg S Global Notes, the Rule 144A Global Notes and the IAI Global Notes, Frigo DebtCo PLC elected to pay the interest due on November 1, 2023, of €4.6 million and €8.5 million to holders of the Senior Secured Notes and the Reinstated Notes, respectively, consisting of a payment in cash (Cash Interest) and a payment by increasing the principal amount of the outstanding Notes (PIK Interest). Following the interest payment date, the total principal amount of the Senior Secured Notes and the Reinstated Notes is €78.1 million and €158.2 million, respectively.

There are no other post-balance sheet events which require disclosure or are likely to affect the interim consolidated financial statements or the operations of the Group.

Note 22– Contingent liabilities and commitments

22(a) Contingent liabilities

Certain members of the Group (the ‘Respondents’) are currently involved in confidential arbitration proceedings commenced by another subsidiary of the Group (the ‘Claimant’) in connection with certain alleged intragroup payables. The claim value is approximately €56 million, and the proceedings are at a very early stage. The Respondents are vigorously defending the totality of the claim and are of the view that the sums are not due or payable, however, there can be no assurance that the Respondents will ultimately be successful.

There are no other significant litigations or arbitration disputes between judicial or administrative bodies that have a significant impact on the interim consolidated financial statements or the operation of the Group.

The Group provides a series of indemnities to support Frigoglass S.A.I.C.’s solvency and liquidity until 31 December 2026.

Bank Guarantee Letters as at 30 September 2023 amount to €1.3 million.

22(b) Capital commitments

Capital commitments amount to €4.6 million.

Note 23– Related party transactions

23(a) Parent entity

Frigo DebtCo PLC, Immediate Parent entity, incorporated in the UK. 85% of the share capital of the Company is held by Frigo NewCo 1 Limited.

23(b) Subsidiaries

Interests in subsidiaries are set out in Note 20.

23(c) Transactions with other related parties

Truad Verwaltungs A.G. currently indirectly owns 99,3% of A.G. Leventis (Nigeria) Plc and also indirectly controls Kar Tess Holding, which holds approximately 23% of Coca Cola HBC’s total issued share capital. Frigoglass Group is the major shareholder of Frigoglass Industries (NIG.) Ltd., with shareholding of 76%, where Coca-Cola HBC AG also owns a 24% equity interest. Frigoglass Industries (NIG.) Ltd. owns 61.9% of Beta Glass PLC Nigeria.

The transactions between Frigoglass Industries (NIG.) Ltd., Beta Glass PLC., A.G. Leventis (Nigeria) Plc and Coca-Cola HBC AG are presented in the table below.

	Consolidated Period
€' 000	27 April - 30 September 2023
Rent for building	(121)
Transportation and vehicle repair	(1,386)
Other fees	(12)
Sale of goods	15,613

Frigoglass Industries (NIG) Ltd. has signed an office lease agreement with A.G. Leventis (Nigeria) Plc. for its offices in Lagos, Nigeria and freight forwarding in Nigeria.

As described in Notes 1 and 25, on 27 April 2023 ownership of Frigoinvest Holdings B.V. (and each of its subsidiaries) was transferred to Frigo DebtCo PLC through an enforcement of the pledge over the shares of Frigoinvest Holdings B.V. As a result, Frigoinvest Holdings B.V. and its subsidiaries, with effect from 27 April 2023, are controlled by Frigo DebtCo PLC. As such, the transactions cover the period of 27 April – 30 September 2023.

23(d) Outstanding balances with other related parties

The balances between Frigoglass Industries (NIG.) Ltd., Beta Glass PLC. and Coca-Cola HBC AG are presented in the table below.

€' 000	Consolidated 30.09.2023
Current receivables	9,321
	<u>9,321</u>

Note 24 - Cash flow information

24(a)- Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- Acquisition of right-of-use assets – Note 10
- Partial settlement of loans through loan contribution – described below

24(b)- Net debt reconciliation

€' 000	Consolidated 30.09.2023
Total borrowings	304,753
Total lease liabilities	2,507
Cash and cash equivalents	<u>(59,065)</u>
Net debt	<u>248,196</u>

24(c)- Movement of borrowings and lease liabilities, current and non-current

€' 000	Consolidated	
	Borrowings	Leases
Balance as at 6 March 2023	-	-
<i>Financing cash flows</i>		
Proceeds from borrowings	129,445	-
Repayments of borrowings	(96,946)	-
Principal repayments of lease obligations	-	(1,376)
Interest paid	<u>(7,813)</u>	-
Total cash flows	<u>24,687</u>	<u>(1,376)</u>
Acquired through business combinations	284,676	3,546
Foreign exchange adjustments	(19,716)	(315)
New leases	-	523
Other non-cash movements	<u>15,106</u>	<u>129</u>
Balance as at 30 September 2023	<u>304,753</u>	<u>2,507</u>

Other non-cash movements include the accrued interest expense which will be presented in the statement of cash flows when paid and the interest charge for the period. Foreign exchange adjustments result mainly from the significant devaluation of the Naira versus the Euro (813.05 for September 2023 versus 508.1 for April 2023).

