

Report of the Board of Directors of FRIGOGLOSS S.A.I.C (hereinafter the “Company”) to the Annual General Meeting as of June 16th 2017 according to the provisions of article 9 of Law 3016/2002, paragraphs 4.1.4.1.1 and 4.1.4.1.2 of Athex Rulebook for the increase of the Company’s share capital through payment in cash up to the amount of €137,716,965 million with pre-emptive rights of the existing shareholders

I. Introduction

The Board of Directors of the Company resolved during its meeting as of May 23rd, 2017 to recommend to the Annual General Meeting that will take place on June 16th 2017, day of the week Friday at 10 a.m. at the Company’s registered seat in Kifissia, Attica, in “PIRNA” Business Centre at 15 Andrea Metaxa Str. and to every adjourned General Meeting, amongst others, the increase of the Company’s share capital up to the amount of €137,716,965 million, through payment in cash and the issuance of up to 378,884,574 new common registered voting shares of a nominal value equal to the nominal value that will have been determined per share following the forthcoming reverse share split and the share capital decrease, with pre-emptive rights of the Company’s existing shareholders, in a ratio of 22.4662517544135 new shares for each one (1) existing share.

It further resolved to recommend the following to the General Meeting:

- (a) the exercise of the pre-emptive rights within 15 days;
- (b) the option for the subscription price of the new shares being higher than the market price of the existing shares at the time of the detachment of the pre-emptive rights;
- (c) to credit any potential difference between the nominal value of the newly issued shares and the subscription price thereof to the account of the Company’s owned funds “Difference due to the issuance of shares above par”; and
- (d) the granting of authorisation to the Company’s Board of Directors in order for the Board to determine the record date for the detachment of the pre-emptive rights, the exercise period of the pre-emptive rights, the expiry of the payment deadline and, in general, to proceed with all the necessary actions and arrange the details regarding the above increase and the admission of all shares to trading into Athens Exchange, with the right of sub-authorisation to any of its members or Company’s officers.

It is finally noted that the partial payment of the amount of the increase will be permitted pursuant to article 13a C.L. 2190/1920.

Within the context of implementing the provisions of article 9 L.3016/2002 and 4.1.4.1.1 and 4.1.4.1.2. of the Athens Exchange (Athex) Rulebook, the present Report of the Board of Directors, that will be submitted to the above Annual General Meeting of the shareholders or to any other adjourned meeting, shall be sent to Athex in order to be posted on its website at the same time as the invitation of the above General Meeting and will also be posted on the Company’s website. It contains the following information:

II. Report for the proposed share capital increase according to the provisions of paragraphs 4.1.4.1.1 and 4.1.4.1.2 of the Athex Rulebook.

The present report of the Company’s Board of Directors has been drafted pursuant to paragraphs 4.1.4.1.1 and 4.1.4.1.2 of the Athex Rulebook., will be submitted to the Annual General Meeting of the shareholders that will take place on 16/06/2017, will be disclosed to the public upon its submission to Athex at the same time as the Invitation of the General Meeting and posted on the Company’s website <http://www.frigogloss.com/el/> according to the provisions of paragraphs 4.1.4.1.1 and 4.1.4.1.2 of the Athex Rulebook.

Report details according to the provisions of paragraphs 4.1.4.1.1 and 4.1.4.1.2 of the Athex Rulebook

A. Results of the use of funds raised from the previous increase of the Company's share capital (article 4.1.4.1.2 (1) section (a) of the Athex Rulebook)

It is reported, pursuant to article 4.1.4.1.2 section (1a) of the Athex Rulebook that the previous increase of the Company's share capital was effected by virtue of the resolution of the Extraordinary General Meeting of the Company's shareholders as of 12.07.1999. The Company's Board of Directors has certified the payment of the share capital increase on 8.11.1999. On 25.11.1999 the admission to trading of the Company's shares on Athex has been approved by the Athex Board of Directors.

The Company made available to the public 10.000.000 new common shares, 5.000.000 of which were made available to the public through a Public Offering, while the remaining 5.000.000 were made available through Private Placement.

The subscription price of the total shares of the Private Placement was the same as the subscription price of the shares of the Public Offering, i.e 3.000 Drachmas each, and were listed along with the remaining shares and the shares of the Private Placement on the Main Market of Athex.

The total inflows from the Company's listing on Athex for the 10.000.000 new common shares amounted to 30.000.000.000 Drachmas.

The funds raised were disposed until 31.12.1999 as follows:

(Amounts in Drachmas)	Total Funds Raised	% of the Total
Repayment of Bank Loans (1)	29.118.644.858	97.06%
Reserved Athex expenses	442.692.871	1.48%
Payment of Athex Listing Expenses	163.340.000	0.54%
Bank Expenses	3.652.718	0.01%
Payment of Suppliers, Insurance Funds and Various Expenses	271.669.553	0.91%
TOTAL	30.000.000.000	100%

(1) The repayment of Bank loans refers to loans received by the Company in connection to *inter alia* investments in Letel Holdings Ltd (Cyprus) for the purchase of Norcool Group as well as the investments in Yalos Holdings Ltd (Cyprus) for investments in the Glass operation in Bulgaria.

B. Information that serves to provide a comprehensive and clear picture of the company's investment plan, timeframe for its implementation and a breakdown of how the funds are to be used (article 4.1.4.1.2 (1) section (b) of the Athex Rulebook)

The funds to be raised from the forthcoming increase of the Company's share capital, following deduction of the issuance expenses, shall be used for the repayment of loans of the Group, working capital of the Group and the repayment of the capital restructuring expenses.

The use of the funds, as referred to above, is expected to be completed until up to 24 months following the raise of the funds.

C. Declarations of the Major Shareholders (article 4.1.4.1.2 (2) section (B) of the Athex Rulebook)

Boval S.A., the Company's major shareholder, intends to continue holding its participating interest in the Company:

(i) until completion of the proposed increase and the admission of the new shares issued as a result thereof,

(ii) for a period of six (6) months after the commencement of trading of the new shares that will be issued.

D. Subscription Price (article 4.1.4.1.2 of the Athex Rulebook)

The Company's Board of Directors suggests that the subscription price for the issuance of new shares be €0.36348 per share. The Company's Board of Directors recommends to the General Meeting that the subscription price of the new shares may be higher than the market price at the time of the detachment of the pre-emptive rights.

E. Reasons for placement under the "Under Surveillance" regime (article 4.1.4.1.2 of the Athex Rulebook)

By virtue of the resolution of the Stock Markets Steering Committee of Athex as of 14/4/2016, the total amount of the shares of the Company became subject to the "Under Surveillance" segment, under which it is still placed until today. Said resolution was reached in compliance with paragraph 3.1.2.4 of the Athex Rulebook, since the Company's owned funds for the corporate year ending on 31/12/2015 were negative and the accounting losses were higher than 30% of the owned funds.

As regards the actions taken by the Company for the purposes of addressing the reasons that led to the placement under this regime, the Company announced on April 13th that it entered into a legally binding agreement on the key terms of a restructuring of its indebtedness with the ad-hoc committee, its core lending banks as well as its major shareholder. The terms of the above agreement, that aims at achieving a sustainable capital structure in the long term, include, amongst others, the proposed, as per the above, share capital increase with pre-emptive rights of the existing shareholders in order for the latter to participate in the restructuring.

Kifissia
THE BOARD OF DIRECTORS