



Frigoglass announces new funding and agreement on a comprehensive recapitalization

Athens, Greece, 5 December 2022 – Frigoglass announces that its Group has secured interim financing and Frigoinvest Holdings B.V. and Frigoglass Finance B.V. have entered into a lock-up agreement providing for a comprehensive recapitalization transaction with their major financial creditors

A committee of the holders of the €260 million senior secured notes due 2025 (the “**2025 Notes**”), representing 56.9% of the unaffiliated principal amount of the 2025 Notes (such committee, the “**Noteholder Committee**”) has agreed to provide Frigoglass SAIC (“**Frigoglass**”) and its subsidiaries (the “**Frigoglass Group**” or “**Group**”) €35 million of interim funding in the form of 13% super senior secured notes due 2023 (the “**Initial Bridge Notes**”), with the ability, subject to agreement between the parties, to tap an additional €20 million (the “**Additional Bridge Notes**”, and together with the Initial Bridge Notes, the “**Bridge Notes**”), as further set out below. This will support the Group’s short-term liquidity needs and also ensure that the Group has sufficient funding to secure smooth operation. In addition to funding the Initial Bridge Notes, the Noteholder Committee has agreed to support a recapitalization transaction (the “**Transaction**”), in order to provide stability to the Group’s operations.

The additional liquidity provided by the Bridge Notes and the Transaction will enable the Group to invest in, and deliver, its strategic business plan to position the Group for sustainable growth.

Recapitalization Transaction

The Noteholder Committee and certain entities of the Frigoglass Group have entered into a lock-up agreement (the “**Lock-up Agreement**”), pursuant to which the parties commit to provide support to implement the Transaction by January 2023.

The appropriate entities of the Frigoglass Group will announce a process to invite holders of the 2025 Notes (as defined below) (“**Noteholders**”) to accede to the Lock-up Agreement. Additional details related to the Transaction and its implementation will follow in due course.

The Transaction, as currently envisaged, will involve a number of inter-conditional components which will result in changes to Frigoglass Group’s debt capital structure upon completion (the “**Implementation Date**”), including:

- the issuance of new super senior notes in the amount of up to €65 million (the “**New Super Senior Notes**”), the proceeds of which will, *inter alia*, be used to refinance the Bridge Notes and fund costs associated with the Transaction. Subject to compliance with applicable securities laws, the New Super Senior Notes are expected to be offered to all Noteholders pro-rata to their existing holding, with a fully underwritten backstop provided by members of the Noteholder Committee. The New Super Senior Notes will mature three years from the Implementation Date; and
- a restructuring of the 2025 Notes, including:
 - o €165 million of the 2025 Notes being reinstated (the “**Reinstated Notes**”). The Reinstated Notes will mature five years from the Implementation Date; and



- the balance of the 2025 Notes being exchanged for 100% of the *pro forma* equity of Frigoinvest Holdings B.V., held via an SPV vehicle (the “**Noteholder SPV**”).¹

Frigoglass will use its best efforts to agree with the Noteholder Committee, at the appropriate time, that all of its assets and liabilities will be acquired or assumed (as applicable) by an entity controlled or designated by the Noteholder SPV. See “*Important note regarding forward-looking statements*” below.

The Bridge Notes

In addition to the Lock-up Agreement, affiliates of the members of the Noteholder Committee (the “**Bridge Notes Subscribers**”) have also entered into a subscription agreement pursuant to which they agreed to purchase the Initial Bridge Notes. The Initial Bridge Notes are expected to be issued on or about the date of this announcement and the conditions precedent to the initial issuance have been satisfied.

Funds from the issuance of the Initial Bridge Notes will be provided by the Noteholder Committee in three tranches, subject to the achievement of certain conditions precedent for each tranche, including conditions precedent that are customary in financings of this nature and in light of the circumstances of the Group (including, but not limited to, certain conditions related to the reconstruction of the production facility in Romania):

- a first tranche of €13.25 million which will be made available to the Frigoglass Group on or about the date of this announcement;
- a second tranche of €10 million which is expected to be released to the Frigoglass Group on or about 7 December 2022; and
- a third tranche of €10 million which is expected to be released to the Frigoglass Group on or about 21 December 2022.