As described in Note 18, the Restructuring benefited Frigoinvest Holdings B.V. (and each of its subsidiaries), namely resulting in a deleveraging of the balance sheet.

This was achieved by undertaking a number of steps including the write down of €110 million of the €260 million Senior Secured Notes due 2025 (the “2025 Notes”) issued by Finance B.V. in 2020 and canceled on the Implementation Date, plus accrued but unpaid interest (€13.7 million) owing to the noteholders under the 2025 Notes (the “Residual SSN Claim”).

In accordance with clause 14.1(d) (*Facilitation of Distressed Disposals and Appropriation*) of the Security Trust and Subordination Deed, the Security Agent transferred the benefit of the Residual SSN Claim to Frigo NewCo 1 Limited.

In consideration for receiving the Residual SSN Claim, Frigo NewCo 1 Limited issued shares to (i) the Noteholders who executed the Restructuring Deed of Release and Account Holder Letters and (ii) the Holding Period Trustee for Noteholders who had not yet executed the Restructuring Deed of Release and Account Holder Letters. Shares were issued pro-rata by reference to each Noteholder's holding of the 2025 Notes.

In turn, Frigo NewCo 1 Limited contributed the Residual SSN Claim to Frigo DebtCo PLC and in exchange Frigo DebtCo PLC issued to Frigo NewCo 1 Limited one ordinary share of €1.00 in the capital of Frigo DebtCo PLC, with a share premium in an amount equal to the Residual SSN Claim. Frigo DebtCo PLC in turn contributed the Residual SSN Claim to Frigoinvest Holdings B.V. and the basis of each transfer was by way of a capital contribution and were documented as contributions in exchange for issue of shares.

Following the contribution of the Residual SSN Claim by Frigo DebtCo PLC to Frigoinvest Holdings B.V., Frigoinvest Holdings B.V. and Frigoglass Finance B.V. agreed to set-off the intercompany balances, reducing the Intra-Group Liability owed by Frigoinvest Holdings B.V. to Frigoglass Finance B.V. by an amount equal to the Residual SSN Claim.

As such, borrowings were reduced by €123.7 million. This is depicted within the liabilities acquired through business combinations.

24(d)- Cash and cash equivalents

€' 000	Consolidated 30.09.2023
Cash at bank, in transit and in hand	395
Short-term deposits	58,670
Total cash and cash equivalents	59,065

Cash and cash equivalents held by the Group's operations in Nigeria and Russia amounted to €35.1 million and €2.8 million, respectively, as at 30 September 2023.

Note 25 – Business combinations

25(a)- Restructuring and Group acquisition

On 27 April 2023 ownership of Frigoinvest Holdings B.V. (and each of its subsidiaries) was transferred to Frigo DebtCo PLC through an enforcement of the pledge over the shares of Frigoinvest Holdings B.V. As a result, Frigoinvest Holdings B.V. and its subsidiaries, with effect from 27 April 2023, are controlled by Frigo DebtCo PLC. The interim consolidated financial statements include the results of Frigoinvest Holdings B.V. and its subsidiaries for the 5-month period from the acquisition date.

The fair value of the consideration for the acquisition consisted of €1. Further consideration relates to the deleveraging of the balance sheet, with the reduction of €110 million in senior secured notes and €13.7 million in accrued interest, as a result of the Restructuring. This is described in detail in Note 18. The reduction in borrowings by €123.7 million is considered as purchase consideration.

25(b)- Purchase consideration

€' 000	27.04.2023
Purchase consideration	
Cash paid	1
Loan contribution	123,677
Total purchase consideration	123,678

25(c)- Identifiable assets / liabilities at acquisition

The assets and liabilities recognised in the interim consolidated financial statements were based on a provisional assessment, since the initial accounting for the business combination is not yet completed. Thus, recognized assets and liabilities may need to be subsequently adjusted, with a corresponding adjustment to goodwill prior to 27 April 2024 (one year after the transaction).

Retirement benefit obligations have been calculated in December 2022 by an independent actuary in all three subsidiaries in which the calculation is required. This was performed using the projected unit credit method and has been adjusted with the projected income statement charge for the period ended at 27 April 2023.

Goodwill allocation will be finalized along with the finalization of the calculation of provision fair values. None of the goodwill recognised is expected to be deductible for income tax purposes.

€' 000	27.04.2023
Provisional fair value recognized on acquisition	
Cash	62,014
Inventories	100,312
Trade receivables	114,327
Other current and non-current assets	32,682
Property, plant and equipment	126,455
Intangible assets	9,990
Right-of-use assets	2,960
Deferred tax assets	1,871
Total assets	450,612
Trade payables	(89,730)
Other payables	(67,382)
Current tax liabilities	(13,430)
Retirement benefit obligations	(3,902)
Provisions	(4,679)
Lease liabilities	(3,546)
Deferred tax liabilities	(16,624)
Non-current borrowings	(150,000)
Current borrowings	(134,676)
Total liabilities	(483,970)
Net identifiable liabilities acquired	(33,358)
Less: non-controlling interests	(48,315)
Add: goodwill arising on acquisition (provisional)	205,350
Net assets acquired	123,678
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	62,014
Cash paid	(1)
Net cash flow on acquisition	62,013

25(d)- Hive-down

€' 000	27.04.2023
Cash	597
Trade receivables	1,627
Other current and non-current receivables	75
Property, plant and equipment	441
Intangible assets	1,694
Total assets	4,434
Trade payables	(2,276)
Other payables	(637)
Pensions	(2,416)
Total liabilities	(5,329)
Net identifiable liabilities acquired	(895)

Simultaneously to the implementation of the Restructuring, Frigoglass S.A.I.C. transferred to Frigoglass Services Single Member SA (a new subsidiary entity of Frigoinvest Holdings B.V.) substantially all of its assets and liabilities transferable according to Greek Law (the "Hive-Down") in consideration for a 15% equity stake in Frigo DebtCo PLC. The Group provides a series of indemnities to support Frigoglass S.A.I.C.'s solvency and liquidity until 31 December 2026.

The assets and liabilities transferred to Frigoglass Services Single Member SA are the ones listed in the table above and are included in the goodwill calculation in Note 25c.

Trade receivables and payables are the result of the ordinary course of business, the contracts with the respective customers and the majority of the suppliers have been transfer to Frigoglass Services Single Member SA.

Other payables mostly relate to provisions for employee payments.

Additionally, to the transfer of the above stated assets and liabilities part of the Hive-Down agreement included the following:

- a) Frigoglass S.A.I.C. is obliged to make reasonable efforts to sell the only property that it will own after the implementation date of the restructuring to third parties. This relates to the former production plant in Kato Achaia, consisting of both owned land and the building. The amount to be collected from the sale will be transferred to Frigoinvest Holdings B.V..
- b) All employees as well as the rights and obligations arising from contracts or working relationships with all the employees of Frigoglass S.A.I.C., have been transferred to Frigoglass Services Single Member SA.
- c) The transfer of the intellectual and industrial property rights of Frigoglass S.A.I.C. and
- d) The assignment of legal claims or the assumption of pending legal debts legal cases in which Frigoglass S.A.I.C. acts as plaintiff or defendant.



Friigo DebtCo PLC

***Special Purpose Financial Information of the period ended 30
September 2023 (unaudited and unreviewed) for the Frigoglass
Group - Consolidated***

The special purpose financial information has been prepared for the Holders of the First Lien Senior Secured Notes due 2026 (the "Senior Secured Notes") and the Second Lien Senior Secured Notes due 2028 (the "Reinstated Notes").