The Initial Bridge Notes:

- will be issued by Frigoglass Finance B.V. and Frigoinvest Holdings B.V. (together, the “**Co-Issuers**”) at an issue price of 95%;
- rank *pari passu* in right of payment to the 2025 Notes but will have contractual seniority in respect of proceeds from the enforcement of collateral, a distressed disposal and any amounts which would be subject to turnover provisions;
- the proceeds may be used, directly or indirectly, including by way of intragroup on-lending, for general corporate purposes, *inter alia*, to use for capital expenditures in connection with the reconstruction of the Group’s production facility in Romania; to purchase inventory and/or working capital requirements; to repay debt outstanding under certain existing local facilities; to finance payroll, taxes, overdue claims of any third-party creditor and other expenses of Frigoglass; and to finance certain fees, costs, taxes and expenses related to or incurred or charged in connection with the Transaction;
- include covenants in line with the terms of the indenture governing the terms of the 2025 Notes (as varied on or about the date of this announcement by way of Deed of Covenant and consent letters to reflect covenants typical in a recapitalization transaction) (the “**2025 Notes Indenture**”) and will also include, *inter alia*, certain maintenance covenants and certain additional events of default, consistent with a financing of this nature;

¹ The Transaction contemplates that 95% of the *pro forma* equity in Noteholder SPV will be allocated pro rata to Noteholders, with the remaining 5% of the *pro forma* equity of Noteholder SPV allocated (pro rata) to Noteholders who elect to participate in the New Super Senior Notes.



- mature on 11 January 2023 (extendable to 28 February 2023 by the majority of the Bridge Noteholders);
- pay 13% p.a. cash interest which will be payable on the maturity date; and
- will be redeemed on the Implementation Date.

Should the maturity date of the Initial Bridge Notes be extended, Additional Bridge Notes up to an aggregate of €20 million may be issued by the Co-Issuers in two additional tranches as set forth below, which are presently uncommitted:

- a fourth tranche of up to €10 million which may be issued by the Co-Issuers no earlier than 13 January 2023; and
- a fifth tranche of up to €10 million which may be issued by the Co-Issuers no earlier than 10 February 2023.

In connection with the issuance of the Bridge Notes, the 2025 Notes Indenture covenants will be varied via a Deed of Covenant and consent letters. In addition, the existing security trust and subordination deed will be amended on or about the date hereto.

Further Information

Frigoglass will make further announcements in due course and as appropriate. For the avoidance of doubt, Frigoglass will offer all Noteholders the opportunity to accede to the Lock-up Agreement in due course. Consent fees are to be offered to Noteholders that elect to support the Transaction.

In the meantime, we would encourage all Noteholders to contact DC Advisory who act as financial advisers to the Noteholder Committee at the email address shown below.

Further information on the Transaction and the business of the Frigoglass Group can be found in a presentation on Frigoglass' website.

Perella Weinberg Partners have acted as financial advisors while Milbank LLP have acted as international counsels and Kyriakides Georgopoulos (KG) Law Firm as Greek Law counsels to Frigoglass in this transaction. DC Advisory and ALPHACAP Partners have acted as joint financial advisors while Weil, Gotshal & Manges LLP have acted as international counsels and Karatzas Partners as Greek Law counsels to the Noteholder Committee in this transaction.

Contact Details

Perella Weinberg Partners (as advisor to Frigoglass): PWProjectFrost@pwpartners.com

DC Advisory (as advisor to the Noteholder Committee): uk-projectfrost@dcadvisory.com

ALPHACAP Partners Ltd (as advisor to the Noteholder Committee): ap-projectfrost@alphacap.eu

Kroll Issuer Services (as Information Agent): frigoglass@is.kroll.com



Frigoglass

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

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

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

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

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

General Enquires

Frigoglass

John Stamatakos

Head of Treasury and Investor Relations

Tel: +30 210 6165767

E-mail: jstamatakos@frigoglass.com

This press release constitutes a public disclosure of inside information by Frigoglass S.A.I.C. under Regulation (EU) 596/2014 (16 April 2014).

Important note regarding forward-looking statements

This announcement contains forward-looking statements which are based on current expectations and assumptions about future events. All statements other than statements of historical fact included in this announcement, including, without limitation, statements regarding Frigoglass' future financial position, capital expenditures, projected sales, costs and costs savings, if any, the execution and implementation of the Lock-Up Agreement and any statements related to future potential agreements with Noteholder Committee stated hereto may be forward-looking statements. With respect to references to any future negotiations with the Noteholder Committee stated herein, there can be no assurances that such negotiations will be successful in the future. These forward-looking statements are subject, among other things, to business, economic and competitive uncertainties and contingencies, including actions of third parties, which relate to factors that are beyond Frigoglass' ability to control or estimate precisely and that



could cause actual results to differ materially from those expressed therein. In view of the above, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Frigoglass does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement. With respect to any estimates of future cost savings included herein, Frigoglass can provide no assurance that the full benefits it expects will be realized within the time periods specified or that implementation costs associated with such cost savings will not exceed its expectations. For a more detailed description of the main risks and uncertainties that could cause actual results to differ materially from those expressed or implied by forward-looking statements, please refer to Frigoglass' annual financial statements, which can be found on the company's website at www.frigoglass.com.