Information regarding forward-looking statements

This report has been prepared by Frigo DebtCo PLC (the “Company”) for informational purposes only. Neither the Company, its affiliates nor their respective directors, officers, employees or agents (the “Company Group”) gives any representation or warranty, express or implied, as to the achievement or reasonableness of future projections, management targets, estimates, prospects, returns, business data or property described in this report, if any. This report does not constitute an offer to sell or a solicitation of an offer to buy or exchange or acquire securities in the United States or any other jurisdiction and no offer, tender offer, sale, exchange or acquisition of securities is proposed in a jurisdiction where such offer, tender offer, sale, exchange or acquisition would be illegal. The securities referenced in this report may not be offered, sold, exchanged or delivered in the United States absent registration or an applicable exemption from the registration requirement under the U.S. Securities Act of 1933, as amended. The securities mentioned in this report are not, and will not be, registered in the United States. This report may contain certain statements, targets and projections provided by the Company with respect to the anticipated future performance of the Company and the Group (together the “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 report may be forward-looking statements. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “believes”, “could”, “estimates”, “anticipates”, “aims”, “expects”, “intends”, “may”, “will”, “plans”, “continue”, “ongoing”, “potential”, “predict”, “project”, “target,” “seek”, “should” or “would” or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. 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 the Company’s ability to control or estimate precisely and that could cause actual results to differ materially from those expressed therein. In particular, these factors include, but are not limited to, macroeconomic uncertainty and the sanctions regime stemming from the Russia-Ukraine conflict, relationships with third parties (including, customers, suppliers and local banks), the commencement of operations at the Romanian production facility and exchange rates. 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 report. Any forward-looking statements are only made as of the date of this press release, and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this press release. Any forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict and outside the control of the Company Group. This report contains certain tables and other statistical analyses which have been prepared in reliance upon historical information, as well as market data and trend information (the “Statistical Information”). Numerous assumptions were used in preparing the Statistical Information, which may or may not be reflected herein. As such, no assurance can be given as to the Statistical Information’s truth, accuracy, appropriateness, or completeness in any particular context. Any data on past performance, modelling or back-testing contained herein is no indication as to future performance. The future performance of the Company Group will depend on numerous factors which are subject to uncertainty. The Statistical Information should not be construed as either projections or as legal, tax, financial or accounting advice. The Company Group does not make any representation as to the reasonableness of the assumptions made within or the truth, accuracy or completeness of any modelling or back-testing. The assumptions involve known and unknown risks, uncertainties, and other factors outside the control of the Company Group. Any views or opinions (including statements or forecasts) constitute the Company Group’s judgment as of the date indicated and are subject to change without notice. The value of any investment may fluctuate as a result of market changes. The information in this report is not intended to predict actual results and no assurances are given with respect thereto. Nothing in this report is, or should be relied upon as, a promise or representation as to the future. This report does not form the basis of any contract. In view of the above, you are cautioned not to place undue reliance on these forward-looking statements. The Company Group does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials. The information in this report does not purport to be all-inclusive or contain all the information that a participant may desire or need and does not constitute advice of any sort. The Company reserves the right to change such information without warning. No representation or warranty of any kind (whether expressed or implied) is made and no liability or responsibility will be accepted by the Company or any member of the Group with respect to the accuracy, sufficiency or completeness of the information contained in this report or any errors or omissions therein, including with respect to any financial projections, other forward-looking statements, any assumptions underlying them or any opinions in connection with the Company Group’s future operations or the amount of any future income or loss

Frigoglass Group
Special Purpose Financial Information
1 January – 30 September 2023

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The special purpose financial information is delivered under each of the Senior Secured Notes (defined in reference 5) Indenture and the Reinstated Notes (defined in reference 5) Indenture relating to the Senior Secured Notes and the Reinstated Notes, respectively, issued by Frigo DebtCo PLC (the "Company") on 27 April 2023 (the "Implementation Date") as a result of the Restructuring (defined below). Comparative periods and the period 01.01-27.04.2023 (included in the current year period) reflect the financial performance of the Frigoglass Group based on the pre-Restructuring consolidation perimeter.

Financial and business review for the nine months ended 30 September 2023

In a challenging market environment across some of our key markets, we remained focused on executing of our strategic priorities to drive performance and mitigate the impact on our business. Despite the foreign exchange headwinds, sales in the Commercial Refrigeration business grew by 1.0% y-o-y to €258.1 million, assisted by pricing actions and initiatives to enhance our customer base in India. In Glass, our performance was materially impacted by the devaluation of the Nigerian Naira and the soft demand for glass containers and metal crowns following the slowdown of beverage consumption in Nigeria. Overall, Group's sales decreased by 5.0% y-o-y to €356.3 million.

Gross profit increased by 22.4% y-o-y to €52.6 million, reflecting a good margin improvement of 330 basis points to 14.8%. The gross margin uplift was driven by management's focus on the execution of price initiatives, the normalization of logistic costs, compared to last year's high level caused by supply chain constraints, and the lower raw material costs in the Commercial Refrigeration business. Alongside these, the ongoing cost improvement initiatives across the highly innovative Frigoserve platform, supported the margin enhancement in the period. These factors more than offset the impact from a less favorable product mix in Commercial Refrigeration, as well as the foreign exchange impact following the devaluation of the Nigerian Naira and cost inflation in the Glass business.

Administrative expenses increased by 12.9% y-o-y to €16.0 million, led by higher insurance and third-party expenses, as well as higher employee related costs. Administrative expenses as a percentage of sales increased to 4.5%, from 3.8% in the nine months ended 30 September 2022.

Selling, distribution and marketing expenses decreased by 9.2% y-o-y to €13.3 million, primarily reflecting last year's bad debt write-offs and lower third-party fees. As a percentage of sales, selling, distribution and marketing expenses decreased to 3.7%, from 3.9% in the nine months ended 30 September 2022.

Development expenses decreased by 2.3% y-o-y to €1.8 million, driven by the reduction of various expenses. As a percentage of sales, development expenses were stable at 0.5%, compared to the prior year period.

Other operating income amounted to €0.6 million, compared to €15.0 million in the nine months ended 30 September 2022. Last year's other operating income was assisted by the insurance reimbursement of €13.9 million related to the business interruption claim following the fire incident in Romania.

Net finance costs amounted to €14.7 million, compared to €34.9 million last year. This reduction reflects the significant foreign exchange gains following the devaluation of the Nigerian Naira, compared to foreign exchange losses last year. Foreign exchange gains were partly offset by higher interest expenses and the amortization of the remaining issuance costs of the restructured €260 million senior secured notes due 2025.

Restructuring costs amounted to €17.3 million, primarily reflecting advisory fees and other expenses associated to the Restructuring of the Frigoglass Group that successfully completed on April 27, 2023.

Income tax expense amounted to €13.4 million, compared to €5.1 million in the nine months ended 30 September 2022, primarily reflecting deferred taxes in Nigeria due to unrealized foreign exchange gains.

Net loss for the period was €31.7 million, compared to a net loss of €2.3 million in the nine months ended 30 September 2022.

Net cash from operating activities amounted to €1.4 million, compared to net cash used in operating activities of €15.9 million last year. A lower net trade working capital outflow supported operating cash flow, primarily driven by the reduction of inventories following the increased business activity and the implementation of supply chain initiatives resulting in a better utilization of raw materials in Commercial Refrigeration. This improvement was partially offset by the payment of restructuring related costs.

Net cash used in investing activities was €21.2 million, compared to €3.9 million in the nine months ended 30 September 2022. This increase primarily reflects prior year's €17.8 million insurance reimbursement.

Net cash from financing activities amounted to €33.4 million, compared to net cash used in financing activities of €1.8 million in the prior year period. The increase primarily reflects the issuance of the €20.0 million additional Bridge Notes and €75.0 million New Senior Secured Notes, accompanied by the repayment of the €55.0 million Bridge Notes on the Restructuring Implementation Date.

Net trade working capital as of 30 September 2023 reached €110.2 million, compared to €141.3 million as of 30 September 2022. This improvement reflects the reduction of inventories in Commercial Refrigeration and the devaluation of the Nigerian Naira.

Capital expenditures were €21.6 million, of which €21.4 million relates to purchases of property, plant and equipment and €0.2 million relates to purchases of intangible assets, compared to €23.0 million in the nine months ended 30 September 2022, of which €22.0 million related to purchase of property, plant and equipment and €1.0 million related to purchase of intangible assets.

Segmental Review

Commercial Refrigeration Operations

Europe

Sales in East Europe increased by 7.1% y-o-y in the nine months of 2023, driven by a good volume recovery in Q3 2023 and benefited from price adjustments, more than offsetting the volume loss in Ukraine due to the ongoing conflict. We saw good volume growth in Russia following increased orders from various customers. Sales were also supported by initiatives to grow Frigoserve, our industry-pioneering asset performance service business.

Western European sales increased by 3.2% y-o-y, primarily reflecting increased orders in Germany, Greece and Spain with additional support from pricing actions. Some additional tailwind to this performance was due to last year's period being impacted by extended lead-times in customer deliveries following the production constraints caused 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. Sales in West Europe were impacted by lower year-on-year demand in Italy.

Africa and Middle East

Sales in Africa were down by 16.3% y-o-y, primarily impacted by the devaluation of South African and Nigerian currencies. Sales were also impacted by orders' phasing in South Africa that pushed forward to the fourth quarter of the year and into 2024.

Asia

Sales in Asia remained broadly unchanged, primarily reflecting strong comparatives in central Asia in the quarter and impacted by the devaluation of the Indian Rupee. We delivered double-digit volume growth in India, reflecting initiatives to expand our customer base and capture market growth. We remain committed in growing our presence in India and Southeast Asia by executing our customer-centric strategic priorities. Our focus remains on nurturing the relationship with existing customers, expanding the base of distributors and increasing penetration in the white market to drive an improved operational and financial performance over the longer term.

Adjusted EBITDA of the Commercial Refrigeration business decreased by 3.6% y-o-y to €13.5 million, with the respective margin deteriorating by 25 basis points to 5.2%. The margin contraction reflects last year's period insurance reimbursement related to the business interruption claim following the fire incident in Romania, overshadowing the benefits from planned pricing actions, the improved production cost in Romania (compared to last year's light assembly operation) and the reduced logistic and raw materials costs. Excluding business interruption reimbursement, adjusted EBITDA was materially ahead of last year's level.

Glass Operations

Glass sales declined by 17.9% to €98.3 million, materially impacted by the severe devaluation of the Nigerian Naira and softer demand due to the challenging operating environment. Consumers' purchases remained under pressure due to inflation, the scarcity of bank notes in the previous months and the lower disposable income affecting beverage consumption in Nigeria and, consequently, our glass containers and metal crowns sales. In this backdrop, we continued to implement price adjustments to neutralize the foreign currency headwinds. On a currency neutral basis, sales grew by 15.0% y-o-y.

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-colored glass furnaces platform and complementary products, which together with the existing multifaceted barriers to entry, ensures we deliver long-term sustainable profitable growth. The upcoming modernization investments and our team's strong commerciality and customer-centricity supports a growth outlook of our business.

Adjusted EBITDA of the Glass business decreased by 22.5% to €21.4 million. Adjusted EBITDA margin deteriorated by 130 basis points to 21.8%, impacted by the devaluation of the Nigerian Naira, volume reduction, raw material shortages in the second quarter and production cost increase. These factors more than offset price adjustments and the improved energy mix.

Recent Developments

On 31 August 2023, Nikos Mamoulis, Group CEO and member of the Board of Directors of Frigo DebtCo PLC, resigned. The Group's Board of Directors has initiated a formal search process for his replacement, with the support of an international executive search consulting firm. On 5 September 2023, Manos Metaxakis, the current Group CFO, undertook an additional role as the Group's Interim General Manager, until the formal search for a permanent replacement concludes.

Consolidated Statement of Financial Position

€' 000	Reference	Consolidated		30.09.2022
		30.09.2023	31.12.2022	
Assets:				
Non-current assets				
Property, plant and equipment		110,732	121,914	111,747
Right-of-use assets		2,008	3,046	3,514
Intangible assets		214,589	10,233	10,755
Deferred tax assets		2,226	181	170
Other non-current assets		325	307	226
Total non current assets		329,881	135,682	126,412
Current assets				
Inventories	3	80,705	115,292	110,948
Trade receivables	4	81,448	84,900	107,358
Other receivables		16,345	32,926	40,923
Current tax assets		2,774	2,338	5,898
Cash and cash equivalents		59,065	63,405	62,867
Total current assets		240,337	298,861	327,994
Total Assets		570,218	434,543	454,406
Liabilities:				
Non-current liabilities				
Borrowings	5	222,367	255,939	262,530
Lease Liabilities		1,296	2,509	3,507
Deferred tax liabilities		16,387	17,154	15,170
Retirement benefit obligations		3,711	3,792	4,637
Provisions		4,682	4,740	4,490
Total non current liabilities		248,444	284,134	290,333
Current liabilities				
Trade payables		51,965	84,452	76,987
Other payables		48,357	55,510	58,436
Current tax liabilities		7,803	10,314	12,584
Borrowings	5	82,386	120,196	85,567
Lease Liabilities		1,211	1,581	1,029
Total current liabilities		191,722	272,053	234,603
Total Liabilities		440,166	556,187	524,936
Equity:				
Capital and reserves attributable to shareholders		95,589	(171,048)	(127,562)
Non-controlling interests		34,463	49,404	57,032
Total Equity		130,052	(121,644)	(70,530)
Total Liabilities and Equity		570,218	434,543	454,406

Consolidated Income Statement

€' 000	Reference	Consolidated Period ended	
		30.09.2023	30.09.2022
Revenue from contracts with customers	2	356,334	375,189
Cost of goods sold		(303,708)	(332,196)
Gross profit		52,626	42,993
Administrative expenses		(15,987)	(14,163)
Selling, distribution and marketing expenses		(13,276)	(14,626)
Development expenses		(1,754)	(1,795)
Other operating income		557	14,989
Other gains/(losses) - net		(293)	276
Operating Profit / (Loss)		21,872	27,674
Finance costs	6	(32,919)	(35,649)
Finance income	6	18,178	738
Finance costs - net		(14,740)	(34,911)
Profit / (Loss) before Income Tax and Restructuring activities		7,132	(7,236)
(Losses) / Gains from Restructuring activities and fire incident	7	(17,304)	13,040
Profit / (Loss) before income tax		(10,172)	5,804
Income tax expense		(13,391)	(5,097)
Profit / (Loss) for the period		(23,563)	707
Attributable to:			
Non-controlling interests		8,119	3,054
Shareholders		(31,682)	(2,348)
		(23,563)	707
Adjusted EBITDA	2	34,907	41,640

Consolidated Income Statement 3rd Quarter

€' 000	Consolidated	
	Three months ended	
	30.09.2023	30.09.2022
Revenue from contracts with customers	94,358	126,967
Cost of goods sold	(80,920)	(116,309)
Gross profit	13,438	10,658
Administrative expenses	(4,783)	(4,398)
Selling, distribution and marketing expenses	(4,298)	(3,979)
Development expenses	(676)	(624)
Other operating income	19	395
Other gains/(losses) - net	(262)	164
Operating Profit / (Loss)	3,439	2,216
Finance costs	(9,152)	(11,567)
Finance income	(4,041)	289
Finance costs - net	(13,192)	(11,279)
Profit / (Loss) before Income Tax and Restructuring activities	(9,753)	(9,063)
(Losses) / Gains from Restructuring activities and fire incident	-	2,440
Profit / (Loss) before income tax	(9,753)	(6,623)
Income tax expense	107	385
Profit / (Loss) for the period	(9,647)	(6,238)
Attributable to:		
Non-controlling interests	62	808
Shareholders	(9,708)	(7,046)
	(9,647)	(6,238)
Adjusted EBITDA	7,290	6,890

Consolidated Cash flow statement

€' 000	Reference	Consolidated Period ended	
		30.09.2023	30.09.2022
Profit / (Loss) for the period		(23,563)	707
Adjustments for:			
Income tax expense		13,391	5,097
Depreciation		13,035	13,966
Provisions		(766)	1,090
Fire related income/cost		-	(7,840)
Finance costs - net	6	14,740	34,911
Net (gain)/loss on disposal of property, plant and equipment		-	(336)
Changes in working capital:			
Decrease / (increase) of inventories		21,128	(2,016)
Decrease / (increase) of trade receivables		(14,305)	(36,053)
Decrease / (increase) of other receivables		10,585	(8,742)
Decrease / (increase) of other non-current assets		(24)	(59)
(Decrease) / increase of trade payables		(24,724)	3,974
(Decrease) / increase of other current and non-current liabilities		50	(13,552)
Less:			
Income taxes paid		(8,148)	(6,997)
(a) Cash flows from / (used in) operating activities		1,399	(15,851)
<u>Cash flows from investing activities</u>			
Purchase of property, plant and equipment		(21,376)	(21,949)
Purchase of intangible assets		(215)	(1,030)
Advance Insurance Compensation due to fire (property damage)		-	17,840
Proceeds from disposal of property, plant and equipment		-	704
Proceeds from disposal of subsidiary		370	506
(b) Net cash flows (used in) / from investing activities		(21,221)	(3,929)
Net cash generated from operating and investing activities (a) + (b)		(19,822)	(19,780)
<u>Cash flows from financing activities</u>			
Proceeds / (Repayments) from / of borrowings		52,797	19,221
(Repayments) of borrowings		-	-
Interest paid		(11,226)	(18,635)
Principal elements of lease payments		(1,849)	(2,029)
Dividends paid to non-controlling interests		(6,350)	(378)
(c) Net cash flows from / (used in) financing activities		33,371	(1,821)
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		13,549	(21,601)
Cash and cash equivalents at the beginning of the period		63,405	79,207
Effects of exchange rate changes on cash and cash equivalents		(17,889)	5,261
Cash and cash equivalents at the end of the period		59,065	62,867

References to the special purpose financial information

Reference 1 – General information

The unaudited and unreviewed special purpose financial information (the “Financial Information”) has been prepared for the Holders of the First Lien Senior Secured Notes due 2026 (the “Senior Secured Notes”) and the Second Lien Senior Secured Notes due 2028 (the “Reinstated Notes”). The purpose of the Financial Information is to demonstrate the performance of the Frigoglass Group for the nine months ended 30 September 2023.

On 27 April 2023 ownership of Frigoinvest Holdings B.V. (and each of its subsidiaries) was transferred to Frigo DebtCo PLC through an enforcement of the pledge over the shares of Frigoinvest Holdings B.V. As a result, Frigoinvest Holdings B.V. and its subsidiaries, with effect from 27 April 2023 (the “Implementation Date”), are controlled by Frigo DebtCo PLC (together with the related actions completed on the Implementation Date, the “Restructuring”).

Comparative periods and the period 01.01-27.04.2023 (included in the current year period) reflect the financial performance of the Frigoglass Group based on the pre-Restructuring consolidation perimeter.

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

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

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

Frigo DebtCo PLC is a company registered in England and Wales (registered number 14707701) whose registered office is at 13th Floor, One Angel Court, London, EC2R 7HJ. 85% of the share capital of the Company is held by Frigo NewCo 1 Limited, a private liability company incorporated in England and Wales.

The remaining 15% of the share capital of the Company is held by Frigoglass S.A.I.C., a company incorporated in Greece and listed on the Athens Stock Exchange.

The shares of Frigo DebtCo PLC have been pledged in favor of the Security Agent for the New Super Senior Notes and the Reinstated Notes, under a share charge governed by English law.

Differences that may exist between the figures of the primary financial information and those of the references are due to rounding.

The website of the Frigoglass Group is: www.frigoglass.com.

Reference 2 – Segment and revenue information

2(a) Income statement per business segment

€' 000	Period ended 30.09.2023			Period ended 30.09.2022		
	ICM Operations	Glass Operations	Total	ICM Operations	Glass Operations	Total
Timing of revenue recognition						
At a point in time	207,648	98,267	305,915	205,230	119,634	324,864
Over time	50,419	-	50,419	50,325	-	50,325
Total Revenue from contracts with customers	258,067	98,267	356,334	255,555	119,634	375,189
Operating Profit / (Loss)	6,100	15,772	21,872	7,943	19,732	27,674
Finance costs - net	(40,665)	25,925	(14,740)	(26,593)	(8,318)	(34,911)
Profit / (Loss) before Income Tax and Restructuring Costs	(34,565)	41,696	7,132	(18,651)	11,414	(7,236)
Gains / (Losses) from restructuring activities and fire	(17,304)	-	(17,304)	13,040	-	13,040
Profit / (Loss) before income tax	(51,869)	41,696	(10,172)	(5,611)	11,414	5,804
Income tax expense	645	(14,036)	(13,391)	(1,151)	(3,946)	(5,097)
Profit/(Loss) for the period	(51,224)	27,661	(23,563)	(6,762)	7,468	707
Profit/(Loss) to shareholders	(50,664)	18,982	(31,682)	(6,444)	4,096	(2,348)
Depreciation	7,418	5,617	13,035	6,087	7,879	13,966
Adjusted EBITDA*	13,519	21,389	34,907	14,029	27,611	41,640

There are no sales between the segments.

* Adjusted EBITDA = Operating profit + Depreciation

2(b) Revenue from contracts with customers per geographical area (based on customer location)

€' 000	Consolidated	
	30.09.2023	30.09.2022
ICM Operations:		
East Europe	101,967	95,200
West Europe	69,194	67,071
Africa / Middle East	33,781	40,340
Asia	53,125	52,944
Total	258,067	255,555
Glass Operations:		
Africa	98,267	119,634
Total	98,267	119,634
Total Revenue from contracts with customers:		
East Europe	101,967	95,200
West Europe	69,194	67,071
Africa / Middle East	132,048	159,974
Asia	53,125	52,944
Consolidated	356,334	375,189

Reference 3- Inventories

€' 000	Consolidated	
	30.09.2023	31.12.2022
Current assets		
Raw materials	39,220	47,483
Work in progress	1,918	2,673
Finished goods	29,843	50,152
Spare parts	12,316	14,804
Inventories in transit	4,088	9,074
Less provision	(6,679)	(8,893)
	80,705	115,292

Reference 4 – Trade receivables

€' 000	Consolidated	
	30.09.2023	31.12.2022
Current assets		
Trade receivables from contracts with customers	82,560	86,176
Loss allowance	(1,113)	(1,276)
	<u>81,448</u>	<u>84,900</u>

Reference 5 – Borrowings

5(a) Net debt

Net debt	Consolidated	
	30.09.2023	31.12.2022
Total borrowings	304,753	376,134
Total Lease Liabilities	2,507	4,091
Cash & cash equivalents	(59,065)	(63,405)
Net debt	<u>248,196</u>	<u>316,820</u>

5(b) Current borrowings

	Consolidated	
	30.09.2023	31.12.2022
Bank overdrafts	2,250	2,341
Bridge notes	-	35,000
Bank loans	65,641	72,600
Accrued interest for loans	14,496	10,255
Total current borrowings	<u>82,386</u>	<u>120,196</u>

The Bridge Notes are the fixed rate Super Senior Notes due 2023, which were repaid on the Implementation Date.

5(c) Non-current borrowings

	Consolidated	
	30.09.2023	31.12.2022
Bond loans	226,242	260,000
Unamortized costs for the issue of bond	(3,875)	(4,061)
Total Non-current borrowings	<u>222,367</u>	<u>255,939</u>

The bond loans as of 30 September 2023 include the €75 million Senior Secured Notes due 2026 and the €150 million (excluding consent fee) Reinstated Notes due 2028. The Reinstated Notes include also an amount of €1.2 million as a consent fee, which was payable in additional Reinstated Notes.

Reference 6 – Finance costs - net

	Consolidated	
	30.09.2023	30.09.2022
Interest income	889	738
Exchange gain	17,290	-
Finance income	18,178	738
Interest Expense and bank charges	(27,959)	(18,910)
Exchange loss & Other Financial costs	(4,693)	(16,390)
Finance cost for lease liabilities	(267)	(349)
Finance cost	(32,919)	(35,649)
Finance costs - net	(14,740)	(34,911)

Reference 7– (Losses) / Gains from restructuring activities and fire incident

7(a) – Costs for the restructuring of the group’s capital structure

The cost of €17.3 million reflects the advisory fees and other expenses (including the loss from the Hive-Down Agreement) related to the Restructuring of the Frigoglass Group, which was completed on the Implementation Date.

7(b) – Fire Incident at facility in Romania

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

Frigoglass reached a definitive agreement with the co-insurance scheme, which had underwritten the insurance coverage in relation to the fire incident, for an aggregate net compensation amount of €61.6 million related to the property damage (€42 million compensation) and business interruption claims (€19.6 million compensation). In 2022 €7.8 million were received related to the property damage, which were recognized in the Income Statement for the period ended 30 September 2022 against the fire cost expenses. For the business interruption claim, the total amount was recognized in the Income Statement for the period ended 30 September 2022, broken down between the fire cost income (€5.7 million) and other income (€13.9 million).

From the fire related income of €13.5 million, an amount of €0.5 million expenses due to the business interruption was deducted.